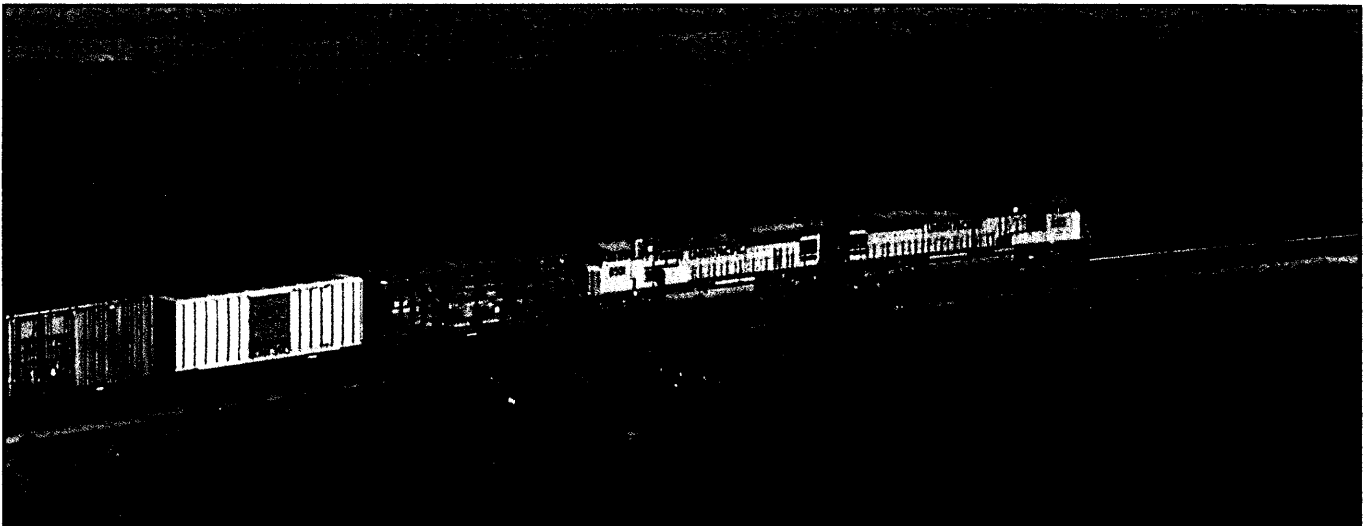
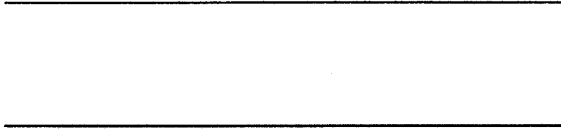


139300 D



UNION PACIFIC RAILROAD | 1416 Dodge Street | Omaha, NE 68179

NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St., N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.
2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.
3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.
4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.
6. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the following meanings:
 - (a) Board means *Surface Transportation Board*.
 - (b) Respondent means *the person or corporation in whose behalf the report is made*.
 - (c) Year means *the year ended December 31 for which the report is being made*.
 - (d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report*.
 - (e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period*.
 - (f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made*.
 - (g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.
7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.
8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.

For Index, See Back of Form

ANNUAL REPORT

OF

UNION PACIFIC RAILROAD COMPANY

To The

SURFACE TRANSPORTATION BOARD

For The

Year Ended December 31, 2003

Name, official title, telephone number, and office address of officer in charge of correspondence with the Board regarding this report:

(Name) Richard J. Putz (Title) Chief Accounting Officer and Controller

(Telephone number) (402) 280-6100 (or contact Matt Evans at (402) 280-6155)

(Office address) 1416 Dodge Street - MC 10040, Omaha, Nebraska 68179

(This page intentionally left blank)

TABLE OF CONTENTS

SCHEDULE PAGE

Schedules Omitted by Respondent	A	1
Identity of Respondent	B	2
Voting Powers and Elections	C	3
Comparative Statement of Financial Position	200	5
Results of Operations	210	16
Retained Earnings - Unappropriated	220	19
Capital Stock	230	20
Statement of Changes in Financial Position	240	21
Working Capital Information	245	23
Investments and Advances - Affiliated Companies	310	26
Investments in Common Stocks of Affiliated Companies	310A	30
Road Property and Equipment and Improvements to Leased Property and Equipment	330	32
Depreciation Base and Rates - Road and Equipment Owned and Used and Leased from Others	332	34
Accumulated Depreciation - Road and Equipment Owned and Used	335	35
Accrued Liability - Leased Property	339	36
Depreciation Base and Rates - Improvements to Road and Equipment Leased from Others	340	37
Accumulated Depreciation - Improvements to Road and Equipment Leased from Others	342	38
Depreciation Base and Rates - Road and Equipment Leased to Others	350	40
Accumulated Depreciation - Road and Equipment Leased to Others	351	41
Investment in Railroad Property Used in Transportation Service (By Company)	352A	42
Investment in Railroad Property Used in Transportation Service (By Property Accounts)	352B	43
Railway Operating Expenses	410	45
Way and Structures	412	52
Rents for Interchanged Freight Train Cars and Other Freight Carrying Equipment	414	53
Supporting Schedule - Equipment	415	56
Supporting Schedule - Road	416	58
Specialized Service Subschedule - Transportation	417	60
Supporting Schedule - Capital Leases	418	61
Analysis of Taxes	450	63
Items in Selected Income and Retained Earnings Accounts for the Year	460	65
Guaranties and Suretyships	501	66
Compensating Balances and Short-Term Borrowing Arrangements	502	67
Separation of Debtholdings between Road Property and Equipment	510	69
Transactions Between Respondent and Companies or Persons Affiliated with Respondent for Services		
Received or Provided	512	72
Mileage Operated at Close of Year	700	74
Miles of Road at Close of Year - By States and Territories (Single Track)	702	75
Inventory of Equipment	710	78
Unit Cost of Equipment Installed During the Year	710S	84
Track and Traffic Conditions	720	85
Ties Laid in Replacement	721	86
Ties Laid in Additional Tracks and in New Lines and Extensions	722	87
Rails Laid in Replacement	723	88
Rails Laid in Additional Tracks and in New Lines and Extensions	724	89
Weight of Rail	725	90
Summary of Track Replacements	726	91
Consumption of Fuel by Motive-Power Units	750	91
Railroad Operating Statistics	755	94
Verification		98
Memoranda		99
Index		100

SPECIAL NOTICE

Docket No. 38559, Railroad Classification Index, (ICC served January 20, 1983), modified the reporting requirements for Class II, Class III and Switching and Terminal Companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification.

The dark border on the schedules represents data that are captured by the Board.

It is estimated that an average of 800 burden hours per response are required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be directed to the Office of the Secretary, Surface Transportation Board, and the Office of Information and Regulatory Affairs, Office of Management and Budget.

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show below the pages excluded and indicate the schedule number and title in the space provided below.
3. If no schedules were omitted indicate "NONE".

Page	Schedule No.	Title
		NONE

B. IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to data returned on the corresponding page of previous reports. In case any changes of the nature referred to under Inquiry 4 on this page have taken place during the year covered by this report, they should be explained in full detail.

1. Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.
2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, also give date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.
3. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact name of common carrier making this report - Union Pacific Railroad Company *
2. Date of incorporation - February 20, 1969
3. Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees:
Under the General Corporation Law of the State of Delaware. Articles Amended February 24, 1969, June 8, 1987, April 13, 1989, and August 10, 1993, in perpetuity. Name changed from Southern Pacific Transportation Company, February 1, 1998.
4. If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars:

Stockholders' Reports

5. The respondent is required to send the Office of Economic and Environmental Analysis, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

- ☐ Two copies are attached to this report.
- ☐ Two copies will be submitted on: (date) _____.
- ☒ No annual report to stockholders is prepared.

* This report for Union Pacific Railroad Company includes Union Pacific Railroad Company and all subsidiaries and affiliates (collectively, the Company, Railroad, or UPRR). See page 4 for a listing of included companies.

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common - Common Stock and Class A Stock both \$10/ per share; First preferred - None; Second preferred - None; Debenture stock - None.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote - Yes
3. Are voting rights proportional to holdings? YES. If no, state in a footnote the relationship between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? NO. If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relationship between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent, and if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? NO. If yes, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing: N/A
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year - 4,853.
8. State the total number of stockholders of record, as of the date shown in answer to Inquiry No. 7. One stockholder.
9. Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or completion of the list of stockholders of the respondent (if within one year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his or her address, the number of votes he or she would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he or she was entitled, with respect to securities held by him or her, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities (stating in a footnote the names of such other securities, if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements, give as supplemental information the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders at the close of the year.

Line No.	Name of Security Holder	Address of Security Holder	Number of Votes to Which Security Holder Was Entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stock			
				Common	Preferred		
	Second	First					
	(a)	(b)	(c)	(d)	(e)	(f)	
1	Union Pacific	1416 Dodge Street	Common Stock - 4,465	4,465			1
2	Corporation	Omaha, Nebraska 68179	Class A Stock - 388	388			2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15	Notes and Remarks:	Excludes stock owned by Southern Pacific Rail Corporation.					15
16							16
17	Excludes non-voting FRA Preference Shares listed in Schedule 230 on page 20.						17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of the respondent - N/A
11. Give the date of such meeting - April 18, 2003
12. Give the place of such meeting - Via written consent

NOTES AND REMARKSNotes to Page 2, Item 1 - List of consolidated companies, subsidiaries and affiliates

Alton & Southern Railway	Southern Pacific Rail Corporation
American Refrigerator Transit Company	Southern Pacific Receivables, Inc.
Arkansas & Memphis Railway Bridge and Terminal Company	Southern Pacific Warehouse Company
Central California Traction Company	SP Environmental Systems, Inc.
Chicago & Western Indiana Railroad Company	SP Environmental Waste Systems, Inc.
Chicago Heights Terminal Transfer Company	Standard Realty and Development Company
Delta Finance Company LTD	Stonegate Park, Inc.
Doniphan, Kensett & Searcy Railway Company	Texas City Terminal Railway Company
Donland Development Company	Transborder Rail Corporation
Mexican Pacific, LLC	Transportation Service Systems, Inc.
Midwestern Railroad Properties, Inc.	Union Pacific de Mexico
Missouri Improvement Company	Union Pacific Distribution Services Company
Missouri Pacific Intermodal Transport, Inc.	Union Pacific Express Air, Inc.
Missouri Pacific Redevelopment Corporation	Union Pacific Financial Corporation
Montwood Corporation	Union Pacific Fruit Express Company
Motor Vehicle Logistics Corporation	Union Pacific Railroad Company
MP Equipment Corporation	Union Pacific Receivables, Inc.
Ogden Union Railway & Depot Company	Union Pacific Venture Leasing, Inc.
Pacific Fruit Express Company	UP International Advisors, Inc.
Park Spring, Inc.	UPCA, LLC
Portland Terminal Railroad Company	Wisconsin Town Lot Company
Portland Traction Company	
Rio Grande Holding, Inc.	
Rio Grande Land Company	
Signage, Inc.	
Southern Illinois and Missouri Bridge Company	
Southern Pacific Asset Management Company	
Southern Pacific Equipment Company	
Southern Pacific Fleet Acquisition Company	
Southern Pacific International, Inc.	
Southern Pacific Land Corporation	
Southern Pacific Marine Transport, Inc.	
Southern Pacific Motor Trucking Company	

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at begin- ning of year (c)	Line No.
CURRENT ASSETS						
1		701	Cash	142,967	101,476	1
2		702	Temporary Cash Investments	9,284	7,235	2
3		703	Special Deposits	3,855	4,551	3
4		704	Accounts Receivable (A) - Loan and Notes	0	0	4
5		705	- Interline and Other Balances	52,405	50,291	5
6		706	- Customers	264,954	216,433	6
7		707	- Other	137,120	133,330	7
8		709,708	- Accrued Accounts Receivables	139,923	263,489	8
9		708.5	- Receivables from Affiliated Companies	0	0	9
10		709.5	- Less: Allowance for Uncollectible Accounts	0	0	10
11		710,711,714	Working Funds Prepayments Deferred Income Tax Debits	261,679	319,739	11
12		712	Materials and Supplies	267,234	277,104	12
13		713	Other Current Assets	10,340	16,967	13
14			TOTAL CURRENT ASSETS	1,289,761	1,390,615	14
OTHER ASSETS						
15		715, 716, 717	Special Funds	4,765	5,054	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	690,323	651,672	16
17		722, 723	Other Investments and Advances	31,278	42,021	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities - Cr.	0	0	18
19		737, 738	Property Used in Other than Carrier Operation (Less Depreciation) \$22,040	178,903	182,830	19
20		739, 741	Other Assets	239,652	262,327	20
21		743	Other Deferred Debits	54,014	40,352	21
22		744	Accumulated Deferred Income Tax Debits	0	0	22
23			TOTAL OTHER ASSETS	1,198,935	1,184,256	23
ROAD AND EQUIPMENT						
24		731, 732	Road (Schedule 330) L-30 Cols. h & b	29,931,450	28,609,627	24
25		731, 732	Equipment (Schedule 330) L-39 Cols. h & b	7,618,067	7,398,428	25
26		731, 732	Unallocated Items	527,116	607,966	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(8,506,282)	(7,818,589)	27
28			Net Road and Equipment	29,570,351	28,797,432	28
29	*		TOTAL ASSETS	32,059,047	31,372,303	29

(A) See Sale of Receivables discussion on page 10 within Note 10.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITY AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at begin- ning of year (c)	Line No.
CURRENT LIABILITIES						
30		751	Loans and Notes Payable	0	0	30
31		752	Accounts Payable; Interline and Other Balances	26,551	23,115	31
32		753	Audited Accounts and Wages	197,878	179,787	32
33		754	Other Accounts Payable	44,309	45,376	33
34		755, 756	Interest and Dividends Payable	73,193	70,640	34
35		757	Payables to Affiliated Companies	0	0	35
36		759	Accrued Accounts Payable	1,509,182	1,497,077	36
37		760, 761, 761.5, 762	Taxes Accrued	230,724	194,545	37
38		763	Other Current Liabilities	10,005	7,280	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	169,909	275,200	39
40			TOTAL CURRENT LIABILITIES	2,261,751	2,293,020	40
NON-CURRENT LIABILITIES						
41		765, 767	Funded Debt Unmatured	411,610	423,193	41
42		766	Equipment Obligations	228,755	271,088	42
43		766.5	Capitalized Lease Obligations	1,419,041	1,351,391	43
44		768	Debt in Default	0	0	44
45		769	Accounts Payable; Affiliated Companies	4,373,194	4,465,542	45
46		770.1, 770.2	Unamortized Debt Premium	(61,647)	(61,779)	46
47		781	Interest in Default	0	0	47
48		783	Deferred Revenues-Transfers from Government Authorities	0	0	48
49		786	Accumulated Deferred Income Tax Credits	9,099,449	8,822,984	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	1,574,532	1,933,165	50
51			TOTAL NON-CURRENT LIABILITIES	17,044,934	17,205,584	51
SHAREHOLDERS' EQUITY						
52		791, 792	Total Capital Stock:(Schedule 230) (L-10 Col. g, L-17 Col. e)	15,966	18,243	52
53			Common Stock	49	49	53
54			Preferred Stock	15,917	18,194	54
55			Discount on Capital Stock	0	0	55
56		794, 795	Additional Capital (Schedule 230) (L-17 Col. h)	4,781,906	4,781,906	56
Retained Earnings:						
57		797	Appropriated	1,583	1,583	57
58		798	Unappropriated (Schedule 220) (L-17 Col. b)	8,077,350	7,222,272	58
59		798.1	Other Comprehensive Income	(124,443)	(150,305)	59
60		798.5	Less Treasury Stock	0	0	60
61			Net Shareholders' Equity	12,752,362	11,873,699	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	32,059,047	31,372,303	62

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION -- EXPLANATORY NOTES

Dollars in Thousands

The notes listed below are provided to disclose supplementary information on matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes statements explaining (1) service interruption insurance policies and indicating the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts Schedule 460. \$1,583.
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made. NONE.
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year _____
See Explanatory Note 11 on page 11.
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund. \$ _____. See Explanatory Note 11 on page 11.
- (c) Is any part of pension plan funded? Specify. Yes X No ____
(i) If funding is by insurance, give name of insuring company Not Applicable.
If funding is by trust agreement, list trustee(s). The Northern Trust Company
Date of trust agreement or latest amendment. January 1, 2002
If respondent is affiliated in any way with the trustee(s), explain affiliation: Not Applicable.
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement. See Explanatory Note 11 on page 11.
- (e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates?
Specify. Yes ____ No X
If yes, give number of the shares for each class of stock or other security: _____

- (ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes X No ____ If yes,
who determines how stock is voted? Voting rights are delegated to investment managers

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). Yes ____ No X See Note 16 on page 15B.
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ NONE.
(b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ NONE.
6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account. \$ NONE.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION -- EXPLANATORY NOTES - CONTINUED

7. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instructions 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the amounts of the respondent.

Disclose the nature and amount of contingency that is material.

Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes and agreements or obligations to repurchase securities or property. Additional pages may be added if more space is needed. (Explain and/or reference to the following pages.)

SEE NOTE 13 ON PAGE 15.

(a) Changes in Valuation Accounts

8. Marketable Equity Securities

UP has no marketable equity securities.

		Cost	Market	Dr.(Cr) to Income	Dr.(Cr) to Stockholders' Equity
(Current Year)	Current Portfolio				N/A
as of / /	Noncurrent Portfolio			N/A	\$
(Previous Year)	Current Portfolio			N/A	N/A
as of / /	Noncurrent Portfolio			N/A	N/A

(b) At / / , gross unrealized gains and losses pertaining to marketable securities were as follows:

	<u>Gains</u>	<u>Losses</u>
Current	\$	\$
Noncurrent		

- (c) A net unrealized gain (loss) of \$_____ on the sale of marketable equity securities was included in net income for _____ (year).
The cost of securities sold was based on the _____ (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to the filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / (date) Balance sheet date of reported year unless specified as previous year.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

For purposes of this report, unless the context otherwise requires, all references herein to the "Company", "we", "us", and "our" mean Union Pacific Railroad Company.

9. Transactions with Affiliates

At December 31, 2003 and 2002, we had \$972 million and \$902 million working capital deficit balances, respectively, relating to Union Pacific Corporation's (UPC) management of our cash position. As part of UPC's cash management activities, we advance excess cash (cash available after satisfying all of our obligations and paying dividends to UPC) to UPC. We declare and pay dividends to UPC which typically approximate the dividends that UPC declares to its shareholders; however, there is no formal requirement to do so. The dividend declaration between us and UPC is determined solely by our Board of Directors. To the extent we require additional cash for use in our operations, UPC makes such funds available to us for borrowing. Transactions between UPC and us are treated as net intercompany borrowings in the Consolidated Statements of Financial Position.

The majority of our intercompany borrowings from UPC relate to the acquisitions of the Chicago and North Western Transportation Company and Southern Pacific Rail Corporation which were funded by UPC on our behalf. We assumed these acquisition costs in the form of intercompany borrowings from UPC. The intercompany borrowings accrue interest at an annual rate of 7.5%, which may be adjusted from time to time, and are payable on demand. There are no restrictions on the amount we are able to borrow from UPC. Intercompany borrowings are unsecured and rank equally with all of our other unsecured indebtedness.

UPC provides us with various services, including strategic planning, legal, treasury, accounting, auditing, insurance, human resources and corporate affairs. In 2003, pursuant to a services agreement, UPC will continue to provide services to us, and we will pay UPC its share of the costs as determined by an independent review. Billings for these services were \$58 million for the year ended December 31, 2003.

10. Financial Instruments

Strategy and Risk - We use derivative financial instruments in limited instances for other than trading purposes to manage risk related to changes in fuel prices. We are not a party to leveraged derivatives and, by policy, do not use derivative financial instruments for speculative purposes. Financial instruments qualifying for hedge accounting must maintain a specified level of effectiveness between the hedging instrument and the item being hedged, both at inception and throughout the hedged period. We formally document the nature and relationships between the hedging instruments and hedged items, as well as our risk-management objectives, strategies for undertaking the various hedge transactions and method of assessing hedge effectiveness. We use swaps, collars, futures and/or forward contracts to mitigate the downside risk of adverse price movements and hedge the exposure to variable cash flows. The use of these instruments also limits future benefits from favorable movements. The purpose of these programs is to protect our operating margins and overall profitability from adverse fuel price changes.

Market and Credit Risk - We address market risk related to derivative financial instruments by selecting instruments with value fluctuations that highly correlate with the underlying hedged item. Credit risk related to derivative financial instruments, which is minimal, is managed by requiring high credit standards for counterparties and periodic settlements. At December 31, 2003, we had not been required to provide collateral, nor have we received collateral relating to our hedging activities.

