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AVB

SERVICE DATE - JUNE 17, 1999

## **SURFACE TRANSPORTATION BOARD**

### **DECISION**

**SUB-ORDER NO. R-327-N**

#### ***The matter of prescribing depreciation rates for use in computing depreciation charges for railroads***

**Issued to**

**THE UNION PACIFIC RAILROAD COMPANY**

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The Union Pacific Railroad Company (UP) has submitted revised life and salvage estimates and depreciation rates for track property, including track of the former Chicago & North Western Transportation Company, Denver and Rio Grande Western Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Transportation Company, and St. Louis Southwestern Railway Company. Accordingly, the depreciation rates in this sub-order replace any rates prescribed in previous sub-orders for track property of the above former roads.

Life and salvage analyses supporting the rates herein were supplied by UP. We have given appropriate consideration to the submission and supporting information.

#### **IT IS ORDERED:**

- (1)** Union Pacific Railroad Company shall account for depreciation charges by applying to the ledger value of track property, owned and used in its operations, the annual component percentage rates shown herein.
- (2)** The rates for ties and ballast shall be effective from January 1, 1999, to December 31, 2004, or until further order of the Board. The rates for rail property shall be effective for the one-year period from January 1, 1999, to December 31, 1999. Updated rates for rail property reflecting traffic for the most current July 1 to June 30 period are due by December 31 each year. A complete depreciation study for track property is due by December 31, 2004.

- (3) Upon completion of the Board's review of UP's revised depreciation rates for road property, UP will reallocate the book accumulated depreciation for equipment, track and other road property as indicated by the calculated guidelines and, if the indicated variance between book accumulated depreciation and the calculated guidelines so warrants, initiate an amortization of the variance over average remaining life.

<b>DEPRECIATION RATES UNION PACIFIC RAILROAD COMPANY</b>					
<b>A/C NO.</b>	<b>A/C NAME</b>	<b>DENSITY CLASS</b>			
		<b>I</b>	<b>II</b>	<b>IV</b>	<b>V</b>
<b>8</b>	<b>TIES, WOOD</b>	4.37	4.37	4.37	4.37
<b>8</b>	<b>TIES, CONCRETE</b>	2.80	2.80	2.80	2.80
<b>9</b>	<b>RAIL</b>	5.41	1.47	3.28	3.28
<b>11</b>	<b>BALLAST</b>	2.78	2.78	2.78	2.78

Decided June 14, 1999, by the Surface Transportation Board 's Accounting Board Members Aguiar, Blistein, and Warren.

Vernon A. Williams  
Secretary