In addition, we enter into secured financings in which the debtor has pledged collateral. The collateral is based upon the nature of the financing and the credit risk of the debtor. We generally are not permitted to sell or repledge the collateral unless the debtor defaults.

Determination of Fair Value - The fair values of our derivative financial instrument positions at December 31, 2003 and 2002, were determined based upon current fair values as quoted by recognized dealers or developed based upon the swap spread.

Fuel Strategy - Fuel costs are a significant portion of our total operating expenses. As a result of the significance of fuel costs and the historical volatility of fuel prices, we periodically use swaps, collars, futures and/or forward contracts, as well as our fuel surcharge programs, to mitigate the impact of adverse fuel price changes.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

The following is a summary of our derivative financial instruments for continuing operations at December 31, 2003 and 2002:

Millions, Except Percentages and Average Commodity Prices	2003	2002
Fuel hedging:		
Swaps and swaptions:		
Number of gallons hedged for 2002 [a]	-	552
Average price of 2002 hedges (per gallon) [b]	\$ -	\$0.56
Number of gallons hedged for 2003 [c]	145	88
Average price of 2003 hedges outstanding (per gallon) [b]	\$0.63	\$0.58
Collars:		
Number of gallons hedged for 2003	22	-
Average cap price for 2003 collars outstanding [b]	\$0.77	\$ -
Average floor price for 2003 collars outstanding [b]	\$0.67	\$ -
Average ceiling price for 2003 collars outstanding [b]	\$0.88	\$ -
Number of gallons hedged for 2004	120	-
Average cap price for 2004 collars outstanding [b]	\$0.74	\$ -
Average floor price for 2004 collars outstanding [b]	\$0.64	\$ -
Average ceiling price for 2004 collars outstanding [b]	\$0.86	\$ -

[a] Fuel hedges which were in effect during 2002.

[b] Excludes taxes, transportation costs and regional pricing spreads.

[c] Fuel hedges which were in effect during 2003. These hedges expired December 31, 2003.

The fair value asset and liability positions of our outstanding derivative financial instruments at December 31, 2003 and 2002 were as follows:

Millions of Dollars	2003	2002
Fuel hedging:		
Gross fair value asset position	\$6	\$12
Gross fair value (liability) position	-	-
Total fair value asset (liability) position, net	\$6	\$12

Fuel hedging positions will be reclassified from accumulated other comprehensive income (loss) to fuel expense over the life of the hedge as fuel is consumed.

Our use of derivative financial instruments had the following impact on pre-tax income for the years ended December 31, 2003, 2002 and 2001:

Millions of Dollars	2003	2002	2001
Decrease (increase) in fuel expense from fuel hedging	\$28	\$36	\$(14)
Decrease (increase) in fuel expense from fuel swaptions	-	19	(6)
Decrease (increase) in operating expenses	28	55	(20)
Increase (decrease) in other income, net from fuel swaptions	-	5	(18)
Increase (decrease) in pre-tax income	\$28	\$60	\$(38)

Fair Value of Debt Instruments – The fair value of our long-term and short-term debt has been estimated using quoted market prices, where available, or current borrowing rates. At December 31, 2003 and 2002, the fair value of total debt exceeded the carrying value by approximately \$247 million and \$323 million, respectively. At December 31, 2003 and 2002, approximately \$262 million and \$251 million, respectively, of fixed-rate debt securities contain call provisions that allow us to retire the debt instruments prior to final maturity, with the payment of fixed call premiums, or in certain cases, at par.

Sale of Receivables – We have sold without recourse on a 364-day revolving basis, an undivided interest in a designated pool of accounts receivable to investors through Union Pacific Receivables, Inc. (UPRI), a bankruptcy-remote subsidiary. At December 31, 2003 and 2002, UPRI had transferred \$695 million and \$667 million, respectively, of accounts receivable to the investors. UPRI subsequently sells an interest in such pool to the investors and retains an undivided interest in a portion of these receivables. This retained interest is included in accounts receivable in our Consolidated Financial Statements. At December 31, 2003 and 2002, UPRI had a retained interest of \$105 million and \$67 million, respectively. The outstanding undivided interest held by investors of \$590 million and \$600 million at December 31, 2003 and 2002, respectively, is sold at carrying value, which approximates fair value, and there is no gain or loss recognized from the transaction. These sold receivables are no longer included in our Consolidated Financial Statements.

On August 7, 2003, the program was renewed for one year with a capacity to sell to the investors an undivided interest in accounts receivable of \$600 million. The amount of receivables sold fluctuates based upon the availability of the amount of receivables eligible for sale and is directly affected by changing business volumes and credit risks, including default and dilution. If default or dilution percentages were to increase one percentage point, the amount of receivables available for sale would decrease by \$6 million. Should UPC's credit rating fall below investment grade, the amount of receivables sold would be reduced, and, in certain cases, the investors have the right to discontinue this reinvestment.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

We have been designated by the investors to service the sold receivables; however, no servicing asset or liability has been recognized as the servicing fees adequately compensate us for our responsibilities. The costs of the sale of receivables program are included in other income and were \$10 million, \$13 million and \$27 million in 2003, 2002 and 2001, respectively. The costs include interest, program fees paid to banks, commercial paper issuing costs, and fees for unused commitment availability. Payments collected from sold receivables can be reinvested in new receivables on behalf of the buyers. Proceeds from collections reinvested in the program were approximately \$11 billion in both 2003 and 2002.

In January 2004, UPRI reduced the outstanding undivided interest held by investors by \$30 million to \$560 million, due to a decrease in available receivables at December 31, 2003.

11. Retirement Plans**Pension and Other Postretirement Benefits**

Pension Plans – We provide defined benefit retirement income to eligible non-union employees through the Corporation's qualified and non-qualified (supplemental) pension plans. Qualified and non-qualified pension benefits are based on years of service and the highest compensation during the latest years of employment with specific reductions made for early retirements.

Other Postretirement Benefits (OPEB) – All non-union and certain of our union employees participate in the Corporation's defined contribution medical and life insurance programs for retirees. These costs are funded as paid.

Medicare Reform Act

On December 13, 2003, Congress passed the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Medicare Reform Act). The provisions of the Medicare Reform Act include prescription drug benefits for Medicare eligible individuals. We have elected to recognize this legislation in 2003, in accordance with FASB Staff Position No. 106-1, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003", which results in a \$47 million reduction to the accumulated benefit obligation for other postretirement benefits as of December 31, 2003. This reduction is based on the value of the projected federal subsidy, assumes no changes in participation rates and is recorded as an unrecognized actuarial gain. The estimated reduction in post-65 per capita claim costs was 17%. There was no effect on 2003 expense. For 2004, we expect a reduction in OPEB expense of \$7 million. Future guidance from either Congress or the FASB could result in a change to this recognition.

Funded Status

Projected Benefit Obligation (PBO) – The projected benefit obligation of the pension plans is the present value of benefits earned to date by plan participants, including the effect of assumed future salary increases. The PBO of the OPEB plan is equal to the accumulated benefit obligation, as the present value of OPEB liabilities are not affected by salary increases. Changes in our projected benefit obligation are as follows for the years ended December 31:

Millions of Dollars	Pension		OPEB	
	2003	2002	2003	2002
Projected benefit obligation at beginning of year.....	\$1,703	\$1,654	\$551	\$497
Service cost.....	27	21	7	6
Interest cost.....	113	117	35	37
Plan amendments.....	-	(1)	(74)	(48)
Actuarial loss.....	76	34	61	105
Gross benefits paid.....	(115)	(122)	(37)	(46)
Projected benefit obligation at end of year.....	\$1,804	\$1,703	\$543	\$551

Assets - Assets used in calculating the funded status are measured at the fair value at December 31. Changes in the fair value of the plan assets are as follows for the years ended December 31, 2003 and 2002:

Millions of Dollars	Pension		OPEB	
	2003	2002	2003	2002
Fair value of plan assets at beginning of year.....	\$1,231	\$1,404	\$ -	\$ -
Actual return on plan assets.....	297	(159)	-	-
Voluntary funded pension plan contributions.....	100	100	-	-
Unfunded plan benefit payments.....	7	8	37	46
Gross benefits paid.....	(115)	(122)	(37)	(46)
Fair value of plan assets at end of year.....	\$1,520	\$1,231	\$ -	\$ -

Funded Status - The funded status represents the difference between the projected benefit obligation and the fair value of the plan assets. Below is a reconciliation of the funded status of the benefit plans to the net liability recognized for the years ended December 31, 2003 and 2002:

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

Millions of Dollars	Pension		OPEB	
	2003	2002	2003	2002
Funded status at end of year	\$(284)	\$(472)	\$(543)	\$(551)
Unrecognized net actuarial loss	201	290	216	171
Unrecognized prior service cost (credit)	46	55	(116)	(56)
Unrecognized net transition obligation	(2)	(4)	-	-
Net liability recognized at end of year	\$ (39)	\$(131)	\$(443)	\$(436)

Liability Recorded in Consolidated Statement of Financial Position - The net liability represents the amount previously accrued by us for pension and OPEB costs. The following table presents the components of the benefit plan liabilities in the Consolidated Statements of Financial Position for December 31, 2003 and 2002:

Millions of Dollars	Pension		OPEB	
	2003	2002	2003	2002
Prepaid benefit cost	\$ 34	\$ 7	\$ -	\$ -
Accrued benefit cost	(73)	(137)	(443)	(436)
Additional minimum liability	(221)	(294)	-	-
Intangible assets	46	55	-	-
Accumulated other comprehensive income	175	238	-	-
Net liability recognized at end of year	\$(39)	\$(131)	\$(443)	\$(436)

At December 31, 2003 and 2002, \$35 million and \$43 million, respectively, of the total pension and other postretirement liability were classified as a current liability.

Unfunded Accumulated Benefit Obligation - The accumulated benefit obligation is the present value of benefits earned to date, assuming no future salary growth. The unfunded accumulated benefit obligation represents the difference between the accumulated benefit obligation and the fair value of the plan assets. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of the fair value of the plan assets were as follows for the years ended December 31, 2003 and 2002:

Millions of Dollars	2003	2002
Projected benefit obligation	\$(1,789)	\$(1,688)
Accumulated benefit obligation	\$(1,769)	\$(1,646)
Fair value of plan assets	1,503	1,216
Unfunded accumulated benefit obligation	\$ (266)	\$ (430)

The accumulated benefit obligation for all defined benefit pension plans was \$1.8 billion and \$1.7 billion as of December 31, 2003 and 2002, respectively.

Assumptions - The weighted-average actuarial assumptions used to determine benefit obligations at December 31, 2003, 2002 and 2001 were as follows:

Percentages	Pension			OPEB		
	2003	2002	2001	2003	2002	2001
Discount rate	6.50%	6.75%	7.25%	6.50%	6.75%	7.25%
Salary increase	3.50	3.75	4.25	N/A	N/A	N/A
Health care cost trend rate:						
Current	N/A	N/A	N/A	9.00	10.0	7.70
Level in 2008	N/A	N/A	N/A	5.00	5.00	5.50

Expense

Both pension and OPEB expense is determined based upon the annual service cost of benefits (the actuarial cost of benefits earned during a period) and the interest cost on those liabilities, less the expected return on plan assets. With respect to the value of pension plan assets, the expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a five-year period. This practice is intended to reduce year-to-year volatility in pension expense, but it can have the effect of delaying the recognition of differences between actual returns on assets and expected returns based on long-term rate of return assumptions. The expected rate of return on assets was 8% for 2003 and 9% for 2002.

Differences in actual experience in relation to assumptions are not recognized immediately, but are deferred and, if necessary, amortized as pension or OPEB expense.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

The components of our net periodic pension and other postretirement costs (income) for the years ended December 31, 2003, 2002 and 2001 were as follows:

Millions of Dollars	Pension			OPEB		
	2003	2002	2001	2003	2002	2001
Service cost.....	\$ 27	\$ 21	\$ 22	\$ 7	\$ 6	\$ 6
Interest cost.....	113	117	113	35	37	30
Expected return on plan assets.....	(133)	(144)	(157)	-	-	-
Amortization of:						
Transition obligation.....	(2)	(2)	(1)	-	-	-
Prior service cost (credit).....	9	9	12	(15)	(3)	(2)
Actuarial loss (gain).....	1	(15)	(23)	16	5	-
Total net periodic benefit cost (income).....	\$ 15	\$ (14)	\$ (34)	\$43	\$45	\$34

Assumptions - The weighted-average actuarial assumptions used to determine expense for the years ended December 31, 2003, 2002 and 2001 were as follows:

Percentages	Pension			OPEB		
	2003	2002	2001	2003	2002	2001
Discount rate.....	6.75%	7.25%	7.5%	6.75%	7.25%	7.5%
Expected return on plan assets.....	8.0	9.0	10.0	N/A	N/A	N/A
Salary increase.....	3.75	4.25	4.5	N/A	N/A	N/A
Health care cost trend rate:						
Current.....	N/A	N/A	N/A	10.0	7.70	7.70
Level in 2008.....	N/A	N/A	N/A	5.00	5.50	5.50

The discount rate we used is based on a hypothetical portfolio of high quality bonds with cash flows matching the plans' expected benefit payments at December 31. The expected return on plan assets is based on our asset allocation mix and our historical return, taking into account current and expected market conditions. The actual return on pension plan assets was approximately 25% in 2003, compared to an 11% loss in 2002. Our historical annualized ten-year rate of return on plan assets is approximately 9%. During 2003, we decreased our expected return on plan assets from 9% to 8%. This assumption change resulted in an increase to 2003 pension expense of \$17 million.

Assumed health care cost trend rates have a significant effect on the expense and liabilities reported for health care plans. The health care cost trend rate is based on historical rates and expected market conditions. A one-percentage point change in the expected health care cost trend rates would have the following effects on OPEB:

Millions of Dollars	One % pt. Increase	One % pt. Decrease
Effect on total service and interest cost components.....	\$ 5	\$ (4)
Effect on accumulated benefit obligation.....	59	(49)

Equity Adjustment

During 2002, actual asset returns for the pension plans were adversely impacted by continued deterioration in the equity markets. Also during 2002, corporate bond yields, which are used in determining the discount rate for future pension obligations, continued to decline. As a result of negative asset returns and lower discount rates, we were required to recognize an additional minimum pension liability. An additional minimum pension liability adjustment is required when our accumulated benefit obligation exceeds the fair value of the plan assets, and that difference exceeds the net pension liability. The liability was recorded as a \$141 million after-tax reduction to common shareholders' equity as part of accumulated other comprehensive loss in 2002.

Because the fair value of plan assets improved in 2003, the 2003 adjustment to shareholders' equity was \$39 million, after-tax, recorded as an increase to equity in accumulated other comprehensive income.

The remaining equity reduction from 2002 will be restored to the balance sheet in future periods if the fair value of plan assets exceeds the accumulated benefit obligations. Recognition of this reduction to equity did not affect net income or cash flow in 2003 and had no impact on compliance with debt covenants.

Cash Contributions

The following table details our cash contributions for the years ended December 31, 2003 and 2002, and the expected contributions for 2004:

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

Millions of Dollars	Pension		OPEB
	Funded	Unfunded	
2002	\$100	\$8	\$46
2003	100	7	37
2004 (expected)	50	8	35

Our policy with respect to funding the qualified plans is to fund at least the minimum required by the Employee Retirement Income Security Act of 1974, as amended, and not more than the maximum amount deductible for tax purposes. There are currently no minimum funding requirements, as set forth in employee benefit and tax laws. All contributions made to the funded pension plans for 2002 and 2003 were voluntary. The 2004 funded pension plan contribution was voluntary and was made in January 2004 with cash generated from operations.

All benefit payments for other postretirement benefits are voluntary, as the postretirement plans are not funded, and are not subject to any minimum regulatory funding requirements. Benefit payments for each year represent claims paid for medical and life insurance, and we anticipate our 2004 OPEB payments will be made from cash generated from operations.

Benefit Payments

The following table details expected benefit payments for the years 2004 through 2013:

Millions of Dollars	Pension Benefits	Other Postretirement Benefits
2004	\$116	\$35
2005	116	38
2006	117	37
2007	119	39
2008	122	40
Years 2009 – 2013	697	215

Expected benefit payments for other postretirement benefits are adjusted for estimated reimbursements for prescription drugs beginning in 2006, based on the Medicare Reform Act passed in 2003.

Asset Allocation Strategy

The pension plan asset allocation at December 31, 2003 and 2002 and target allocation for 2004 are as follows:

Asset Category	Target Allocation	Percentage of Plan Assets December 31,	
	2004	2003	2002
Equity securities.....	65% to 75%	70%	66%
Debt securities.....	25% to 35%	30%	34%
Real estate.....	0%	0%	0%
Other	0%	0%	0%
Total		100%	100%

The investment strategy for pension plan assets is to maintain a broadly diversified portfolio designed to achieve our target of an average long-term rate of return of 8%. While we believe we can achieve a long-term average rate of return of 8%, we cannot be certain that the portfolio will perform to our expectations. Assets are strategically allocated between equity and debt securities in order to achieve a diversification level that mitigates wide swings in investment returns. Asset allocation target ranges for equity and debt portfolios are evaluated at least every three years with the assistance of an external consulting firm. Actual asset allocations are monitored monthly and rebalancing actions are executed at least quarterly, if needed.

The majority of the plan's assets are invested in equity securities because equity portfolios have historically provided higher returns than debt portfolios over extended time horizons and are expected to do so in the future. Correspondingly, equity investments also entail greater risks than debt investments. The risk of loss in the plan's equity portfolio is mitigated by investing in a broad range of equity types. Equity diversification includes large-capitalization and small-capitalization companies, growth-oriented and value-oriented investments, and U.S. and non-U.S. securities.

Equity risks are further balanced by investing a significant portion of the plan's assets in high quality debt securities. The average quality rating of the debt portfolio exceeded AA as of December 31, 2003 and 2002. The debt portfolio is also broadly diversified and primarily invested in U.S.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

Treasury, mortgage, and corporate securities with an intermediate average maturity. The weighted-average maturity of the debt portfolio was 6.1 years at December 31, 2003 and 7.0 years as of December 31, 2002.

The investment of pension plan assets in Union Pacific securities is specifically prohibited for both the equity and debt portfolios other than through index fund holdings.

Other Retirement Programs

Thrift Plan—The Corporation provides a defined contribution plan (thrift plan) to eligible non-union employees, and we make matching contributions to the thrift plan. We match 50 cents for each dollar contributed by employees up to the first 6 percent of compensation contributed. The thrift plan contributions were \$11 million, \$10 million and \$11 million for the years ended December 31, 2003, 2002, and 2001, respectively.

Railroad Retirement System—All Railroad employees are covered by the Railroad Retirement System (the System). On December 21, 2001, The Railroad Retirement and Survivors' Improvement Act of 2001 (the Act) was signed into law. The Act was a result of historic cooperation between rail management and labor, and provides improved railroad retirement benefits for employees and reduced payroll taxes for employers. Contributions made to the System are expensed as incurred and amounted to approximately \$562 million in 2003, \$595 million in 2002 and \$607 million in 2001.

Collective Bargaining Agreements—Under collective bargaining agreements, we participate in multi-employer benefit plans, which provide certain postretirement health care and life insurance benefits for eligible union employees. Premiums under this plan are expensed as incurred and amounted to \$27 million in 2003, \$16 million in 2002 and \$13 million in 2001.

12. Capital Stock and Dividend Restrictions

Our Board of Directors has restricted the availability of retained earnings for payment of dividends by \$131 million. This represents (a) the amount by which the estimated fair value of our investment in our non-transportation subsidiaries, as determined by our Board of Directors, exceeded the net book value of such investment, which was transferred to the Corporation by means of a dividend in June 1971 (\$110 million) and (b) the amount by which the fair market value exceeded the book value of certain investment securities which were transferred to the Corporation by means of a dividend in November 1972 (\$21 million).

Our capital structure consists of Class A Stock, Common Stock and Redeemable Preference Shares (Series A). The Class A Stock is entitled to a cash dividend whenever a dividend is declared on the Common Stock, in an amount which equals 8 percent of the sum of the dividends on both the Class A Stock and the Common Stock. All of our Common Stock and our Class A Stock, which constitutes all of the voting capital stock, is owned by the Corporation or a wholly owned subsidiary of the Corporation, and all of the Preference Shares, which are non-voting stock, are owned by the Federal Railroad Administration. Accordingly, there is no market for our capital stock.

The number of shares shown in the Statements of Changes in Common Shareholders' Equity in the Consolidated Financial Statements, Item 8, excludes 2,665 shares of Common Stock and 232 shares of Class A Stock owned by Southern Pacific Rail Corporation, whose results are included in the Consolidated Financial Statements.

We are subject to certain restrictions related to the payment of dividends. The amount of retained earnings available for dividends was \$7.5 billion and \$6.4 billion at December 31, 2003 and 2002, respectively.

13. Commitments and Contingencies

Unasserted Claims—There are various claims and lawsuits pending against us and certain of our subsidiaries. It is not possible at this time for us to determine fully the effect of all unasserted claims on our consolidated financial condition, results of operations or liquidity; however, to the extent possible, where unasserted claims can be estimated and where such claims are considered probable, we have recorded a liability. We do not expect that any known lawsuits, claims, environmental costs, commitments, contingent liabilities or guarantees will have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

Personal Injury and Occupational Illness—The cost of personal injuries to employees and others related to our activities is charged to expense based on estimates of the ultimate cost and number of incidents each year. We use third party actuaries to assist us in properly measuring the expense and liability. Compensation for work-related accidents is governed by the Federal Employers' Liability Act (FELA). Under FELA, damages are assessed based on a finding of fault through litigation or out-of-court settlements. We offer a comprehensive variety of services and rehabilitation programs for employees who are injured at work. Annual expenses for our personal injury-related events were \$250 million in 2003, \$221 million in 2002 and \$200 million in 2001. As of December 31, 2003 and 2002, we had a liability of \$615 million and \$668 million, respectively, accrued for future personal injury costs, of which \$272 million was recorded in current liabilities as accrued casualty for each year. We have additional amounts accrued for claims related to certain alleged occupational illnesses. The impact of current obligations is not expected to have a material adverse effect on our results of operations or financial condition.

Environmental Costs—We generate and transport hazardous and non-hazardous waste in our current operations, and have done so in our former operations, and are subject to federal, state and local environmental laws and regulations. We have identified approximately 417 sites at which we are or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. This includes 51 sites that are the subject of actions taken by the U.S. government, 29 of which are currently on the Superfund National Priorities List. Certain federal legislation imposes joint and several liability for the remediation of identified sites; consequently, our ultimate environmental liability may include costs relating to activities of other parties, in addition to costs relating to our own activities at each site.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

When an environmental issue has been identified with respect to the property owned, leased or otherwise used in the conduct of our business, we and our consultants perform environmental assessments on such property. We expense the cost of the assessments as incurred. We accrue the cost of remediation where our obligation is probable and such costs can be reasonably estimated.

As of December 31, 2003 and 2002, we had a liability of \$187 million and \$188 million, respectively, accrued for future environmental costs, of which \$57 million and \$71 million were recorded in current liabilities as accrued casualty costs. The liability includes future costs for remediation and restoration of sites, as well as for ongoing monitoring costs, but excludes any anticipated recoveries from third parties. Cost estimates are based on information available for each site, financial viability of other potentially responsible parties, and existing technology, laws and regulations. We believe that we have adequately accrued for our ultimate share of costs at sites subject to joint and several liability. However, the ultimate liability for remediation is difficult to determine because of the number of potentially responsible parties involved, site-specific cost sharing arrangements with other potentially responsible parties, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and/or the speculative nature of remediation costs. The impact of current obligations is not expected to have a material adverse effect on our results of operations or financial condition.

Remediation of identified sites previously used in operations, used by tenants or contaminated by former owners required cash spending of \$36 million in 2003, \$68 million in 2002, and \$63 million in 2001. We are also engaged in reducing emissions, spills and migration of hazardous materials, and spent cash of \$8 million, \$6 million and \$5 million in 2003, 2002, and 2001, respectively, for control and prevention. In 2004, we anticipate spending \$52 million for remediation and \$8 million for control and prevention. The impact of current obligations is not expected to have a material adverse effect on our liquidity.

Purchase Obligations and Guarantees – We periodically enter into financial and other commitments in connection with our businesses. We do not expect that these commitments or guarantees will have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

At December 31, 2003, we had unconditional purchase obligations of \$100 million for the acquisition of locomotives as part of our multi-year capital asset acquisition plan. In addition, we were contingently liable for \$360 million in guarantees and \$27 million in letters of credit at December 31, 2003. These contingent guarantees were entered into in the normal course of business and include guaranteed obligations of affiliated operations. None of the guarantees individually are significant, and a liability of \$7 million has been recorded related to these guarantees as of December 31, 2003. The final guarantee expires in 2022. We are not aware of any existing event of default, which would require us to satisfy these guarantees.

Headquarters Building – We have a synthetic operating lease arrangement to finance a new headquarters building, which is being constructed in Omaha, Nebraska. The expected completion date of the building is mid-2004. It will total approximately 1.1 million square feet with approximately 3,800 office workspaces. The cost to construct the new headquarters, including capitalized interest, is approximately \$260 million. The Corporation has guaranteed all of our obligation under this lease.

We are the construction agent for the lessor during the construction period. We have guaranteed, in the event of a loss caused by, or resulting from, our actions or failures to act as construction agent, 89.9% of the building related construction costs incurred up to that point during the construction period. Total building related costs incurred and drawn from the lease funding commitments as of December 31, 2003, were approximately \$125 million. Accordingly, our guarantee at December 31, 2003, was approximately \$113 million. As construction continues and additional costs are incurred, this guarantee will increase accordingly. At December 31, 2003, we had a liability recorded of approximately \$7 million related to the fair value of this guarantee.

After construction is complete, we will lease the building under an initial term of five years with provisions for renewal for an extended period subject to agreement between us and the lessor. At any time during the lease, we may, at our option, purchase the building at approximately the amount expended by the lessor to construct the building. If we elect not to purchase the building or renew the lease, the building is returned to the lessor for remarketing, and we have guaranteed a residual value equal to 85% of the total construction related costs. The guarantee will be approximately \$220 million.

14. Accounting Pronouncements

In December 2003, the Financial Accounting Standards Board (FASB) published a revision to FASB Interpretation No. 46 "Consolidation of Variable Interest Entities" (FIN 46) to clarify some of the provisions and to exempt certain entities from its requirements. Under the new guidance, special effective date provisions apply to enterprises that have fully or partially applied FIN 46 prior to issuance of the revised interpretation. We adopted FIN 46 in June of 2003. The revision did not require us to modify our accounting related to the implementation of FIN 46.

15. Comprehensive Income

The Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" in 1998. Components of comprehensive income are as follows:

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES - CONTINUED

NOTES TO FINANCIAL STATEMENTS

<i>Millions of Dollars</i>	<i>2003</i>	<i>2002</i>
Net Income	\$1,106	\$1,374
Other comprehensive income (loss):		
Minimum pension liability adjustment (net of tax)	39	(141)
Derivative Adjustments (net of tax)	(4)	14
Change in accumulated translation adjustment (net of tax)	(9)	(12)
Total comprehensive income	\$1,132	\$1,235

16. Union Pacific Fund for Effective Government

The Corporation, UPRR's parent, is the sponsor of the Union Pacific Fund for Effective Government (the FFEG), a separate segregated fund utilized for political purposes, established and operated in accordance with the Federal Election Campaign Act of 1971, as amended, (the Act). The administrative expenses of the FFEG are paid by the Corporation. UPRR's executive and administrative personnel are solicited annually by the FFEG within the guidelines of the Act and certain executive officers of UPRR are members of the FFEG's managing Finance Committee.

17. Statement of Financial Accounting Standards No. 143

Surface Transportation Board (STB) accounting rules require that railroads accrue the cost of removing track structure over the expected useful life of these assets. Railroads historically used this prescribed accounting for reports filed with both the STB and SEC. In August 2001, the FASB issued Statement No. 143, "Accounting for Asset Retirement Obligations" (FAS 143). This statement was effective for us beginning January 1, 2003, and prohibits the accrual of removal costs unless there is a legal obligation to remove the track structure at the end of its life. We concluded that we did not have a legal obligation to remove the track structure, and therefore, under generally accepted accounting principles, we could not accrue the cost of removal in advance. As a result, reports filed with the SEC will reflect the expense of removing these assets in the period in which they are removed. For STB reporting requirements only, we will continue to follow the historical method of accruing in advance, as prescribed by the STB.

18. Change in Presentation

Certain prior year amounts have been reclassified to conform to the 2003 financial statement presentation.

210. RESULTS OF OPERATIONS
(Dollars in Thousands)

1 Disclose the requested information for respondent pertaining to results of operations for the year.

Cross-checks

2 Report total operating expenses from Schedule 410. Any differences between this schedule and Schedule 410 must be explained on page 18.

Schedule 210
Line 15, col b
Lines 47, 48, 49 col b
Line 50, col b

Schedule 210
= Line 62, col b
= Line 63, col b
= Line 64, col b

3 List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.

Line 14, col b
Line 14, col d
Line 14, col e

Schedule 410
= Line 620, col h
= Line 620, col f
= Line 620, col g

4 All contra entries should be shown in parenthesis.

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue and expenses (d)	Passenger-related revenue and expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	10,935,888	10,548,174	10,935,888		1
2		(102) Passenger	61,590	61,003		61,590	2
3		(103) Passenger-Related	438	377		438	3
4		(104) Switching	120,932	122,375	120,932		4
5		(105) Water Transfers					5
6		(106) Demurrage	77,572	72,004	77,572		6
7		(110) Incidental	250,884	238,199	250,884		7
8		(121) Joint Facility-Credit	6,435	6,362	6,435		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	11,453,739	11,048,494	11,391,711	62,028	10
11		(502) Railway operating revenues-transfers from government authorities	55,612	54,527		55,612	11
12		(503) Railway operating revenues-amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	11,509,351	11,103,021	11,391,711	117,640	13
14	*	(531) Railway operating expenses	9,481,767	8,845,867	9,367,846	113,921	14
15	*	Net revenue from railway operations	2,027,584	2,257,154	2,023,865	3,719	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	9,246	6,320			16
17		(510) Miscellaneous rent income	69,154	74,875			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	100	104			19
20		(514) Interest income	4,640	7,276			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt	9,234	10,242			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	91,929	290,946			24
25		Income from affiliated companies: 519					
25		a. Dividends (equity method)	37,637	38,171			25
26		b. Equity in undistributed earnings (losses)	22,362	37,253			26
27		TOTAL OTHER INCOME (lines 16-26)	244,302	465,187			27
28		TOTAL INCOME (lines 15, 27)	2,271,886	2,722,341			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	10,313	10,645			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	44,736	47,041			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	55,049	57,686			36
37		Income available for fixed charges	2,216,837	2,664,655			37

210. RESULTS OF OPERATIONS - Concluded
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt:			38
		(a) Fixed interest not in default	155,461	166,888	
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	332,600	370,784	40
41		(548) Amortization of discount on funded debt	5,929	6,009	41
42		TOTAL FIXED CHARGES (lines 38-41)	493,990	543,681	42
43		Income after fixed charges (line 37 minus line 42)	1,722,847	2,120,974	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			
		(c) Contingent interest	7,680	7,746	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	1,715,167	2,113,228	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	208,064	192,960	47
48	*	(b) State income taxes	43,321	17,407	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	357,704	528,831	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-52)	609,089	739,198	51
52		Income from continuing operations (line 46 minus line 51)	1,106,078	1,374,030	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ _____)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ _____)			54
55		Income before extraordinary items (lines 52 - 54)	1,106,078	1,374,030	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ _____)			60
61	*	Net income (Loss) (Lines 55 + 59 + 60)	1,106,078	1,374,030	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62	*	Net revenues from railway operations	2,027,584	2,257,154	62
63	*	(556) Income taxes on ordinary income (-)	(251,385)	(210,367)	63
64	*	(557) Provision for deferred income taxes (-)	(357,704)	(528,831)	64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)	3,873	2,997	66
67		Net railway operating income (loss)	1,422,368	1,520,953	67

NOTES AND REMARKS FOR SCHEDULES 210 AND 220

(This page intentionally left blank)

220. RETAINED EARNINGS
(Dollars in Thousands)

1. Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries should be shown in parentheses.
3. Show in lines 22 and 23 the amount of assigned Federal income tax consequences for Accounts 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 61 column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item (a)	Retained earnings -- Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No.
1		Balances at beginning of year	6,818,800	403,472	1
2		(601.5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3		(602) Credit balance transferred from income	1,083,716	22,362	3
4		(603) Appropriations released	1,583		4
5		(606) Other credits to retained earnings			5
6		TOTAL CREDITS	1,085,299	22,362	6
		DEBITS			
7		(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds	1,583		9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	251,000		11
12		Preferred stock (1)			12
13		TOTAL DEBITS	252,583		13
14		Net increase (decrease) during year (line 6 minus line 13)	832,716	22,362	14
15		Balances at close of year (lines 1, 2, and 14)	7,651,516	425,834	15
16		Balances from line 15(c)	425,834	N/A	16
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	8,077,350	N/A	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year 1,583			19
20		Debits during year 1,583			20
21		Balance at Close of year 1,583			21
22		Amount of assigned Federal income tax consequences:			22
23		Account 606 \$ _____ Account 616 \$ _____			23

(1) If any dividends have not been declared on cumulative preferred stock, give cumulative undeclared dividends at beginning of year and end of year. NONE

230. CAPITAL STOCK

PART I. CAPITAL STOCK
(Dollars in Thousands)

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e), and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares			Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	
1	Common							1
2	UP - Common Stock 1/	10.00	9,200	4,465		4,465	45	2
3	UP - Class A Stock 1/	10.00	800	388		388	4	3
4								4
5	Preferred							5
6	FRA Preference Shares - Series A	10,000	5,000	4,829		4,829	15,909	6
7	FRA Preference Shares - Series B	10,000	500	436		436	8	7
8								8
9								9
10	TOTAL		15,500	10,118		10,118	15,966	10

1/ See note 12 on page 15

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR
(Dollars in Thousands)

1. The purpose of this part is to disclose capital stock changes during the year.
2. Column (a) presents the items to be disclosed.
3. Columns (b), (d), and (f) require disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (a).
4. Columns (c), (e), and (g) require the applicable disclosure of the book values of preferred, common, and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during year.
6. Unusual circumstances arising from changes in capital stock changes shall be fully explained in footnotes to this schedule.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Line No.
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)	
11	Balance at beginning of year	5,265	\$18,194	4,853	\$49			11
12								12
13	Payments of Preference Shares		(2,277)					13
14								14
15								15
16								16
17	Balance at close of year	5,265	\$15,917	4,853	\$49		\$4,781,906	17

240. STATEMENT OF CASH FLOWS
(Dollars in Thousands)

Give the information as requested concerning the cash flows during the year. Either direct or indirect method can be used. The direct method shows as its principal components operating cash receipts and payments, such as cash received from customers and cash paid to suppliers and employees, the sum of which is net cash flow from operating activities. The indirect method starts with net income and adjusts it for revenue and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If direct method is used complete lines 1-41; indirect method complete lines 10-41. Cash for the purpose of this schedule shall include cash and cash equivalents which are short term, highly liquid investments readily convertible to know amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and financing activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) and noncash aspects of transactions. Examples of noncash investing and transactions include converting debt to equity acquiring assets of assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller; obtaining an asset by entering into a capital lease; and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash; only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

CASH FLOWS FROM OPERATING ACTIVITIES					
Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line
1		Cash received from operating revenues			1
2		Dividends received from affiliates			2
3		Interest received			3
4		Other income			4
5		Cash paid for operating expenses			5
6		Interest paid (net of amounts capitalized)			6
7		Income taxes paid			7
8		Other - net			8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES (lines 1 through 8)			9
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	1,106,078	1,374,030	10
ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
11		Loss (gain) on sale or disposal of tangible property and investments	(84,007)	(288,711)	11
12		Depreciation and amortization expenses	1,191,206	1,140,387	12
13		Increase (decrease) in provision for Deferred Income Taxes	357,704	528,831	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(22,362)	(37,253)	14
15		Decrease (increase) in accounts receivable	69,141	(78,361)	15
16		Decrease (increase) in material and supplies and other current assets	74,557	(984)	16
17		Increase (decrease) in current liabilities other than debt	74,022	(124,808)	17
18		Increase (decrease) in other - net	(631,791)	(131,283)	18
19		Net cash provided from continuing operations (Lines 10-18)	2,134,548	2,381,848	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20)	2,134,548	2,381,848	21
CASH FLOWS FROM INVESTING ACTIVITIES					
Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
22		Proceeds from sale of property	150,374	409,162	22
23		Capital expenditures	(1,748,860)	(1,816,713)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	0	377	24
25		Proceeds from sale/repayment of investment and advances	3,808	0	25
26		Purchase price of long-term investment and advances	(20,097)	0	26
27		Net decrease (increase) in sinking and other special funds	289	3	27
28		Other - net	141,486	(113,792)	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(1,473,000)	(1,520,963)	29

(Continued on next page)

240. STATEMENT OF CASH FLOWS - Concluded
(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
CASH FLOWS FROM FINANCING ACTIVITIES					
30		Proceeds from issuance of long-term debt	0	126,477	30
31		Principle payments of long-term debt	(279,012)	(219,227)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(251,000)	(205,000)	34
35		Other - net	(90,045)	(541,497)	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(620,057)	(839,247)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29 & 36)	41,491	21,638	37
38		Cash and cash equivalents at beginning of the year	101,476	79,838	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	142,967	101,476	39
		Footnotes to Schedule 240 Cash paid during the year for:			
40		Interest (net of amount capitalized)*	(490,000)	(549,000)	40
41		Income taxes (net) *	(204,000)	(278,000)	41

* Only applies if indirect method is adopted.

NOTE: Non-cash locomotive lease financings were \$188 million and \$126 million in 2003 and 2002, respectively.

245. WORKING CAPITAL
(Dollars in Thousands)

1. This schedule should include only data pertaining to railway transportation services.
2. Carry out calculation of lines 9, 10, 20 and 21 to the nearest whole number.

Line No.	Item (a)	Source	Amount (b)	Line No.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	52,405	1
2	Customers (706)	Schedule 200, line 6, column b	264,954	2
3	Other (707)	Note A	51,927	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	369,286	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	11,509,351	5
6	Rent Income	Note B	171,796	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	11,681,147	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	32,448	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	11	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	26	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	26,551	11
12	Audited Accounts and Wages Payable (753)	Note A	197,878	12
13	Accounts Payable - Other (754)	Note A	44,309	13
14	Other Taxes Accrued (761.5)	Note A	218,520	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	487,258	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	9,481,767	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,191,206	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	8,462,357	18
19	Average Daily Expenditures	Line 18 divided by 360 days	23,507	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	21	20
21	Days of Working Capital Required	Line 10 - Line 20 (Note C)	5	21
22	Cash Working Capital Required	Line 21 x line 19	117,533	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	152,251	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	117,533	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	267,234	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	2,836	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	264,398	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	381,931	28

NOTES:

- (A) Use common carrier portion only. Common carrier refers to railway transportation service.
- (B) Rent Income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314, and 316. Rent income is added to railway operating revenues to produce total revenues. Rent income is also added to total operating expenses to exclude the rent revenue items from operating expense.
- (C) If result is negative, use zero.

NOTES AND REMARKS

Note to Schedule 310 on pages 26 - 29Lien References

(A) All securities are pledged as security for the First Mortgage with Boatmen's National Bank of St. Louis, Trustee; also, under the General Mortgage, with Manufacturers Hanover Trust Company, Trustee.

(B) Securities are deposited with the Trustees of the Mortgages as further assurance of performance of the Operating Agreements.

(C) Companies Under Joint Control

<u>Company (UPRR Ownership)</u>	<u>Other Parties</u>
Alameda Belt Line (50.0%)	BNSF (50.0%)
Bay Pacific Financial (50%)	Bay Cities Leasing (50%)
Belt Railway of Chicago (8.33%)	BNSF (16.66%) NS (8.33%)
	CSX (25.01%) Pennsylvania Lines LLC (16.68%)
	GTW (8.33%) SOO (8.33%)
	CN/IC (8.33%)
Brownsville & Matamoros Bridge Co. (50.0%)	Gobierno de Estados Unidos Mexicanos (50.0%)
Grupo Ferroviario Mexicano (26%)	Mexican Consortium (74%)
Helm Pacific Leasing (50%)	Helm Pacific Corporation (50%)
Houston Belt & Terminal Ry (50.0%)	BNSF (50.0%)
Iowa Transfer Ry Co. (25.0%)	BNSF (25.0%) NS (25.0%)
	Heartland Rail (25.0%)
Kansas City Terminal Ry Co. (41.67%)	BNSF (25.01%) NS (8.33%)
	I&M Rail Link (8.33%)
	KCS (16.66%)
Longview Switching Co (50.0%)	BNSF (50.0%)
Monument Place (50.0%)	EGDC - Fairfax, Inc. (50.0%)
MT Properties, Inc. (42.1%)	BNSF (43.3%) SOO (14.6%)
St. Joseph Terminal RR Co (50.0%)	BNSF (50.0%)
Sunset Railway Co. (50.0%)	BNSF (50.0%) and operated by each company alternately for 5-year periods.
Terminal Railroad Association of St. Louis (42.88%)	BNSF (14.28%) CN/IC (14.28%)
	CSX (14.28%) NS (14.28%)
TTX (36.68%)	BNSF (17.24%) CSX (19.59%)
	Boston & Maine (.63%) Florida East Coast (.94%)
	CN/IC (3.13%) KCS (.63%)
	CP (1.57%) NS (19.59%)

Wholly-owned companies that have a joint interest in subsidiaries

NONE

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

1. Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definitions of affiliated companies, see the rules governing Account No. 721 "Investments and advances; affiliated companies," in the Uniform System of Accounts for Railroad Companies.
2. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:
 - (A) Stocks
 - (1) Carriers-active
 - (2) Carriers-inactive
 - (3) Noncarriers-active
 - (4) Noncarriers-inactive
 - (B) Bonds (including U.S. Government Bonds)
 - (C) Other secured obligations
 - (D) Unsecured notes
 - (E) Investment advances
3. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).
4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other
5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely "holding companies" are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs; if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine, in one amount, investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

(Dollars in Thousands)

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."

Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.
4. Give totals for each class and for each subclass and a grand total for each account.
5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially 19__ to 19__." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	A1	VII	STOCKS - CARRIERS ACTIVE		1
2						2
3				Belt Railway of Chicago (C)	8.3	3
4				Brownsville & Matamoros Bridge Co. (A) (C)	50.0	4
5				Grupo Ferrovial Mexicano (C)	26.0	5
6				Houston Belt & Terminal Ry. (A) (B) (C)	50.0	6
7				Iowa Transfer Railway Co. (C)	25.0	7
8				Kansas City Terminal Ry. (A) (B) (C)	41.7	8
9				Longview Switching Co. (C)	50.0	9
10				MT Properties, Inc. (C)	42.1	10
11				Terminal Railroad Association of St. Louis (C)	42.9	11
12				TTX (C)	36.7	12
13						13
14						14
15	721	A3		STOCKS - NONCARRIERS - ACTIVE		15
16						16
17				Bay Pacific Financial (C)	50.0	17
18				Helm Pacific Leasing (C)	50.0	18
19			VI	Monument Place (C)	50.0	19
20			X	RailMarketplace.com, Inc. (D)	14.9	20
21						21
22				TOTAL CLASS A		22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36

Kind of Industry in Column (c) is VII unless noted.

(A) (B) Lien references as described on page 24.

(C) Companies under joint control listed on pg. 24.

(D) Investment was written down due to impairment.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued

(Dollars in Thousands)

6. In any of the companies included in this schedule are controlled by respondent the percent of control should be shown in column (3). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In case of joint control, give names of other parties and particulars of control.
7. If any advances reported are pledged, give particulars in a footnote.
8. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.
9. Also included should be investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).
10. This schedule should not include securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, give names and extent of control by other entities by footnotes.

Line No.	Investments and Advances				Disposed of: profit(loss) (j)	Adjustments Acct. 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3	260			260				3
4	325			325				4
5	63,454	18,234		81,688				5
6	13			13				6
7	55			55				7
8	916	1		917				8
9	1			1				9
10	672			672				10
11	6			6				11
12	138,231			138,231				12
13								13
14								14
15								15
16								16
17	150			150				17
18	498			498				18
19	3,455	50		3,505				19
20	1,292		1,292	0				20
21								21
22	209,328	18,285	1,292	226,321				22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued
(Dollars in Thousands)

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
37	721	D1		UNSECURED NOTES - CARRIERS - ACTIVE		37
38						38
39				St. Joseph Terminal RR Co.		39
40						40
41				TOTAL CLASS D		41
42						42
43						43
44	721	E1		INVESTMENT ADVANCES - CARRIERS - ACTIVE		44
45						45
46				Alameda Belt Line (C)		46
47				Houston Belt & Terminal Ry.		47
48				Kansas City Terminal Ry. Co.		48
49				Port Terminal Ry. Assn.		49
50				St. Joseph Terminal RR Co. (C)		50
51				Sunset Railway (C)		51
52				Terminal Railroad Assn. of St. Louis		52
53				Wichita Terminal		53
54						54
55				TOTAL CLASS E		55
56						56
57						57
58						58
59						59
60						60
61						61
62						62
63						63
64						64
65						65
66						66
67						67
68						68
69						69
70						70
71						71
72						72
73						73
74						74
75						75
76						76
77						77
78						78
79						79
80						80
81						81
82						82
83						83
84						84
85				TOTAL ACCOUNT 721		85

Kind of Industry in Column (c) is VII unless noted otherwise.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Concluded
(Dollars in Thousands)

Line No.	Investments and Advances				Disposed of: profit (loss) (j)	Adjustments Acct. 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
37								37
38								38
39	175			175				39
40								40
41	175	0	0	175				41
42								42
43								43
44								44
45								45
46	463			463				46
47	19,104	1,767		20,871				47
48	14,957			14,957				48
49	1,100	45		1,145				49
50	79			79				50
51	358			358				51
52	2,516		2,516	0				52
53	120			120				53
54								54
55	38,697	1,812	2,516	37,993				55
56								56
57								57
58								58
59								59
60								60
61								61
62								62
63								63
64								64
65								65
66								66
67								67
68								68
69								69
70								70
71								71
72								72
73								73
74								74
75								75
76								76
77								77
78								78
79								79
80								80
81								81
82								82
83								83
84								84
85	248,200	20,097	3,808	264,489				85

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES
(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in Account 721, Investments and Advances Affiliated Companies.
2. Enter in column (c) the amount necessary to retroactively adjust those investments. (See instructions 5-2, Uniform System of Accounts.)
3. Enter in column (d) the share of undistributed earnings (i.e., dividends) or losses.
4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition.
5. For definitions of "carrier" and "noncarrier," see general instructions.

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
	CARRIERS: (List specifics for each company)							
1	Belt Ry. of Chicago	438		0			438	1
2	Brownsville & Matamoros Bridge Co.	2,992		1,892			4,884	2
3	Grupo Ferrocarril Mexicano	37,792		(17,391)			20,401	3
4	Houston Belt & Terminal Rwy.	11,253		41			11,294	4
5	Kansas City Terminal Rwy.	(1,443)		(429)			(1,872)	5
6	MT Properties	(138)		61			(77)	6
7	Terminal RR Assn. of St. Louis	26,469		980			27,449	7
8	TTX	299,426		26,968			326,394	8
9								9
10	TOTAL CARRIER	376,789		12,122			388,911	10
11								11
12								12
13								13
14								14
15								15
16								16
17	NONCARRIER: (List specifics for each company)							17
18	Bay Pacific Financial	14,673		7,521			22,194	18
19	Helm Pacific Leasing	12,091		2,757			14,848	19
20	Monument Place	(81)		(38)			(119)	20
21								21
22	TOTAL NONCARRIER	26,683		10,240			36,923	22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40
41								41
42								42
43								43
44								44
45	TOTAL EQUITY	403,472		22,362			425,834	45

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property," and Account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in columns (c) through (f). Column (h) is the aggregate of columns (b) through (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, a full explanation should be made in a footnote.
2. In column (c) show disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged," in the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d), show the cost of a railway or portion thereof, acquired as an operating entity or system by purchase; merger, consolidation, reorganization, receivership sale or transfer, or otherwise.
4. Columns (c) and (e) should include all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
6. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included. Also, the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.
7. If during the year an individual charge of \$100,000 or more was made to Account No. 2, "Land for Transportation Purposes," state the cost, location, area, and other details which will identify the property in a footnote.
8. Report on line 29 amounts not included in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving location and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state the amount used in a footnote.

NOTES AND REMARKS

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - Continued
(Dollars in Thousands)

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditure during the Year for original road and equipment and road extensions (c)	Expenditures during the year for purchase of existing lines, lines reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	4,638,596			1
2		(3) Grading	2,637,744			2
3		(4) Other, right-of-way expenditures	59,600			3
4		(5) Tunnels and subways	349,731			4
5		(6) Bridges, trestles, and culverts	2,128,681			5
6		(7) Elevated structures	0			6
7		(8) Ties	4,267,091			7
8		(9) Rail and other track material	7,862,042			8
9		(11) Ballast	2,428,386			9
10		(13) Fences, snowsheds and signs	48,358			10
11		(16) Station and office buildings	409,492			11
12		(17) Roadway buildings	33,614			12
13		(18) Water stations	6,447			13
14		(19) Fuel stations	108,095			14
15		(20) Shops and enginehouses	293,701			15
16		(22) Storage warehouses	984			16
17		(23) Wharves and docks	22,012			17
18		(24) Coal and ore wharves	3,033			18
19		(25) TOFC/COFC terminals	333,236			19
20		(26) Communication systems	287,596			20
21		(27) Signals and interlockers	1,651,732			21
22		(29) Power plants	0			22
23		(31) Power-transmission systems	46,043			23
24		(35) Miscellaneous structures	14,498			24
25		(37) Roadway machines	361,337			25
26		(39) Public improvements-construction	475,625			26
27		(44) Shop machinery	141,953			27
28		(45) Power-plant machinery	0			28
29		Other lease/rentals	0			29
30		TOTAL EXPENDITURES FOR ROAD	28,609,627	0	0	30
31		(52) Locomotives	4,555,697			31
32		(53) Freight train cars	2,426,779			32
33		(54) Passenger train cars	28			33
34		(55) Highway revenue equipment	1,709			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	123,719			36
37		(58) Miscellaneous equipment	27,369			37
38		(59) Computer systems and word processing equipment	263,127			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	7,398,428	0	0	39
40		(76) Interest during construction	43,969			40
41		(80) Other elements of investment 1/	13,252			41
42		(90) Construction work in progress	550,745			42
43		GRAND TOTAL	36,616,021	0	0	43

1/ Amount primarily relates to the conversion of Alton & Southern Railway to a terminal railroad company status under Internal Revenue Code Section 281. Alton & Southern Railway became consolidated in UPRR's R-1 in 1997.

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - Concluded
(Dollars in Thousands)

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		11,739	34,988	(23,249)	4,615,347	1
2		35,577	33,620	1,957	2,639,701	2
3		2,657	409	2,248	61,848	3
4		1,254	3,505	(2,251)	347,480	4
5		82,920	40,972	41,948	2,170,629	5
6		0	0	0	0	6
7		385,029	5,617	379,412	4,646,503	7
8		572,596	153,709	418,887	8,280,929	8
9		155,260	15,867	139,393	2,567,779	9
10		2,190	273	1,917	50,275	10
11		12,137	(582)	12,719	422,211	11
12		0	(321)	321	33,935	12
13		13	(58)	71	6,518	13
14		2,434	(509)	2,943	111,038	14
15		7,602	(1,381)	8,983	302,684	15
16		0	0	0	984	16
17		92	0	92	22,104	17
18		0	1,291	(1,291)	1,742	18
19		121,037	(2,677)	123,714	456,950	19
20		22,517	215	22,302	309,898	20
21		145,966	20,966	125,000	1,776,732	21
22		0	0	0	0	22
23		6,637	847	5,790	51,833	23
24		221	505	(284)	14,214	24
25		25,253	1,438	23,815	385,152	25
26		37,697	6,890	30,807	506,432	26
27		3,550	(3,029)	6,579	148,532	27
28		0	0	0	0	28
29		0	0	0	0	29
30		1,634,378	312,555	1,321,823	29,931,450	30
31		308,483	27,974	280,509	4,836,206	31
32		14,110	83,717	(69,607)	2,357,172	32
33		0	13	(13)	15	33
34		108	19	89	1,798	34
35		0	0	0	0	35
36		437	1,507	(1,070)	122,649	36
37		(98)	1,033	(1,131)	26,238	37
38		86,937	76,075	10,862	273,989	38
39		409,977	190,338	219,639	7,618,067	39
40		0	410	(410)	43,559	40
41		0	13,148	(13,148)	104	41
42		(67,293)	(1)	(67,292)	483,453	42
43		1,977,062	516,450	1,460,612	38,076,633	43

332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS
(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute depreciation charges for the month of January, and in columns (c) and (f), the depreciation charges for the month of December. In columns (d) and (g) show the composite rates used in computing depreciation charges for December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing that total by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents are included in rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00, inclusive. Composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. Show in columns (e), (f), and (g) data applicable to lessor property, when the rent therefore is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for discontinuance of accruals should be shown in a footnote indicating the effected account(s).
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	2,637,745	2,637,729	1.14				1
2	(4) Other, right-of-way expenditures	59,600	61,732	2.94				2
3	(5) Tunnels and subways	349,731	347,433	0.86				3
4	(6) Bridges, trestles, and culverts	2,128,682	2,164,471	1.39				4
5	(7) Elevated structures	0	0	0				5
6	(8) Ties	4,263,492	4,619,450	4.58				6
7	(9) Rail and other track material	7,847,249	8,236,674	4.00				7
8	(11) Ballast	2,427,058	2,556,406	2.94				8
9	(13) Fences, snow sheds, and signs	48,357	50,159	1.64				9
10	(16) Station and office buildings	409,492	420,967	3.30				10
11	(17) Roadway buildings	33,613	33,935	3.19				11
12	(18) Water stations	6,447	6,518	2.86				12
13	(19) Fuel Stations	108,095	111,026	3.23				13
14	(20) Shops and enginehouse	293,702	302,546	2.20				14
15	(22) Storage warehouses	984	984	3.33				15
16	(23) Wharves and docks	22,012	22,104	4.00				16
17	(24) Coal and ore wharves	3,033	1,743	2.50				17
18	(25) TOFC/COFC terminals	333,236	450,383	2.86				18
19	(26) Communication systems	287,596	304,217	3.00				19
20	(27) Signals and interlockers	1,651,732	1,764,280	2.27				20
21	(29) Power plants	0	0	0				21
22	(31) Power-transmission systems	46,042	51,550	2.17				22
23	(35) Miscellaneous structures	14,498	14,214	2.70				23
24	(37) Roadway machines	361,337	380,655	5.94				24
25	(39) Public improvements-Construction	475,625	503,534	2.86				25
26	(44) Shop machinery	141,953	148,220	3.71				26
27	(45) Power-plant machinery	0	0	0				27
28	All other road accounts	0	0					28
29	Amortization (other than def. projects)	0	0					29
30	TOTAL ROAD	23,951,310	25,190,928	3.48				30
	EQUIPMENT							
31	(52) Locomotives	4,556,069	4,834,706	4.28				31
32	(53) Freight-train cars	2,426,777	2,357,292	3.42				32
33	(54) Passenger-train cars	28	15	6.43				33
34	(55) Highway revenue equipment	1,708	1,690	7.00				34
35	(56) Floating equipment	0	0	0				35
36	(57) Work equipment	123,719	122,807	3.17				36
37	(58) Miscellaneous equipment	27,369	26,345	7.21				37
38	(59) Computer systems and WP equipment	263,128	257,201	14.25				38
39	TOTAL EQUIPMENT	7,398,798	7,600,057	4.38				39
40	GRAND TOTAL	31,350,108	32,790,985	N/A			N/A	40

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED
(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals-Credit-Equipment" accounts and "Other Rents-Credit-Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental-Debit-Equipment" accounts and "Other Rents-Debit-Equipment" accounts. (See Schedule 351 for the accumulated depreciation to road and equipment owned and leased to others.)
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No.
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	188,340	41,522	0	33,028	0	196,834	1
2		(4) Other, right-of-way expenditures	9,510	1,825	0	416	0	10,919	2
3		(5) Tunnels and subways	24,408	3,809	0	3,483	0	24,734	3
4		(6) Bridges, trestles, and culverts	122,694	47,263	0	39,283	0	130,674	4
5		(7) Elevated structures	0	0	0	0	0	0	5
6		(8) Ties	1,039,214	219,178	0	53,957	0	1,204,435	6
7		(9) Rail and other track material	2,919,314	341,912	0	183,819	0	3,077,407	7
8		(11) Ballast	354,504	75,097	0	17,270	0	412,331	8
9		(13) Fences, snow sheds and signs	4,866	860	0	166	0	5,560	9
10		(16) Station and office buildings	44,536	15,123	0	(306)	0	59,965	10
11		(17) Roadway buildings	9,327	1,160	0	(322)	0	10,809	11
12		(18) Water stations	3,675	224	0	(79)	0	3,978	12
13		(19) Fuel stations	35,830	3,672	0	(480)	0	39,982	13
14		(20) Shops and enginehouses 1/	85,647	4,516	0	(2,192)	0	92,355	14
15		(22) Storage warehouses	448	20	0	1	0	467	15
16		(23) Wharves and docks	9,575	668	0	(1)	0	10,244	16
17		(24) Coal and ore wharves	1,247	89	0	1,272	0	64	17
18		(25) TOFC/COFC terminals	66,446	12,446	0	(2,723)	0	81,615	18
19		(26) Communication systems	67,669	8,812	0	(424)	0	76,905	19
20		(27) Signals and interlockers	262,227	41,344	0	26,814	0	276,757	20
21		(29) Power plants	0	0	0	0	0	0	21
22		(31) Power-transmission systems	4,296	1,045	0	785	0	4,556	22
23		(35) Miscellaneous structures	5,584	428	0	500	0	5,512	23
24		(37) Roadway machines 1/	67,956	11,847	0	(10,559)	0	90,362	24
25		(39) Public improvements-Construction	83,159	15,347	0	7,197	0	91,309	25
26		(44) Shop machinery 1/	27,799	2,857	0	(3,478)	0	34,134	26
27		(45) Power-plant machinery	0	0	0	0	0	0	27
28		All other road accounts	0	0	0	0	0	0	28
29		Amortization (Adjustments)	0	0	0	0	0	0	29
30		TOTAL ROAD	5,438,271	851,064	0	347,427	0	5,941,908	30
EQUIPMENT									
31		(52) Locomotives 1/	1,216,210	203,011	0	9,722	0	1,409,499	31
32		(53) Freight-train cars	996,326	95,869	0	67,547	0	1,024,648	32
33		(54) Passenger-train cars	2	15	0	17	0	0	33
34		(55) Highway revenue equipment	1,516	52	0	18	0	1,550	34
35		(56) Floating equipment	0	0	0	0	0	0	35
36		(57) Work equipment 1/	17,195	3,073	0	296	0	19,972	36
37		(58) Miscellaneous equipment	12,211	1,735	0	1,001	0	12,945	37
38		(59) Computer systems and WP equip.	136,858	36,387	0	77,485	0	95,760	38
39		Amortization Adjustments	0	0	0	0	0	0	39
40		TOTAL EQUIPMENT	2,380,318	340,142	0	156,086	0	2,564,374	40
41		GRAND TOTAL	7,818,589	1,191,206	0	503,513	0	8,506,282	41

1/ Column (c) includes a reduction for costs charged to capital projects.

339. ACCRUED LIABILITY -- LEASED PROPERTY

(Dollars in Thousands)

1. Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property," during the year concerning road and equipment leased from others.
2. In column (c), enter amounts charged to operating expenses; in column (e), enter debits to account arising from retirements; in column (f), enter amounts paid to lessor.
3. Any inconsistencies between credits to account, charges to operating expenses and payments to lessors should be fully explained.
4. Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used.
5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to Account No. 772 are made by the accounting company, show in column (c) the charges to operating expenses, and in column (f) show payments made to the lessor in settlement thereof.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs		Not Applicable					9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel Stations							13
14		(20) Shops and enginehouse							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization (Adjustments)							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL							41

* To be reported with equipment expenses rather than W&S expenses.

340. DEPRECIATION BASE AND RATES -- IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used to compute depreciation charges for December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or authorized by the Board, except that where the authorized by the Board except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote.
2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings	Not Applicable			10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel Stations				13
14	(20) Shops and enginehouse				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equipment				38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL				41

* To be reported with equipment expense rather than W&S expenses.

342. ACCUMULATED DEPRECIATION -- IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS
(Dollars in Thousands)

1. Enter the required information concerning debits and credits to Account 733, "Accumulated Depreciation -- Improvements on Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
2. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 39.
4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
5. Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the Year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties		Not Applicable					6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel Stations							13
14		(20) Shops and enginehouse							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip.							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL							39

* To be reported with equipment expense rather than W&S expenses.

NOTES AND REMARKS

Notes Referring to Schedule 352A, page 42:

- 1/ Figures in Column (c) are miles of road only, as reported in Schedule 702, Columns (b) and (c).
- 2/ Actual value not known. Amounts reported in lieu of actual value represent results of capitalizing rentals at 6 percent.
- 3/ Amounts of depreciation and amortization accrued are not known.
- 4/ As inventoried by ICC as of 12/31/1928, and reported in Land Report dated 3/31/1930, Engineering Report dated 5/09/1931. Includes estimated value based on capitalization of rentals at 6 percent.
- 5/ No depreciation reserve is maintained by respondent or by Moffat Tunnel Improvement District.

Notes Referring to Schedule 352B, page 43:

- 1/ Amounts on Schedule 352B, Columns (b) and (c), exclude adjustments to Investment For Property Leased To or From Others, for which the "Actual Value is not Known." These items are shown on Schedule 352A as 2/ "Actual Value Not Known." Amounts so reported on Schedule 352A represent results of capitalizing annual rental at 6 percent.
- 2/ Amounts on Schedule 352B, Column (c) represents St. Joseph and Grand Island Railway Company, which is included in the respondent's investments in property reported on line 1, column (d) of Schedule 352A.

350. DEPRECIATION BASE AND RATES -- ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in Thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.
2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Commission's Bureau of Accounts, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.
3. In column (d) show the composite rates used to compute the depreciation for the month of December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base.
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
5. If total road leased to others is less than 5% of total road owned; omit. If total equipment leased to others is less than 5% of total equipment owned; omit. However, line 39, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material	Not Applicable			7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel Stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals and interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	EQUIPMENT				
30	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems and word processing equipment				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL				39

351. ACCUMULATED DEPRECIATION -- ROAD AND EQUIPMENT LEASED TO OTHERS
(Dollars in Thousands)

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00.
2. Disclose credits and debits to Account 735, "Accumulated Depreciation -- Road and Equipment Property," during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses of the respondent. (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent).
3. If any entries are made for "Other credits" and "Other debits," state the facts occasioning such entries. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
4. Details in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
	ROAD							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts		Not Applicable					4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel Stations							13
14	(20) Shops and enginehouse							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communication systems							19
20	(27) Signals and interlockers							20
21	(29) Power plants							21
22	(31) Power-transmission systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements-Construction							25
26	(44) Shop machinery*							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	TOTAL ROAD							29
	EQUIPMENT							
30	(52) Locomotives							30
31	(53) Freight-train cars							31
32	(54) Passenger-train cars							32
33	(55) Highway revenue equipment							33
34	(56) Floating equipment							34
35	(57) Work equipment							35
36	(58) Miscellaneous equipment							36
37	(59) Computer systems and word processing equipment							37
38	TOTAL EQUIPMENT							38
39	GRAND TOTAL							39

* To be reported with equipment expense rather than W&S expenses.

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)
(Dollars in Thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by the respondent and used in the respondent's transportation service. Such property includes (a) the investment reported in Accounts 731, "Road and Equipment Property," and 732, "Improvements on Leased Property," of the respondent, less any 731 or 732 property leased to others for their exclusive use of road, track, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from respondent's 731 or 732 property, and (b) the investment of other companies' 731 and 732 property (including operating and lessor railroads) used by the respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment of other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by the respondent.
2. In column (a), classify each company in this schedule as: "R" for respondent, "L" for lessor railroad, "P" for inactive or proprietary company, or "O" for other leased properties.
3. In column (a) to (e), inclusive, first show the data requested for the respondent (R); next show data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of respondent. Show a total for each class of company in columns (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.
4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.
5. In column (d), show the amount applicable to Accounts 731 and 732 on the books of companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to deductions made by the owners in their reports. If separate value is not available, explanations should be provided. Differences between amounts shown in column (d) of this schedule and column (c), line 24, on the asset side of the general balance sheet of each individual railway should be explained in a footnote. Book values included in Accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6% or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.
6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where reserves therefor are recorded.

Line No.	Class (See Ins. 2) (a)	Name of Company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Union Pacific Railroad	27,054	\$38,076,633	\$8,506,282	1
2						2
3		Add - Leased From Others				3
4						4
5	O	U.S. Government - Sable to Bunell, CO used under contract	1/ 1			5
6	O	City of Kansas City, KS - Tracks		2/ 244	3/	6
7	O	Mid States Port Authority, Track Rental Fairbury to Hallam, NE		2/ 4,800	3/	7
8	O	General Motors		2/ 11	3/	8
9	O	Louisville & Nashville RR Co., -SCL		16	3/	9
10	O	New Orleans Public Belt Railroad Co.		36	3/	10
11	O	Port of Corpus Christi		2/ 581	3/	11
12	O	Greater Baton Rouge Port Commission		2/ 2,960	3/	12
13	O	Lake Charles Harbor & Terminal District		2/ 104	3/	13
14	O	Port of Beaumont		2/ 419	3/	14
15	O	City and County of San Francisco (Formerly Ocean				15
16		Shore Railway) yard switching tracks		34	3/	16
17	O	Medford Corp, Medford, Oregon-Way switching tracks		40	3/	17
18	O	Nueces County Navigation Dist. No. 1 Terminal				18
19		Properties Corpus Christi, TX		581	3/	19
20	O	Moffat Tunnel Improvement District	9	4/ 11,435	5/	20
21						21
22						22
23		Total Leased From Others	10	21,261	0	23
24						24
25		Deduct - Leased to Others:				25
26						26
27	O	Houston Belt & Terminal Rwy. Co.	3	2/ 3,798	3/	27
28						28
29						29
30		Net Additions	7	17,463	0	30
31		TOTAL	27,061	38,094,096	\$8,506,282	31

1/, 2/, 3/, 4/, 5/ See notes on page 39.

352B. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Property Account)
(Dollars in Thousands)

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.
2. The amounts for respondent and for each group or class of companies and properties on line 44 should correspond with the amounts for each class of company and property shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule.
3. Report on line 29 amounts representing capitalization of rentals for leased property based on 6% per year where property is not classified by accounts by noncarrier owners, or where the cost of property leased from other carriers is not ascertainable. Identify noncarrier owners, and briefly explain on page 39 the methods of estimating value of property of noncarriers or property of other carriers.
4. Report on line 30 amounts not included in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.

Line No.	Cross Check	Account (a)	Respondent (b)	2/ Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other Leased Properties (e)	Line No.
1		(2) Land for transportation purposes	\$4,611,281	\$4,066		\$16	1
2		(3) Grading	2,633,128	6,573		108	2
3		(4) Other, right-of-way expenditures	61,620	228			3
4		(5) Tunnels and subways	347,480			8,593	4
5		(6) Bridges, trestles, and culverts	2,161,633	8,996		.72	5
6		(7) Elevated structures	0				6
7		(8) Ties	4,635,686	10,817		793	7
8		(9) Rail and other track material	8,243,372	37,557		48	8
9		(11) Ballast	2,555,103	12,676		324	9
10		(13) Fences, snowsheds and signs	49,970	305		5	10
11		(16) Station and office buildings	421,527	684		19	11
12		(17) Roadway buildings	33,883	52		38	12
13		(18) Water stations	6,509	9			13
14		(19) Fuel stations	111,029	9			14
15		(20) Shops and enginehouses	302,629	55			15
16		(22) Storage warehouses	984				16
17		(23) Wharves and docks	22,104				17
18		(24) Coal and ore wharves	1,742				18
19		(25) TOFC/COFC terminals	455,031	1,919			19
20		(26) Communication systems	309,528	370			20
21		(27) Signals and interlockers	1,770,384	6,348		78	21
22		(29) Power plants	0				22
23		(31) Power transmission systems	51,814	19			23
24		(35) Miscellaneous structures	14,163	51			24
25		(37) Roadway machines	385,148	4			25
26		(39) Public improvements-construction	505,497	935		612	26
27		(44) Shop machinery	148,532				27
28		(45) Power-plant machinery	0				28
29		Leased property capitalized rentals (explain)	0			1/ 5,749	29
30		Other (specify and explain)	0				30
31		TOTAL ROAD	29,839,777	91,673		16,455	31
32		(52) Locomotives	4,836,206				32
33		(53) Freight-train cars	2,357,172				33
34		(54) Passenger-train cars	15				34
35		(55) Highway revenue equipment	1,798				35
36		(56) Floating equipment	0				36
37		(57) Work equipment	122,649				37
38		(58) Miscellaneous equipment	26,237	1			38
39		(59) Computer systems & WP equipment	273,989				39
40		TOTAL EQUIPMENT	7,618,066	1			40
41		(76) Interest during construction	42,927	632		1,008	41
42		(80) Other elements of investment	104				42
43		(90) Construction work in progress	483,453				43
44		GRAND TOTAL	\$37,984,327	\$92,306		\$17,463	44

1/ See note on page 39.

2/ See note on page 39.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross-checks

Schedule 410

Line 620, column (h)
 Line 620, column (f)
 Line 620, column (g)

=
 =
 =

Schedule 210

Line 14, column (b)
 Line 14, column (d)
 Line 14, column (e)

Schedule 412

Line 29, column (b)
 Line 29, column (c)

Line 136 thru 138 column (f)
 Line 118 thru 123, and 130 thru 135
 column (f)

=
 =

Schedule 414

Line 19, columns (b) thru (d)

Line 231, column (f)

=

Line 19, columns (e) thru (g)

Line 230, column (f)

=

Schedule 415

Lines 5, 38, column (f)

Lines 207, 208, 211, 212, columns (f)

=

Lines 24, 39, column (f)

Lines 226, 227, column (f)

=

Lines 32, 35, 36, 37, 40, 41, column (f)

Lines 311, 312, 315, 316, column (f)

=

And

Schedule 414

Minus line 24, columns (b) thru (d) plus
 line 24, columns (e) thru (g)

Line 213, column (f)

=

Schedule 415

Lines 5, 38, columns (c) and (d)

Line 232, column (f)

=

Lines 24, 39, columns (c) and (d)

Line 317, column (f)

=

Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)

Lines 202, 203, 216, column (f) (equal
 to or greater than, but variance cannot
 exceed line 216, column (f))

Lines 5, 38, column (b)

Lines 221, 222, 235, column (f) (equal
 to or greater than, but variance cannot
 exceed line 235, column (f))

Lines 24, 39, column (b)

Lines 302 thru 307 and 320, column (f) (equal
 to or greater than, but variance cannot
 exceed line 320, column (f))

Lines 32, 35, 36, 37, 40, 41, column (b)

Schedule 417

Line 1, column (j)
 Line 2, column (j)
 Line 3, column (j)
 Line 4, column (j)
 Line 5, column (j)
 Line 6, column (j)
 Line 7, column (j)
 Line 8, column (j)
 Line 9, column (j)
 Line 10, column (j)
 Line 11, column (j)

Line 507, column (f)

=

Line 508, column (f)

=

Line 509, column (f)

=

Line 510, column (f)

=

Line 511, column (f)

=

Line 512, column (f)

=

Line 513, column (f)

=

Line 514, column (f)

=

Line 515, column (f)

=

Line 516, column (f)

=

Line 517, column (f)

=

Schedule 450

Line 4, column (b)

=

Schedule 210

Line 47, column (b)

410. RAILWAY OPERATING EXPENSES
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
		WAY AND STRUCTURES								
		ADMINISTRATION								
1		Track	8,250	1,556	2,444	135	12,385	827	13,212	1
2		Bridge & Building	3,568	252	819	290	4,929	680	5,609	2
3		Signal	5,463	978	959	334	7,734	832	8,566	3
4		Communication	1,576	46	1,478	138	3,238	61	3,299	4
5		Other	3,781	197	2,416	1,789	8,183	140	8,323	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	12,468	792	19,218	37	32,515	1,970	34,485	6
7		Roadway - Switching	3,729	192	5,133	28	9,082	0	9,082	7
8		Tunnels and Subways - Running	63	0	414	0	477	14	491	8
9		Tunnels and Subways - Switching	17	0	113	0	130	0	130	9
10		Bridges - Culverts - Running	15,456	2,563	99	3,173	21,291	946	22,237	10
11		Bridges - Culverts - Switching	4,345	1,014	26	899	6,284	0	6,284	11
12		Ties - Running	6,895	280	0	190	7,365	786	8,151	12
13		Ties - Switching	1,919	877	19	132	2,947	0	2,947	13
14		Rail & Other Track Material - Running	73,190	12,861	3,891	6,443	96,385	3,726	100,111	14
15		Rail & Other Track Material - Switching	21,441	4,612	1,154	1,121	28,328	7	28,335	15
16		Ballast - Running	150	91	108	0	349	103	452	16
17		Ballast - Switching	42	43	29	0	114	0	114	17
18		Road Property Damaged - Running	584	0	450	0	1,034	6	1,040	18
19		Road Property Damaged - Switching	152	0	118	0	270	3	273	19
20		Road Property Damaged - Other	52	0	42	0	94	0	94	20
21		Signal & Interlockers-Running	39,669	6,159	6,193	1,437	53,458	3,875	57,333	21
22		Signal & Interlockers-Switching	10,945	2,073	524	413	13,955	0	13,955	22
23		Communications Systems	20,437	11,486	1,640	943	34,506	61	34,567	23
24		Power Systems	1,556	0	0	0	1,556	241	1,797	24
25		Highway Grade Crossing - Running	10,605	107	1,968	0	12,680	545	13,225	25
26		Highway Grade Crossing - Switching	0	0	0	0	0	0	0	26
27		Station & Office Buildings	4,460	5,425	16,352	25	26,262	1,744	28,006	27
28		Shop Buildings - Locomotives	12,667	0	1,122	0	13,789	215	14,004	28
29		Shop Buildings - Freight Cars	258	0	609	0	867	78	945	29
30		Shop Buildings - Other Equipment	0	102	28	0	130	0	130	30

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIR AND MAINTENANCE - (Continued)								
101		Locomotive Servicing Facilities	582	613	2,119	45	3,359	112	3,471	101
102		Miscellaneous Buildings & Structures	1,887	363	455	32	2,737	946	3,683	102
103		Coal Terminals	0	0	0	0	0	0	0	103
104		Ore Terminals	0	0	0	0	0	0	0	104
105		Other Marine Terminals	0	0	0	0	0	0	0	105
106		TOFC/COFC-Terminals	0	0	16,845	0	16,845	0	16,845	106
107		Motor Vehicle Loading & Distribution Facilities	0	0	0	0	0	0	0	107
108		Facilities for Other Specialized Service Operations	0	0	0	0	0	0	0	108
109		Roadway Machines	9,024	17,100	2,665	560	29,349	843	30,192	109
110		Small Tools and Supplies	0	0	0	0	0	0	0	110
111		Snow Removal	704	2,027	1,356	0	4,087	1,103	5,190	111
112		Fringe Benefits - Running	N/A	N/A	N/A	68,543	68,543	3,995	72,538	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	15,331	15,331	263	15,594	113
114		Fringe Benefits - Other	N/A	N/A	N/A	44,597	44,597	506	45,103	114
115		Casualties & Insurance - Running	N/A	N/A	N/A	30,280	30,280	15	30,295	115
116		Casualties & Insurance - Switching	N/A	N/A	N/A	6,953	6,953	0	6,953	116
117		Casualties & Insurance - Other	N/A	N/A	N/A	9,409	9,409	0	9,409	117
118		Lease Rentals - Debit - Running	N/A	N/A	3,890	N/A	3,890	0	3,890	118
119		Lease Rentals - Debit - Switching	N/A	N/A	0	N/A	0	0	0	119
120		Lease Rentals - Debit - Other	N/A	N/A	36,730	N/A	36,730	268	36,998	120
121		Lease Rentals - (Credit) - Running	N/A	N/A	0	N/A	0	0	0	121
122		Lease Rentals - (Credit) - Switching	N/A	N/A	0	N/A	0	0	0	122
123		Lease Rentals - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	123
124		Joint Facility Rent - Debit - Running	N/A	N/A	18,783	N/A	18,783	0	18,783	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	208	N/A	208	0	208	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	91	N/A	91	0	91	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(13,943)	N/A	(13,943)	0	(13,943)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(192)	N/A	(192)	0	(192)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	(46)	N/A	(46)	0	(46)	129
130		Other Rents - Debit - Running	N/A	N/A	2	N/A	2	0	2	130
131		Other Rents - Debit - Switching	N/A	N/A	0	N/A	0	0	0	131
132		Other Rents - Debit - Other	N/A	N/A	0	N/A	0	0	0	132
133		Other Rents - (Credit) - Running	N/A	N/A	0	N/A	0	0	0	133

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
REPAIR AND MAINTENANCE - (Continued)										
134		Other Rents - (Credit) - Switching	N/A	N/A	0	N/A	0	0	0	134
135		Other Rents - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	135
136		Depreciation - Running	N/A	N/A	N/A	631,469	631,469	1,765	633,234	136
137		Depreciation - Switching	N/A	N/A	N/A	167,016	167,016	0	167,016	137
138		Depreciation - Other	N/A	N/A	N/A	47,957	47,957	0	47,957	138
139		Joint Facility - Debit - Running	N/A	N/A	90,555	N/A	90,555	110	90,665	139
140		Joint Facility - Debit - Switching	N/A	N/A	9,730	N/A	9,730	0	9,730	140
141		Joint Facility - Debit - Other	N/A	N/A	299	N/A	299	0	299	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(47,735)	N/A	(47,735)	0	(47,735)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(3)	N/A	(3)	0	(3)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	144
145		Dismantling Retired Road Property - Running	0	0	0	0	0	0	0	145
146		Dismantling Retired Road Property - Switching	0	0	0	0	0	0	0	146
147		Dismantling Retired Road Property - Other	0	0	0	0	0	0	0	147
148		Other - Running	35	0	0	6	41	0	41	148
149		Other - Switching	0	0	0	0	0	0	0	149
150		Other - Other	87	0	70	475	632	3	635	150
151		TOTAL WAY & STRUCTURE	276,057	71,809	189,245	1,040,200	1,577,311	26,789	1,604,100	151
EQUIPMENT - LOCOMOTIVES										
201		Administration	7,086	1,074	4,903	697	13,760	287	14,047	201
202		Repair & Maintenance	139,249	155,696	147,728	2,802	445,475	3,914	449,389	202
203		Machinery Repair	0	1,707	626	0	2,333	0	2,333	203
204		Equipment Damaged	263	40	221	5	529	0	529	204
205		Fringe Benefits	N/A	N/A	N/A	69,139	69,139	1,541	70,680	205
206		Other Casualties and Insurance	N/A	N/A	N/A	25,712	25,712	3	25,715	206
207		Lease Rentals - Debit	N/A	N/A	266,101	N/A	266,101	0	266,101	207
208		Lease Rentals - (Credit)	N/A	N/A	(1)	N/A	(1)	0	(1)	208
209		Joint Facility Rent - Debit	N/A	N/A	3	N/A	3	0	3	209
210		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	0	0	210
211		Other Rents - Debit	N/A	N/A	552	N/A	552	0	552	211
212		Other Rents - (Credit)	N/A	N/A	(606)	N/A	(606)	0	(606)	212
213		Depreciation	N/A	N/A	N/A	204,904	204,904	29	204,933	213
214		Joint Facility - Debit	N/A	N/A	4	N/A	4	0	4	214
215		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	215
216		Repairs Billed to Others - (Credit)	N/A	N/A	0	N/A	0	0	0	216

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - (Continued)								
218		Dismantling Retired Property	0	0	0	0	0	0	0	217
219		Other	523	8	1,631	100	2,262	1	2,263	218
220		TOTAL LOCOMOTIVES	147,121	158,525	421,162	303,359	1,030,167	5,775	1,035,942	219
221		FREIGHT CARS								
222		Administration	5,691	1,201	1,249	320	8,461	N/A	8,461	220
223		Repair & Maintenance	119,268	170,143	87,652	3,776	380,839	N/A	380,839	221
224		Machinery Repair	0	1,893	1,984	0	3,877	N/A	3,877	222
225		Equipment Damaged	0	0	0	0	0	N/A	0	223
226		Fringe Benefits	N/A	N/A	N/A	59,101	59,101	N/A	59,101	224
227		Other Casualties & Insurance	N/A	N/A	N/A	47,037	47,037	N/A	47,037	225
228		Lease Rentals - Debit	N/A	N/A	193,505	N/A	193,505	N/A	193,505	226
229		Lease Rentals - (Credit)	N/A	N/A	(456)	N/A	(456)	N/A	(456)	227
230		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	N/A	0	228
231		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	N/A	0	229
232		Other Rents - Debit	N/A	N/A	763,570	N/A	763,570	N/A	763,570	230
233		Other Rents - (Credit)	N/A	N/A	(156,033)	N/A	(156,033)	N/A	(156,033)	231
234		Depreciation	N/A	N/A	N/A	96,777	96,777	N/A	96,777	232
235		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	233
236		Joint Facility - (Credit)	N/A	N/A	(3)	N/A	(3)	N/A	(3)	234
237		Repairs Billed Other - (Credit)	N/A	N/A	(175,576)	N/A	(175,576)	N/A	(175,576)	235
238		Dismantling Retired Property	0	0	0	0	0	N/A	0	236
239		Others	803	0	6	15	824	N/A	824	237
240		TOTAL FREIGHT CARS	125,762	173,237	715,898	207,026	1,221,923	N/A	1,221,923	238
241		OTHER EQUIPMENT								
242		Administration	0	0	0	0	0	148	148	301
243		Repair and Maintenance:								
244		Truck, Trailers & Containers - Revenue Service	316	6,858	24,439	84	31,697	N/A	31,697	302
245		Floating Equipment - Revenue Services	0	0	0	0	0	N/A	0	303
246		Passenger & Other Revenue Equipment	1,006	0	0	0	1,006	12,126	13,132	304
247		Computers & Data Process Systems	0	3,706	31,450	0	35,156	95	35,251	305
248		Machinery	0	404	307	0	711	98	809	306
249		Work & Other Nonrevenue Equipment	478	1,443	19,326	0	21,247	608	21,855	307
250		Equipment Damaged	0	0	158	0	158	0	158	308
251		Fringe Benefits	N/A	N/A	N/A	865	865	4,236	5,101	309
252		Other Casualties & Insurance	N/A	N/A	N/A	548	548	4	552	310
253		Lease Rentals - Debit	N/A	N/A	99,303	N/A	99,303	870	100,173	311
254		Lease Rentals - (Credit)	N/A	N/A	(518)	N/A	(518)	0	(518)	312

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
313		OTHER EQUIPMENT - (Continued)		N/A	0	N/A	0	0	0	
314		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	0	0	313
315		Other Rents - Debit	N/A	N/A	0	N/A	0	0	0	314
316		Other Rents - (Credit)	N/A	N/A	13,509	N/A	13,509	0	13,509	315
317		Depreciation	N/A	N/A	(1)	N/A	(1)	0	(1)	316
318		Joint Facility - Debit	N/A	N/A	0	41,163	41,163	126	41,289	317
319		Joint Facility - (Credit)	N/A	N/A	3,666	N/A	3,666	0	3,666	318
320		Repairs Billed Other - (Credit)	N/A	N/A	0	N/A	0	0	0	319
321		Dismantling Retired Equipment	N/A	N/A	(13,330)	N/A	(13,330)	0	(13,330)	320
322		Other	78	29	99	16	222	0	222	321
323		TOTAL OTHER EQUIPMENT	1,878	12,440	178,408	42,676	235,402	18,311	253,713	322
324		TOTAL EQUIPMENT	274,761	344,202	1,315,468	553,061	2,487,492	24,086	2,511,578	323
		TRANSPORTATION								324
401		Administration	39,017	3,870	11,545	2,810	57,242	2,837	60,079	401
402		Engine Crews	525,799	861	6,472	89,119	622,251	5,196	627,447	402
403		Train Crews	480,295	179	69	135	480,678	12,226	492,904	403
404		Dispatching Trains	31,409	17	2,376	184	33,986	467	34,453	404
405		Operating Signal & Interlockers	18	0	2,853	0	2,871	61	2,932	405
406		Operating Drawbridges	0	0	0	0	0	0	0	406
407		Highway Crossing Protection	0	0	1,483	0	1,483	0	1,483	407
408		Train Inspection & Lubricants	64,702	28,391	719	3,259	97,071	56	97,127	408
409		Locomotive Fuel	0	1,097,857	0	0	1,097,857	8,711	1,106,568	409
410		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	410
411		Servicing Locomotives	57,257	6,119	2,313	21	65,710	2,106	67,816	411
412		Freight Lost or Damaged	N/A	N/A	N/A	0	0	0	0	412
413		Clearing Wrecks	2,028	131	28,863	0	31,022	0	31,022	413
414		Fringe Benefits	N/A	N/A	N/A	464,741	464,741	7,170	471,911	414
415		Other Casualties & Insurance	N/A	N/A	N/A	130,588	130,588	(2,611)	127,977	415
416		Joint Facility - Debit	N/A	N/A	106,819	N/A	106,819	0	106,819	416
417		Joint Facility - (Credit)	N/A	N/A	(81,241)	N/A	(81,241)	0	(81,241)	417
418		Other	25,312	358	37	1,779	27,486	132	27,618	418
419		TOTAL TRAIN OPERATIONS	1,225,837	1,137,783	82,308	692,636	3,138,564	36,351	3,174,915	419
420		YARD OPERATIONS								420
421		Administration	17,271	2,003	6,772	1,308	27,354	0	27,354	421
		Switch Crews	230,582	2,364	5,235	27,665	265,846	1,346	267,192	422

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
422		YARD OPERATIONS - (Continued)								
423		Controlling Operations	29,557	0	0	0	29,557	1,091	30,648	422
424		Yard & Terminal Clerical	17,686	321	48	94	18,149	596	18,745	423
425		Operating Switches, Signals, Retarders & Humps	92	1	1,802	0	1,895	51	1,946	424
426		Locomotive Fuel	0	120,932	0	0	120,932	0	120,932	425
427		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	426
428		Servicing Locomotives	0	0	0	0	0	0	0	427
429		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	0	0	0	0	428
430		Clearing Wrecks	0	0	0	0	0	6	6	429
431		Fringe Benefits	N/A	N/A	N/A	111,922	111,922	1,108	113,030	430
432		Other Casualties & Insurance	N/A	N/A	N/A	30,185	30,185	0	30,185	431
433		Joint Facility - Debit	N/A	N/A	30,208	N/A	30,208	0	30,208	432
434		Joint Facility - (Credit)	N/A	N/A	(1,362)	N/A	(1,362)	0	(1,362)	433
435		Other	0	0	0	0	0	0	0	434
501		TOTAL YARD OPERATION	295,188	125,621	42,703	171,174	634,686	4,198	638,884	435
502		TRAIN & YARD OPERATIONS COMMON								
503		Cleaning Car Interiors	309	0	4,768	N/A	5,077	4,175	9,252	501
504		Adjusting & Transferring Loads	18	0	9,297	N/A	9,315	N/A	9,315	502
505		Car Loading Devices & Grain Doors	181	752	29,287	N/A	30,220	N/A	30,220	503
506		Freight Loss or Damaged - All Other	N/A	N/A	N/A	44,200	44,200	0	44,200	504
507		Fringe Benefits	N/A	N/A	N/A	190	190	0	190	505
508		TOTAL TRAIN & YARD OPERATIONS COMMON	508	752	43,352	44,390	89,002	4,175	93,177	506
509		SPECIALIZED SERVICE OPERATIONS								
510		Administration	5,672	208	971	306	7,157	N/A	7,157	507
511		Picking & Delivery & Marine Line Haul	0	0	22,732	0	22,732	N/A	22,732	508
512		Loading & Unloading Local Marine	11,102	503	119,727	146	131,478	N/A	131,478	509
513		Protective Services	0	0	459	0	459	N/A	459	510
514		Freight Loss or Damaged - Solely Related	N/A	N/A	N/A	0	0	N/A	0	511
515		Fringe Benefits	N/A	N/A	N/A	3,342	3,342	N/A	3,342	512
516		Casualties & Insurance	N/A	N/A	N/A	679	679	N/A	679	513
517		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	514
518		Joint Facility - (Credit)	N/A	N/A	(111)	N/A	(111)	N/A	(111)	515
519		Others	289	222	32	77	620	N/A	620	516
520		TOTAL SPECIALIZED SERVICES OPERATIONS	17,063	933	143,810	4,550	166,356	N/A	166,356	517

410. RAILWAY OPERATING EXPENSES - Continued
(Dollars in Thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
518		ADMINISTRATIVE SUPPORT OPERATIONS								
518		Administration	69,462	2,876	6,902	6,488	85,728	1,110	86,838	518
519		Employees Performing Clerical & Acctg Functions	46,798	2,933	9,659	815	60,205	5,371	65,576	519
520		Communication Systems Operations	4,548	1,128	3,034	364	9,074	432	9,506	520
521		Loss & Damage Claims Process	11,805	393	1,228	1,308	14,734	0	14,734	521
522		Fringe Benefits	N/A	N/A	N/A	54,644	54,644	1,577	56,221	522
523		Casualties & Insurance	N/A	N/A	N/A	16,374	16,374	0	16,374	523
524		Joint Facility - Debit	N/A	N/A	165	N/A	165	0	165	524
525		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	525
526		Other	3,277	0	165	114	3,556	0	3,556	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	135,890	7,330	21,153	80,107	244,480	8,490	252,970	527
528		TOTAL TRANSPORTATION	1,674,486	1,272,419	333,326	992,857	4,273,088	53,214	4,326,302	528
601		GENERAL & ADMINISTRATIVE								
601		Officers General & Administration	30,598	2,243	20,793	12,491	66,125	691	66,816	601
602		Accounting, Auditing & Finance	29,953	206	4,999	782	35,940	908	36,848	602
603		Management Services & Data Processing	30,861	1,053	26,062	3,174	61,150	2,099	63,249	603
604		Marketing	40,822	482	30,624	8,405	80,333	0	80,333	604
605		Sales	0	0	0	0	0	0	0	605
606		Industrial Development	709	14	3	147	873	N/A	873	606
607		Personnel & Labor Relations	14,453	362	5,233	9,608	29,656	1,078	30,734	607
608		Legal & Secretarial	11,557	106	36,379	1,342	49,384	1,400	50,784	608
609		Public Relations & Advertising	2,654	23	11,428	1,651	15,756	252	16,008	609
610		Research & Development	0	14	5	1	20	0	20	610
611		Fringe Benefits	N/A	N/A	N/A	110,903	110,903	1,357	112,260	611
612		Casualties & Insurance	N/A	N/A	N/A	47,544	47,544	7	47,551	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	13,352	13,352	25	13,377	613
614		Property Taxes	N/A	N/A	N/A	149,777	149,777	1,325	151,102	614
615		Other Taxes	N/A	N/A	N/A	32,288	32,288	107	32,395	615
616		Joint Facility - Debit	N/A	N/A	2,704	N/A	2,704	0	2,704	616
617		Joint Facility - (Credit)	N/A	N/A	(137)	N/A	(137)	0	(137)	617
618		Other	109,347	1,142	138,409	85,389	334,287	583	334,870	618
619		TOTAL GENERAL & ADMINISTRATIVE	270,954	5,645	276,502	476,854	1,029,955	9,832	1,039,787	619
620		TOTAL OPERATING EXPENSE	2,496,258	1,694,075	2,114,541	3,062,972	9,367,846	113,921	9,481,767	620

412. WAY AND STRUCTURES

(Dollars in Thousands)

1. Report freight expenses only.
2. The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in Schedule 410, column (f), lines 136, 137 and 138.
3. Report in column (c) the lease/rentals for the various property categories of way and structures. The total lease/rental reported in column (c), line 29 should balance the net amount reported in Schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property categories is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property.
4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29 shall equal the adjustment reported on line 29 of Schedule 335.
5. Report on line 28 all other lease rentals not apportioned to any category listed on lines 1-27.
6. Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415.

Line No.	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purposes	N/A			1
2		3	Grading	41,522			2
3		4	Other right-of-way expenditures	1,825			3
4		5	Tunnels and subways	3,809			4
5		6	Bridges, trestles and culverts	47,263			5
6		7	Elevated structures	0			6
7		8	Ties	219,178			7
8		9	Rail and other track material	340,147			8
9		11	Ballast	75,097			9
10		13	Fences, snowsheds and signs	860			10
11		16	Station and office buildings	15,123			11
12		17	Roadway buildings	1,160			12
13		18	Water stations	224			13
14		19	Fuel stations	3,672			14
15		20	Shops and enginehouses	4,516			15
16		22	Storage warehouses	20			16
17		23	Wharves and docks	668			17
18		24	Coal and ore wharves	89			18
19		25	TOFC/COFC terminals	12,446			19
20		26	Communications systems	8,812			20
21		27	Signals and interlockers	41,344			21
22		29	Power plants	0			22
23		31	Power transmission systems	1,045			23
24		35	Miscellaneous structures	428			24
25		37	Roadway machines	11,847			25
26		39	Public improvements; construction	15,347			26
27		45	Power plant machines	0			27
28			Other lease/rentals	N/A	40,622	N/A	28
29			TOTAL	846,442	40,622		29

414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT-CARRYING EQUIPMENT

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad-owned or leased equipment and privately-owned equipment. Reporting for leased equipment covers equipment with the carrier's own railroad markings.
3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedules 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

NOTE: Mechanical designations for each car type are shown in Schedule 710.

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
1		Box - Plain 40 Foot		0	0	0	0	0	1
2		Box - Plain 50 Foot and Longer		13	(8)	26,951	1,911	5,283	2
3		Box - Equipped		8,147	19,669	0	38,136	84,000	3
4		Gondola - Plain		471	602	4,994	1,458	2,647	4
5		Gondola - Equipped		1,883	6,862	0	10,846	22,938	5
6		Hopper - Covered		7,603	25,476	73,392	12,023	33,474	6
7		Hopper - Open Top - General Service		1,247	3,021	74	662	1,279	7
8		Hopper - Open Top - Special Service		147	514	13	995	2,307	8
9		Refrigerator - Mechanical		5,631	8,823	399	138	665	9
10		Refrigerator - Non-Mechanical		1,251	2,861	629	1,735	3,615	10
11		Flat - TOFC/COFC		1,538	7,149	87,351	21,682	58,199	11
12		Flat - Multi-Level		2,235	3,133	99,236	6,386	9,463	12
13		Flat - General Service		2	4	35	251	280	13
14		Flat - Other		771	2,455	37,939	15,867	37,291	14
15		Tank - Under 22,000 Gallons		0	0	0	0	0	15
16		Tank - 22,000 Gallons and Over		0	(2)	10,606	0	0	16
17		All Other Freight Cars		3	11	261	86	269	17
18		Auto Racks		0	44,521	0	0	41,568	18
19		TOTAL FREIGHT TRAIN CARS	0	30,942	125,091	348,116	112,176	303,278	19
		OTHER FREIGHT-CARRYING EQUIPMENT							
20		Refrigerated Trailers							20
21		Other Trailers			1			13,507	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS	0	0	1	0	0	13,507	24
25		GRAND TOTAL (Lines 19 and 24)	0	30,942	125,092	348,116	112,176	316,785	25

NOTES AND REMARKS

(This page intentionally left blank)

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, suppliers, fuels and lubricants, purchased services and general).
3. Report in column (b) net repair expense excluding the cost to repair damaged equipment.

Schedule 415, column (b), will balance to Schedule 410, column (f), as follows:

- (a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 plus 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204.
- (b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 plus 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.
- (c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), plus Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 308.

NOTE: Lines 216, 235, and 320 of Schedule 410 are credit amounts.

The allocation of freight car repair expense reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing, 49 CFR 1201

4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d). For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342

Depreciation charges reported on columns (c) and (d) will balance to Schedule 410, column (f), as follows:

- (a) Locomotives, line 5 plus 38 compared to Schedule 410, line 213.
 - (b) Freight Cars, line 24 plus line 39 compared to Schedule 410, line 232.
 - (c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), and Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, line 317.
5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item; the net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column c of Schedule 335.
 6. Lease/Rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:
 - (a) Locomotives, line 5 plus 38 compared to Schedule 410, lines 207, 208, 211 and 212.
 - (b) Freight Cars, line 24 plus line 39 compared to Schedule 410, line 226 plus 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415).
 - (c) Sum of Lease/Rentals for All Other Equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing Lease/Rentals Other Equipment to Schedule 410. Do not report in Schedule 415 the Trailer and Container rentals reported in Schedule 414.
 7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of Equipment Used But Not Owned when the rents therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the Cost of Equipment Owned and Leased to Others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00 and 36-23-00.

Property Used But Not Owned should also be included when the rent is included in Accounts Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00 and 31-23-00, inclusive.

The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h), of Schedule 415.

8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE -- EQUIPMENT

(Dollars in Thousands)

Line No.	Cross Check	Types of equipment (a)	Repairs (net expenses) (b)	Depreciation		Amortization adjustment net during year (e)	Line No.
				Owned (c)	Capital lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	29,298	3,771	0		1
2		Diesel Locomotive - Road	416,177	114,797	84,414		2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL LOCOMOTIVES	445,475	118,568	84,414		5
		FREIGHT TRAIN CARS					
6		Box - Plain-40 foot	33	1	0		6
7		Box - Plain-50 foot and Longer	567	6,111	217		7
8		Box - Equipped	40,992	11,198	1,658		8
9		Gondola - Plain	6,639	6,033	252		9
10		Gondola - Equipped	19,921	3,299	1,090		10
11		Hopper - Covered	54,324	13,621	808		11
12		Hopper - Open Top Gen Svc	24,204	9,379	5,214		12
13		Hopper - Open Top Spec Svc	5,515	1,307	0		13
14		Refrigerator - Mechanical	42,900	2,904	0		14
15		Refrig - Non-mechanical	1,851	3,195	1,682		15
16		Flat - TOFC/COFC	62	29	865		16
17		Flat - Multi-level	0	2,083	0		17
18		Flat - General Service	145	179	0		18
19		Flat - Other	6,639	3,419	0		19
20		All Other Freight Cars	270	111	0		20
21		Cabooses	89	516	0		21
22		Auto Racks	1,112	19,677	0		22
23		Misc. Accessories	0	1,021	0		23
24	*	TOTAL FREIGHT TRAIN CARS	205,263	84,083	11,786	0	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers	31,697	52			26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equip (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	31,697	52	0	0	32
		FLOATING EQUIP-REVENUE SERVICE					
33		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT	0	0	0	0	35
		OTHER EQUIPMENT					
36	*	Pass and Other Revenue Equip (Freight Portion)	1,006	15			36
37	*	Comp Sys & Word Proc. Equip.	35,156	36,261			37
38	*	Machinery - Locomotives (1)	2,333	1,922			38
39	*	Machinery - Freight Cars (2)	3,877	908			39
40	*	Machinery - Other Equipment (3)	711	27			40
41	*	Work and Non-revenue Equip	21,247	4,789	19		41
42		TOTAL OTHER EQUIPMENT	64,330	43,922	19	0	42
43		TOTAL ALL EQUIPMENT (Freight Portion)	746,765	246,625	96,219	0	43

(1) Data reported on line 38, column (b) is the amount reported in Schedule 410, column (f), line 203 reduced by the allocated portion of line 216.

(2) Data reported on line 39, column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portion of line 235.

(3) Data reported on line 40, column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.

415. SUPPORTING SCHEDULE -- EQUIPMENT - Concluded

(Dollars in Thousands)

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		0	105,536		34,909		1
2		266,046	2,691,202	2,039,468	784,112	590,478	2
3							3
4							4
5	*	266,046	2,796,738	2,039,468	819,021	590,478	5
6		0	23	0	18	0	6
7		4,054	115,582	3,234	48,820	806	7
8		3,475	246,215	37,686	109,558	18,805	8
9		6,757	172,768	7,721	81,971	1,312	9
10		8,687	89,215	20,238	26,771	12,199	10
11		40,540	432,391	14,427	162,682	5,111	11
12		386	277,659	87,867	160,795	43,534	12
13		11,969	37,589	0	12,957	0	13
14		5,985	71,197	0	21,072	0	14
15		1,930	60,831	32,213	16,028	16,958	15
16		94,208	487	16,024	88	8,652	16
17		0	36,543	0	28,675	0	17
18		1,158	5,119	0	2,190	0	18
19		1,737	103,397	0	37,426	0	19
20		386	2,610	0	612	0	20
21		0	7,269	0	3,202	0	21
22		11,777	455,494	0	200,930	0	22
23		0	23,373	0	3,476	0	23
24	*	193,049	2,137,762	219,410	917,271	107,377	24
25							25
26		47,675	1,798		1,550		26
27							27
28							28
29							29
30							30
31							31
32	*	47,675	1,798	0	1,550	0	32
33							33
34							34
35	*	0	0	0	0	0	35
36	*		15		0		36
37	*	8,254	273,989		95,760		37
38	*		97,840		19,492		38
39	*		47,687		14,170		39
40	*		3,005		472		40
41	*	42,856	148,348	539	32,869	48	41
42		51,110	570,884	539	162,763	48	42
43		557,880	5,507,182	2,259,417	1,900,605	697,903	43

(1) Data reported on lines 38, 39, and 40 in columns (g) and (h) are investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment.

(2) Depreciation reported on lines 38, 39, and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for the property account 44. And then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335.

416. SUPPORTING SCHEDULE - ROAD
(Dollars in Thousands)

Line No.	Density Category (Class) (a)	Account No. (b)	Owned and Used			Improvements to Leased Property			Capitalized Leases			TOTAL		Line No.
			Investment Base (c)	Accumulated Depreciation (d)	Depr. rate % (e)	Investment Base (f)	Accumulated Depreciation (g)	Depr. rate % (h)	Investment Base (i)	Current Year Amortization (j)	Accumulated Amortization (k)	Investment Base (l)	Accumulated Depreciation & Amortization (m)	
1	I	3	1,384,798	130,514	1.14							1,384,798	130,514	1
2		8	2,585,147	585,636	4.57							2,585,147	585,636	2
3		9	4,344,212	2,040,524	5.44							4,344,212	2,040,524	3
4		11	1,486,908	225,487	2.94							1,486,908	225,487	4
5	SUB-TOTAL		9,781,065	2,982,161								9,781,065	2,982,161	5
6	II	3	595,463	32,267	1.14							595,463	32,267	6
7		8	1,137,147	333,445	4.66							1,137,147	333,445	7
8		9	1,868,009	504,475	1.25							1,868,009	504,475	8
9		11	639,351	112,372	2.94							639,351	112,372	9
10	SUB-TOTAL		4,239,971	982,558					0	0	0	4,239,971	982,558	10
11	III	3	5,491	N/A	N/A		N/A	N/A		N/A	N/A	5,491	0	11
12		8	10,084	N/A	N/A		N/A	N/A		N/A	N/A	10,084	0	12
13		9	17,226	N/A	N/A		N/A	N/A		N/A	N/A	17,226	0	13
14		11	5,848	N/A	N/A		N/A	N/A		N/A	N/A	5,848	0	14
15	SUB-TOTAL		38,649	N/A	N/A		N/A	N/A		N/A	N/A	38,649	0	15
16	IV	3	625,153	30,488	1.14							625,153	30,488	16
17		8	883,663	261,965	4.50							883,663	261,965	17
18		9	1,961,150	476,675	3.44							1,961,150	476,675	18
19		11	407,965	67,766	2.94							407,965	67,766	19
20	SUB-TOTAL		3,877,933	836,894					0	0	0	3,877,933	836,894	20
21	V	3	28,795	3,156	1.14							28,795	3,156	21
22		8	50,462	17,360	4.38							50,462	17,360	22
23		9	90,331	49,335	3.44							90,331	49,335	23
24		11	27,708	5,445	2.94							27,708	5,445	24
25	SUB-TOTAL		197,295	75,295								197,295	75,295	25
26	GRAND TOTAL	N/A	18,134,912	4,876,908	N/A				0	0	0	18,134,912	4,876,908	26

Notes:

- (1) Columns (c) + (f) + (i) = Column (l)
- (2) Columns (d) + (g) + (k) = Column (m)
- (3) The base grand total for owned and used, improvements to leased property and capitalized leases should equal the sum of Accounts 3, 8, 9 and 11 shown at year end on Schedule 330.

NOTES AND REMARKS

(This page intentionally left blank)

417. SPECIALIZED SERVICE SUBSCHEDULE -- TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery, or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, Note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers, or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, and grain elevator terminal operations and livestock feeding operations only.

Line No.	Cross Check	Items (a)	TOFC/COFC Terminal (b)	Floating Equipment (c)	Coal Marine Terminal (d)	Ore Marine Terminal (e)	Other Marine Terminal (f)	Motor Vehicle Load and Distribution (g)	Protective Services Refrigerator Car (h)	Other Special Services (i)	Total Columns (b-i) (j)	Line No.
1	*	Administration	7,157					0	0		7,157	1
2	*	Pick up and delivery, marine line haul	20,701					2,031	N/A		22,732	2
3	*	Loading and unloading and local marine	106,239					25,239	N/A		131,478	3
4	*	Protective services, total debit and credits	0					459	0		459	4
5	*	Freight lost or damaged-solely related	0					0	0		0	5
6	*	Fringe benefits	3,342					0	0		3,342	6
7	*	Casualty and insurance	549					130	0		679	7
8	*	Joint facility - Debit	0					0	0		0	8
9	*	Joint facility - Credit	(111)					0	0		(111)	9
10	*	Other	620					0	0		620	10
11	*	TOTAL	138,497					27,859	0		166,356	11

SCHEDULE 418

Instructions:

This schedule will show the investment in capitalized leases in road and equipment by primary account.

COLUMN

- (a) = primary account number and title for which capital lease amounts are included therein.
- (b) = the total investment in that primary account.
- (c) = the investment in capital leases at the end of the year.
- (d) = the current year amortization.
- (e) = the accumulated amortization relating to the leased properties.

418. SUPPORTING SCHEDULE - CAPITAL LEASES

(Dollars in thousands)

Primary Account No. and Title (a)	Total Investment At End of Year (b)	Capital Leases		
		Investment At End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)
52 Locomotives	4,836,206	2,039,468	84,414	590,478
53 Freight-Train Cars	2,357,172	219,410	11,786	107,377
57 Work Equipment	122,650	539	19	48
TOTAL	7,316,028	2,259,417	96,219	697,903

NOTES AND REMARKS

(This page intentionally left blank)

450. ANALYSIS OF TAXES
(Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of tax (a)	Amount (b)	Line No.
1		Other than U.S. Government Taxes	225,191	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax and Surtax	208,064	2
3		Excess Profits	0	3
4	*	Total - Income Taxes L 2 + 3	208,064	4
5		Railroad Retirement	566,925	5
6		Hospital Insurance	45,030	6
7		Supplemental Annuities	0	7
8		Unemployment Insurance	26,437	8
9		All Other United States Taxes	57,401	9
10		Total - U.S. Government Taxes	903,857	10
11		Total - Railway Taxes	1,129,048	11

B. Adjustments to Federal Income Taxes

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other (Specify)," including State and other taxes deferred if computed separately. Minor items, each less than \$100,000 may be combined in a single entry under "Other (Specify)."
2. Indicate in column (b) the beginning of the year total of Accounts 714, 744, 762 and 786 applicable to each particular item in column (a).
3. Indicate in column (c) the net changes in Accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.
4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back.
5. The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year.
6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762 and 786.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21.	8,168,230	337,652		8,505,882	1
2	Accelerated amortization of facilities, Sec. 168 I.R.C.					2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I.R.C.					4
5	Other (Specify)					5
6	Retirement Benefits	(315,740)	46,098	22,421	(247,221)	6
7	Deferred State Income Taxes - Net	629,108	(13,519)	1,020	616,609	7
8	Tax Loss Carryforwards	0	0		0	8
9	Alternative Minimum Tax Credit Carryforwards	(93,078)	(3,235)		(96,313)	9
10	Other Items	152,986	(9,292)	(6,949)	136,745	10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit	0			0	18
19	TOTALS	8,541,506	357,704	16,492	8,915,702	19

450. ANALYSIS OF TAXES - Concluded
(Dollars in Thousands)

* Footnotes:

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit.

If deferral method for investment tax credit was elected:

(1) Indicate amount of credit utilized as a reduction of tax liability for current year.

(2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes.

(3) Balance of current year's credit used to reduce current year's tax accrual.

(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual.

(5) Total decrease in current year's tax accrual resulting from use of investment tax credits.

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made.

0

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR
(Dollars in Thousands)

Give a brief description for all items, regardless of amount, included during the year in Accounts 555, Unusual or Infrequent Items; 560, Income or Loss From Operations of Discontinued Segments; 562, Gain or Loss on Disposal of Discontinued Segments; 570, Extraordinary Items; 590, Income Taxes on Extraordinary Items; 592, Cumulative Effect of Changes in Accounting Principles; 603, Appropriations Released; 606, Other Credits to Retained Earnings; 616, Other Debits to Retained Earnings; 620, Appropriations for Sinking and Other Funds; 621, Appropriations for Other Purposes. If appropriations released reflect appropriations provided during the year, each account should not be reported.

For Accounts 519, Miscellaneous Income, and 551, Miscellaneous Income Charges, if the total in either account exceeds 10% of net income before extraordinary items, describe the three largest items in the account and any other items in excess of 10% of net income.

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1					1
2	603	Appropriations Released:			2
3		- First Mortgage		772	3
4		- General Mortgage Bond		688	4
5		- Income Debenture (CE&I)		123	5
6		TOTAL		1,583	6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14	620	Appropriations Established:			14
15		- First Mortgage	772		15
16		- General Mortgage Bond	688		16
17		- Income Debenture (CE&I)	123		17
18		TOTAL	1,583		18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

501. GUARANTEES AND SURETYSHIPS
(Dollars in Thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show the particulars of each contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No.	Names of all parties principally and primary liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1	Terminal RR Association of St. Louis				1
2	Union Pacific Railroad Company	Sinking Fund & Int. on RFT & Mtge	3,339	Joint	2
3	Burlington Northern Santa Fe Railway Co.	Bonds Series C due 7-1-2019			3
4	CSX Transportation, Inc.	(FD 14553)			4
5	Canadian National/Illinois Central				5
6	Norfolk Southern Railway Co.				6
7					7
8					8
9	Union Pacific Railroad Company	Helm - Pacific Leasing - various lease agreements	3,600	Sole	9
10					10
11					11
12	Union Pacific Railroad Company	Equipment Management Provider Venture	1,559	Sole	12
13		container and chassis rental.			13
14					14
15					15
16	Union Pacific Railroad Company	Crew Lodging Facilities	24,637	Sole	16
17					17
18					18
19					19
20	Kansas City Terminal Flyover				20
21	Union Pacific Railroad Company	6.8884% Railway Bridge System Bond	67,838	Joint	21
22	Burlington Northern Santa Fe Railway Co.				22
23					23
24					24
25	Union Pacific Railroad Company	Japanese Leverage Lease Yen Deposit	89,102	Sole	25
26					26
27					27
28	Union Pacific Railroad Company	Headquarters Building - Synthetic Lease	112,706	Sole	28
29					29
30					30
31	Union Pacific Railroad Company	Kansas and Missouri Highline Project	56,850	Sole	31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show the particulars called for hereunder for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after the date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance Docket number, title, maturity date and concise description of agreement or obligations (a)	Name of all guarantors and sureties (b)	Amount contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS
(Dollars in Thousands)

Using the following notes as a guideline, show the requirements compensating balances and short-term borrowing arrangements. Footnote disclosure is required even though the arrangements is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances included in Account 703, Special Deposits, and in Account 717, Other funds, should also be separately disclosed below.
5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

The Company has outstanding letters of credit in the amount of \$27.5 million with various banks under which no borrowings were outstanding at December 31, 2003.

NOTES AND REMARKS

(This page intentionally left blank)

SCHEDULE 510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT
(Dollars in Thousands)

The principal use of this schedule is to determine the average embedded rate of debt capital.

I. Debt Outstanding at End of Year:

Line No.	Account No. (a)	Title (b)	Source (c)	Balance at Close of Year (d)	Line No.
1	751	Loans and Notes Payable	Sch. 200, L. 30	0	1
2	764	Equip. Obligations and Other Debt due within one year	Sch. 200, L. 39	169,909	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	411,610	3
4	766	Equipment Obligations	Sch. 200, L. 42	228,755	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	1,419,041	5
6	768	Debt in Default	Sch. 200, L. 44	0	6
7	769	Accounts Payable: Affiliated Companies	Sch. 200, L. 45	4,373,194	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(61,647)	8
9		Total Debt	Sum L. 1-8	6,540,862	9
10		Debt Directly Related to Road Property	Note 1	178,245	10
11		Debt Directly Related to Equipment	Note 1	1,904,287	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	2,082,532	12
13		Percent Directly Related to Road	L. 10 divided by L. 12 Whole % plus 2 decimals	8.56%	13
14		Percent Directly Related to Equipment	L. 11 divided by L. 12 Whole % plus 2 decimals	91.44%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	4,458,330	15
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	559,878	16
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	5,980,984	17

II. Interest Accrued During the Year:

Line No.	Account No. (a)	Title (b)	Source (c)	Balance at Close of Year (d)	Line No.
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	493,990	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	7,680	19
20	517	Release of Premium on Funded Debt	Sch. 210, L. 22	9,234	20
21		Total Interest (Note 3)	(L. 18 + L. 19) minus L. 20	492,436	21
22		Interest Directly Related to Road Property Debt	Note 4	7,758	22
23		Interest Directly Related to Equipment Debt	Note 4	146,804	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 minus (L. 22 + L. 23)	337,874	24
25		Interest on Road Property Debt (Note 5)	L. 22 plus (L. 24 x L. 13)	36,680	25
26		Interest on Equipment Debt (Note 5)	L. 23 plus (L. 24 x L. 14)	455,756	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 divided by L. 16	6.55%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 divided by L. 17	7.62%	28

Note 1. Directly related means the purpose which the funds were used when the debt was issued.

Note 2. Line 16 plus Line 17 must equal Line 9.

Note 3. Line 21 includes interest on debt in Account 769 -- Accounts Payable; Affiliated Companies.

Note 4. This interest relates to debt reported on Lines 10 and 11, respectively.

Note 5. Line 25 plus Line 26 must equal Line 21.

NOTES AND REMARKS

(This page intentionally left blank)

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing or other type of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies.

To be excluded are payments for the following types of services:

- (a) Lawful tariff charges for transportation services
 - (b) Payments to or from other carriers for interline services and interchange of equipment
 - (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported.
 - (d) Payments to public utility companies for rates or charges fixed in conformity with government authority.
2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more for the year. If an affiliated company provides services to more than one affiliate and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

3. In column (b) indicate nature of relationship or control between the respondent and the company or person identified in column (a) as follows:
 - (a) If respondent directly controls affiliate, insert the word "direct"
 - (b) If respondent controls through another company, insert the word "indirect"
 - (c) If respondent is under common control with affiliate, insert the word "common"
 - (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled"
 - (e) If control is exercised by other means such as a management contract or other arrangement of whatever kind, insert the word "other" and footnote to describe such arrangements.
4. In column (c) fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show total for the affiliate. When services are both provided and received between the respondent and an affiliate, they should be listed separately and the amounts shown separately in column (e).
5. In column (d) report the dollar amounts of transaction shown and the effect of any change in the method of establishing the terms from that used in the preceding period.
6. In column (e) report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) paid and (R) received by the amount in column (e).

512. Transactions Between Respondent and Companies or Persons Affiliated with Respondent for Services Received or Provided
(Dollars in Thousands)

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Union Pacific Corporation		Controlled	Various (see below)	92,000	4,373,000 (P)	1
2	Wasatch Insurance Ltd.		Common	Insurance	5,790		2
3	Transcontinental Surety						3
4	of Vermont		Common	Insurance	8,416		4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

Balance 12-31-02	4,465,000
Interest Expense	335,000
Financing, Net	(890,000)
Taxes	186,000
Technology Subsidiary Charges	(4,000)
Insurance	30,000
Dividends	251,000
Balance 12-31-03	<u>4,373,000</u>

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

State particulars of all tracks operated by the respondent at the close of the year, according to the following classification:

- (1) Line owned by respondent.
- (2) Line owned by proprietary companies.
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent.
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with respondent.
- (5) Line operated under trackage rights.

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes. Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings: i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile. In column (a) insert the figure (and letter, if any) indicating its class in accordance with the preceding classification. In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in column (d) give its entire length (the distances between termini of single or first main track), and in the following columns the lengths of second main track; all other main tracks, passing tracks, cross-overs and turn-outs; way switching tracks; and yard switching tracks. These classes of tracks are defined as follows:

<u>Running tracks.</u>	Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.
<u>Way switching tracks.</u>	Station, team, industry and other switching tracks for which no separate service is maintained.
<u>Yard switching tracks.</u>	Yards where separate switching services are maintained, including classification, house, team, industry and other tracks switched by yard locomotives.

The returns in columns (h) and (i) should include tracks serving industries, such as mines, mills, smelters, factories, etc. Tracks belonging to an industry for which no rent is payable should not be included.

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a clearing account and which are used in getting out material for the respondent's use, should not be included.

Class (1) includes all lines operated by the respondent at the close of the year to which it has title in perpetuity.

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rest in a corporation controlled by or controlling the respondent, but in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully set forth in a footnote. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as Class (3), except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains. In the road of this class, the respondent has no proprietary rights but only the rights of a licensee. Include in this class, also, all main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them, but does not have exclusive possession of them.

Road held by the respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class, and the entry of length should be of the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

Road operated by the respondent as agent for another carrier should not be included in this schedule.

700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No.	Class (a)	Proportion owned or leased by Respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks cross-overs, and turnouts (f)				
1	1	100%	26,478	3,888	329	2,993	3,723	7,587	44,998	1
2										2
3	1J	12.5%							-	3
4	1J	23.0%							-	4
5	1J	25.0%					3	31	34	5
6	1J	33.3%	1				9	9	19	6
7	1J	37.5%							-	7
8	1J	40.0%							-	8
9	1J	44.0%						-	-	9
10	1J	50.0%	575	213	46	60	36	188	1,118	10
11	1J	62.5%							-	11
12	1J	66.7%							-	12
13		Total 1J	576	213	46	60	48	228	1,171	13
14										14
15		Total 1 and 1J	27,054	4,101	375	3,053	3,771	7,815	46,169	15
16										16
17	2	A&S	17	9		2		87	115	17
18	2	OUR&D	2					4	6	18
19		Total 2	19	9	-	2	-	91	121	19
20										20
21	3A								-	21
22	3B		315			19	60	76	470	22
23										23
24		Total 3	315	-	-	19	60	76	470	24
25										25
26										26
27	4B								-	27
28										28
29		Total 4	-	-	-	-	-	-	-	29
30										30
31										31
32	5		5,443	1,430	98	103	163	119	7,356	32
33	5J								-	33
34										34
35		Total 5	5,443	1,430	98	103	163	119	7,356	35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	32,831	5,540	473	3,177	3,994	8,101	54,116	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h).

Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or Territory (a)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No.
1		Arizona	666					666	77		1
2		Arkansas	1,337				8	1,345	140		2
3		California	2,919				534	3,453	635		3
4		Colorado	1,350				352	1,702	16		4
5		Idaho	872				4	876	41		5
6		Illinois	1,588	19	2		632	2,241	8		6
7		Indiana					4	4			7
8		Iowa	1,430				95	1,525	6		8
9		Kansas	1,613				699	2,312	436		9
10		Louisiana	1,084				52	1,136	22		10
11		Minnesota	463				228	691			11
12		Missouri	1,017				467	1,484	338		12
13		Montana	125					125	52		13
14		Nebraska	986				11	997	254		14
15		Nevada	1,200					1,200			15
16		New Mexico	561				83	644			16
17		Oklahoma	516		313		353	1,182	19		17
18		Oregon	879				205	1,084	406		18
19		Tennessee	11				5	16	2		19
20		Texas	5,288				1,120	6,408	322		20
21		Utah	1,333					1,333	8		21
22		Washington	298				260	558	72		22
23		Wisconsin	638				331	969	75		23
24		Wyoming	880					880			24
25											25
26											26
27											27
28											28
29											29
30											30
31		TOTAL MILEAGE	27,054	19	315	0	5,443	32,831	2,929	0	31
32		(single track)									32

NOTES AND REMARKS**Notes to Schedule 710S**

1. Includes 91 locomotives, 1 scale test car, 1 ballast vacuum extractor, 1 conveyor ballast hopper purchased and 31 locomotives rebuilt in previous years but financially complete this year.
2. Excludes 346 flat cars and 82 locomotives rebuilt but not financially complete this year.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (l).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.

5. A "self-propelled" car is a rail motor car propelled by electric motors receiving power from a third rail or overhead or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.

6. A "diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and includes all units other than diesel, or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "auxiliary unit" includes all units used in conjunction with

locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate.

Radio-controlled units that are self-propelled, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

9. Cross-checks

Schedule 710

Line 5, column (j)	=	Line 11, column (l)
Line 6, column (j)	=	Line 12, column (l)
Line 7, column (j)	=	Line 13, column (l)
Line 8, column (j)	=	Line 14, column (l)
Line 9, column (j)	=	Line 15, column (l)
Line 10, column (j)	=	Line 16, column (l)

Schedule 710

When data appear in column (j), lines 1 thru 8, column (k) should have data on same lines.

When data appear in columns (k) or (l), lines 36 thru 53 and 55, column (m) should have data on same lines.

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Type of design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased including reclassification (g)	Units at Close of Year				Line No.
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i))	Aggregate capacity of units reported in col. (i) (see ins. 7) (k)	
1		LOCOMOTIVE UNITS										(H.P.)	1
2		Diesel-freight units	55					0	5	50	55	173,800	2
3		Diesel-passenger units	6,517	164	101	0	131	249	3,494	3,170	6,664	24,699,765	3
4		Diesel-multiple purpose units	488			0	3	18	446	27	473	769,500	4
5	*	Diesel-switching units	7,060	164	101	0	134	267	3,945	3,247	7,192	25,643,065	5
6	*	TOTAL (lines 1 to 4)											6
7	*	Electric-locomotives							2		2	N/A	7
8	*	Other self-powered units (steam)	2					267	3,947	3,247	7,194	25,643,065	8
9	*	TOTAL (lines 5, 6 and 7)	7,062	164	101	0	134		57	0	57	N/A	9
10	*	Auxiliary units	32			25							10
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	7,094	164	101	25	134	267	4,004	3,247	7,251	25,643,065	10

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR BUILT, DISREGARDING YEAR OF REBUILDING

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR DOTTED, ENCLOSURE DOTTED, YEAR, ST. THESE DOTTED														
Line No.	Cross Check	Type of design of units (a)	Before Jan. 1, 1980 (b)	Between Jan. 1, 1980 and Dec. 31, 1984 (c)	Between Jan. 1, 1985 and Dec. 31, 1989 (d)	Between Jan. 1, 1990 and Dec. 31, 1994 (e)	Between Jan. 1, 1995 and Dec. 31, 1999 (f)	During Calendar Year					TOTAL (j)	Line No.
								2000 (g)	2001 (h)	2002 (i)	2003 (j)	2004 (k)		
11	*	Diesel	1,901	717	653	858	1,317	451	500	530	265		7,192	11
12	*	Electric												12
13	*	Other self-powered units (steam)	2										2	13
14	*	TOTAL (lines 11 to 13)	1,903	717	653	858	1,317	451	500	530	265	0	7,194	14
15	*	Auxiliary units	18	32		3	4						57	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	1,921	749	653	861	1,321	451	500	530	265	0	7,251	16

710. INVENTORY OF EQUIPMENT - Continued														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type of design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year					Units retired from service of respondent whether owned or leased or including reclassification (g)	Units at Close of Year				Line No.
				Units installed				Leased from others (l)		Owned and used (h)	Total in service of respondent (col. (h)&(l)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)		
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA,PB, PBO)	232							232		232		17
18		Combined cars (All class C, except CSB)												18
19		Parlor cars (PBC,PC,PL,PO)												19
20		Sleeping cars (PS,PT,PAS,PDS)												20
21		Dining, grill and tavern cars (All class D, PD)												21
22		Non-passenger-carrying cars (All Class B,CSB,M,PSA,IA)												22
23		TOTAL (lines 17 to 22)	232	0	0	0	0	0	0	232	0	232		23
24		Self-Propelled Electric passenger cars (EP,ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED, EG)												26
27		Other self-propelled cars (Specify types)	79							79		79		27
28		TOTAL (lines 24 to 27)	79	0	0	0	0	0	0	79	0	79		28
29		TOTAL (lines 23 to 28)	311	0	0	0	0	0	0	311	0	311		29
30		COMPANY SERVICE CARS Business car (PV)	78											30
31		Board outfit cars (MWX)	127			13				140		140		31
32		Derrick and snow removal cars (MWU,MWV,MWW,MWK)	54					8		46		46		32
33		Dump and ballast cars (MWB,MWD)	3,037					272		2,765		2,765		33
34		Other maintenance and service equipment cars	3,320		0			72		3,248		3,248		34
35		TOTAL (lines 30 to 34)	6,616	0	0	13	0	352		6,277		6,277		35

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (i). Units rented from others for a period less than one year should not be included in column (j).

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
		FREIGHT TRAIN CARS							
36		Plain box cars - 40' (B1__, B2__)	0	0	0	0	0	2	36
37		Plain box cars - 50' longer (B3_0-7, B4_0-7, B5__, B6__, B7__, B8__)	63	0	0	0	0	21	37
38		Equipped box cars (All Code A, Except A_5_)	14,977	0	0	0	0	3,628	38
39		Plain gondola cars (All Codes, G & J__1__,J__2__,J__3__,J__4)	3,440	0	0	0	0	0	39
40		Equipped gondola cars (All Code E)	11,353	0	0	240	0	861	40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	30,602	0	0	0	0	0	41
42		Open top hopper cars--general service (All Code H)	13,833	0	340	0	0	0	42
43		Open top hopper cars--special service (J__0,J__5, J__6, J__7, J__8, J__9, at	2,058	0	0	0	0	0	43
44		Refrigerator cars -- mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	5,063	0	0	0	0	0	44
45		Refrigerator cars -- non-mechanical (R_0_, R_1_, R_2_)	3,309	0	0	0	0	0	45
46		Flat cars -- TOFC/COFC (All Code P, Q and S, Except Q8__)	614	0	0	0	0	0	46
47		Flat cars -- multi-level (All Code V)	1,698	0	0	0	0	94	47
48		Flat cars -- general service (F10_, F20_, F30_)	79	0	0	0	0	236	48
49		Flat cars -- other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6) (F_8_, F40_)	3,719	0	0	0	0	96	49
50		Tank cars -- under 22,000 gallons (T__0, T__1, T__2, T__3, T__4, T__5)	17	0	0	0	0	0	50
51		Tank cars -- 22,000 gallons and over (T__6, T__7, T__8, T__9)	47	0	0	0	0	0	51
52		All other freight cars (A_5_, F_7_, All Code L and Q8__)	5	0	0	0	0	0	52
53		TOTAL (lines 36 to 52)	90,877	0	340	240	0	4,938	53
54		Caboose (All Code M-930)	N/A	7					54
55		TOTAL (lines 53 and 54)	90,877	7	340	240	0	4,938	55

710. INVENTORY OF EQUIPMENT - Continued

4. Column (m) should show aggregate capacity for all units reported in columns (k) and (l), as follows. For freight-train cars, report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.
5. Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Changes during the year (concluded) Units retired from service respondent whether owned or leased, including reclassification (h)	Units at Close of Year						Line No.
		Owned and used (i)	Leased from others (j)	Total in service of respondent col. (i) & (j)		Aggregate capacity of units reported in cols. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
				Time-mileage cars (k)	All other (l)			
36	0	2	0	2		140		36
37	0	81	3	84		6,677		37
38	0	15,586	3,019	18,605		1,532,678		38
39	939	2,094	407	2,501		289,561		39
40	0	8,432	4,022	12,454		1,226,114		40
41	1,228	21,064	8,310	29,374		3,025,591		41
42	732	10,361	3,080	13,441		1,364,799		42
43	2,010	6	42	48		4,749		43
44	246	2,408	2,409	4,817		338,831		44
45	3,290	19	0	19		1,401		45
46	76	30	508	538		148,064		46
47	0	1,328	464	1,792		69,419		47
48	0	315	0	315		25,061		48
49	0	3,102	713	3,815		366,635		49
50	17	0	0	0		0		50
51	47	0	0	0		0		51
52	5	0	0	0		0		52
53	8,590	64,828	22,977	87,805	0	8,399,720	0	53
54		0	0	N/A	7	N/A		54
55	8,590	64,828	22,977	87,805	7	8,399,720	0	55

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Per diem (b)	All others (c)	Units installed			All other units including reclassification and second hand units purchased or leased from others (g)	
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)		
56		FLOATING EQUIPMENT Self-propelled vessels (Tugboats, car ferries, etc.)							56
57		Non-self-propelled vessels (Car floats, lighters, etc.)							57
58		TOTAL (lines 56 and 57)							58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1__, Z67__, Z68__, Z69__	20,410						59
60		Dry van U2__, Z__, Z6__, 1-6							60
61		Flat bed U3__, Z3__	0						61
62		Open bed U4__, Z4__							62
63		Mechanical refrigerator U5__, Z5__							63
64		Bulk hopper U0__, Z0__							64
65		Insulated U7__, Z7__							65
66		Tank Z0__, U6__ (See Note)							66
67		Other trailer and container (Special equipped dry van U9__, Z8__, Z9__)	21,789						67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 and 69)	42,199		0	0	0	0	70

NOTES AND REMARKS

Note: Line 66 (Tank) must have fitting code "CN" to qualify as a tank otherwise it is a bulk hopper.

710. INVENTORY OF EQUIPMENT - Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Changes during the year (Concluded)	Units at Close of Year						Line No.
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in cols. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Per diem (k)	All other (l)			
56									56
57									57
58									58
59			20,410	0	20,410				59
60									60
61				0	0				61
62									62
63									63
64									64
65									65
66									66
67			1,275	20,514	21,789				67
68									68
69									69
70		0	21,685	20,514	42,199				70

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR
(Dollars in Thousands)

1. Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S) including units acquired through capitalized leases (L).
2. In column (a) list each class or type of locomotive unit, car, or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show type of equipment as enumerated in Schedule 710.
3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.
4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.
5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

NEW UNITS

Line No.	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instructions) (e)	Line No.
1	LOCOMOTIVES					1
2	Diesel Road Freight					2
3	C44AC	261	54,158	396,957,179		3
4						4
5						5
6						6
7	WORK EQUIPMENT					7
8	SCALE TEST CAR	1	50	157,595		8
9	BALLAST EXTRACTOR HOPPER	1	88	2,247,386		9
10	CONVEYOR BALLAST HOPPER	1	47	372,598		10
11	RAMP CAR	1	34	167,467		11
12	EQUIP RAMP LOADING FLAT CAR	1	33	166,645		12
13						13
14						14
15						15
16						16
17	1/2/ TOTAL	266	N/A	\$400,068,870		17

REBUILT UNITS

18	LOCOMOTIVES					18
19	GP 38 2	3	590	1,033,834		19
20	SD40-2	35	4,659	7,271,416		20
21						21
22						22
23	WORK EQUIPMENT					23
24	RAILED EQUIPPED RAMP CAR	1	33	174,152		24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40
41	1/2/ TOTAL	39	N/A	\$8,479,402		41
42						42
43	1/2/ GRAND TOTAL	305	N/A	\$408,548,272	N/A	43

1/2/ See note on Page 76.

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULES 720, 721, 723, AND 726

1. For purposes of these schedules, the track categories are defined as follows:

Track category (1)

- A - Freight density of 20 million or more gross ton miles per track mile per year (include passing tracks, turnouts and crossovers).
 B - Freight density of less than 20 million gross ton miles per track mile per year, but at least 5 million (include passing tracks, turnouts and crossovers).
 C - Freight density of less than 5 million gross ton miles per track mile per year, but at least 1 million (include passing tracks, turnouts and crossovers).
 D - Freight density of less than 1 million gross ton miles per track mile per year (include passing tracks, turnouts and crossovers).
 E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in category A, B, C, D, F, and Potential abandonments, as appropriate.)
 F - Track over which any passenger service is provided (other than potential abandonments). Mileage should be included within track categories A through E unless it is dedicated entirely to passenger service, category F.

Potential abandonments -- Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.

2. This schedule should include all class 1, 2, 3, or 4 track from Schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others).
 3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
 4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

1. Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)
1	A	20,520	65.09	N/A	1,274
2	B	8,341	11.35	N/A	562
3	C	2,590	2.50	N/A	101
4	D	3,496	0.16	N/A	221
5	E	11,813	XXXXXXXX	XXXXXXXX	XXXXXXXX
6	TOTAL	46,760	31.42		2,158
7	F	6,151	XXXXXXXX	XXXXXXXX	XXXXXXXX
8	Potential abandonments	384			

* To determine average density, total track miles (route miles times number of tracks), rather than route miles, shall be used.

N/A - Information is not available.

721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term "spot maintenance" in column (k) means repairs to track components during routing inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.
4. In No. 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track category (a)	Number of cross-ties laid in replacement										Cross-ties switch and bridge ties Percent of spot maintenance (k)	Line No.
		New ties					Second-hand ties						
		Wooden		Concrete (d)	Other (e)	Wooden		Total (i)	Switch and bridge ties (board feed) (j)	Cross-ties switch and bridge ties Percent of spot maintenance (k)			
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)				Other (h)		
1	A	2,296,650		341,051	45,640	49	0	2,683,390	2,356,526	N/A	1		
2	B	920,329		0	0		147	920,476	785,445		2		
3	C	249,804		0	0	0	40	249,844	213,192		3		
4	D	144,623		0	0		23	144,646	123,427		4		
5	E	636,451		7,353	94		22,399	666,297	4,121,218		5		
6	TOTAL	4,247,857		348,404	45,734	49	22,609	4,664,653	7,599,808		6		
7	F										7		
8	Potential abandonment										8		
9	Average cost per cross-ties \$34.93 and switches (MBM) \$779.14										9		

** Concrete and steel switch ties are not included in column (j). In lieu of board measure, number of steel switch ties was 386 at an average cost of \$89.91. The number of concrete switch ties was 1,008 at an average cost of \$270.83.

N/A - Information is not available.

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS
(Dollars in Thousands)

Give particulars of ties laid during the year in new construction during the year.

In column (a) classify the ties as follows:

U - Wooden ties untreated when applied.

T - Wooden ties treated before application.

S - Ties other than wooden (steel, concrete, etc.). Indicate type in column (h).

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new.

In columns (d) and (g) show the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage, and seasoning yard. In the case of treated ties, also show the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule.

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of new crossties laid during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	70,630	\$33.94	\$2,397	123,752	\$1,115.68	\$138	New	1
2	T	18,286	13.92	254				Secondhand	2
3	S	104,255	43.42	4,527				Concrete	3
4	S				2,524	263.42	665	Concrete - Reported per tie in lieu of board measure	4
5	S							Steel	5
6	S							Steel - Reported per tie in lieu of board measure	6
7	S	886	86.57	77				Plastic	7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20	TOTAL	194,057		\$7,255	N/M		\$803		20
21	Number of miles of new running tracks, crossovers, etc., in which ties were laid				N/A				21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid						N/A		22

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement considered to be spot maintenance.
3. In line 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No.	Track category (a)	Miles of rail laid in replacement (rail miles)						Total		Percent of spot maintenance (h)	Line No.
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)				
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)						
1	A	742.42	7.58	23.14	1.87	765.56	9.45		N/A	1	
2	B	579.21	3.04	207.17	9.50	786.38	12.54		N/A	2	
3	C	24.91	0.13	8.91	0.41	33.82	0.54		N/A	3	
4	D	18.68	0.10	6.68	0.31	25.36	0.41		N/A	4	
5	E	12.57	7.82	317.34	7.58	329.91	15.40		N/A	5	
6	TOTAL	1,377.79	18.67	563.24	19.67	1,941.03	38.34		N/A	6	
7	F								N/A	7	
8	Potential abandonment								N/A	8	
9	Average cost of new and relay rail laid in replacement per gross ton			New	\$509	Relay	\$274			9	

N/A - Information is not available.

724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS
(Dollars in Thousands)

1. Give particulars of all rails applied during the year in connection with the construction of new track.

In column (a) classify the kind of rail applied as follows:

- (1) New steel rails, Bessemer process.
- (2) New steel rails, open-hearth process.
- (3) New rails, special alloy (describe more fully in a footnote).
- (4) Relay rails.

2. Returns in columns (c) and (g) should be reported in WHOLE numbers. Fractions of less than one-half should be disregarded, and fractions of one-half or more should be counted as one.
3. The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks, as well as train service in connection with the distribution of the rail should not be included in this schedule.

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
		Weight of rail		Total cost of rail applied in running tracks passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lbs.) (e)	Weight of rail		Total cost of rail applied in yard station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lbs.) (i)		
		Pounds per yard of rail (b)	Number of tons (2,000 lbs.) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lbs.) (g)				
1	2	133	355	\$169	\$477	133	101	\$49	\$489	1	
2	2	115	5	2	450	115	0	0	0	2	
3	2	141	9,068	4,900	540	141	0	0	0	3	
4	2	136	182	85	468	136	183	94	515	4	
5										5	
6										6	
7	4	115	29	7	252	115	670	203	303	7	
8	4	133	131	38	291	133	2,640	628	238	8	
9	4	136	10	3	297	136	625	186	297	9	
10	4	131				131	28	5	182	10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	9,780	\$5,204		N/A	4,247	\$1,165		33	
34	Number of miles new running tracks, passing tracks, cross-over, etc., in which rails were laid.										34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid.										35
36	Track-miles of welded rail installed on system this year N/A ; total to date N/A .										36

725. WEIGHT OF RAIL

Give the particulars called for below concerning the road and track operated by the respondent at the close of the year. Only the respondent's proportion of jointly-owned mileage should be included. Under "Weight of rail," the various weights of rails should be given. Road and track occupied under trackage right or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	Pounds				
1					1
2	141	839			2
3	140	11			3
4	136	8,216			4
5	133	11,341			5
6	132	975			6
7	131	582			7
8	130	5			8
9	128	5			9
10	127	8			10
11	122	5			11
12	119	1,726			12
13	115	2,969			13
14	113	610			14
15	112	2,359			15
16	110	199			16
17	106	5			17
18	100	441			18
19	90	705			19
20	85	183			20
21	80	59			21
22	75	114			22
23	72	33			23
24	70	6			24
25	65	2			25
26	60	9			26
27	Under 60	0			27
28					28
29	TOTAL	31,407			29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46

726. SUMMARY OF TRACK REPLACEMENTS

1. Furnish the requested information concerning the summary of track replacements.
2. In columns (d), (e), (g), and (j) give the percentage of replacements to units of property in each track category at year end.

Line No.	Track category (a)	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)		Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)						
1	A	2,683,390	2,356,526	4.9%	N/A	775.01	1.9%	4,116,104	6,893	33.6%	1
2	B	920,476	785,445	4.2%	N/A	798.92	4.8%	666,748	1,469	17.6%	2
3	C	249,844	213,192	3.6%	N/A	34.36	0.7%	178,819	502	19.4%	3
4	D	144,646	123,427	1.6%	N/A	25.77	0.4%	84,285	570	16.3%	4
5	E	666,297	4,121,218	2.1%	N/A	345.31	1.5%	77,963	181	1.5%	5
6	TOTAL	4,664,653	7,599,808	3.8%	N/A	1,979.37	2.1%	5,123,919	9,615	20.6%	6
7	F										7
8	Potential abandonments										8

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

LOCOMOTIVES				
Line No.	Kind of locomotive service	Diesel		Line No.
		Diesel oil (gallons)		
	(a)	(b)		
1	Freight	1,190,679,663		1
2	Passenger	10,552,733		2
3	Yard switching	138,930,369		3
4	TOTAL	1,340,162,765		4
5	COST OF FUEL \$(000)	\$1,227,500		5
6	Work Train	7,830,436		6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train and Through Train data under Items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar records. Unit train service is a specialized scheduled shuttle type service in equipment (Railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered as a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way Trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through Trains are those trains operated between two or more major concentration or distribution points. Do not include Unit Train statistics in Way and Through Train statistics. A Work Train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment or company employees. Statistics for Work Trains should be reported under Item 11 only. Statistics related to company equipment, company employees and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, and 8-04 and 8-05 as instructed in Notes I, K, and L.

(A) Report miles of road operated at close of year excluding industrial tracks, yard tracks, and sidings.

(B) A train-mile is the movement of a train a distance of 1 mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile. Train Miles -- Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.

(C) A motorcar is a self-propelled unit of equipment designed to carry freight or passenger traffic and is not considered a locomotive.

(D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of 1 mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(E) All locomotives units-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instructions (B) regarding fractions and official time tables for computing locomotive-units.

(F) Train switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. Include miles allowed train locomotives for performing switching service at terminals and way stations.

(G) Yard switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in yard switching service. Include miles allowed to yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

(H) A car-mile is a movement of a unit of car equipment a distance of one mile. Use car designations shown in Schedule 710. Under Railroad Owned and Leased Cars, Items 4-01 and 4-11, report both foreign cars and respondent's own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report private-line cars and shipper owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty mile basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars.

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and non-revenue private line cars moving in transportation trains. Include such car-miles in Items 4-17, 4-18, and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered no-payment or non-revenue car-miles.

(J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.

(K) From conductors' or dispatchers' train reports or other appropriate source, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved 1 mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight (and other contents). Use 150 lbs. as the average weight per passenger, and 4 tons as the average weight of contents of each head-end car.

(L) From conductors' train reports or other appropriate source, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in transportation train. Include net ton-miles in motorcar trains. Exclude 1.c.1. shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - Concluded

(M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at the final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02 train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.

(N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.

(O) Work-train miles inside the miles run by trains engaged in company service such as official inspection; inspection trains for railway Commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains; trains run solely for the purpose of transporting company material; trains run for distributing material and supplies for use in connection with operations; and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.

(P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondent lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.

(Q) Report vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense. (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc., when a tariff provision requires the shipper-motor carrier, etc., and not the railroad to perform that service. Note: The count should reflect the trailers/containers for which expenses is reported in Schedule 417, Line 2, Column (b).

(S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.

(T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refer to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.

Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on line." Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yard (excluding cars which are to be repaired in train yard without loss of time), car moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in serviceable condition for loading on the last day of the year, but have not been placed for loading within 48 hours. This count can be an annual average based on weekly count of cars that have not been placed for loading within 48 hours.

755. RAILROAD OPERATING STATISTICS					2003
Line No.	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No.
1		1. Miles of Road Operated (A)	32,831		1
2		2. Train Miles - Running (B)			2
3		2-01 Unit Trains	44,935,666	XXXXXX	3
4		2-02 Way Trains	7,385,870	XXXXXX	4
5		2-03 Through Trains	110,416,555	0	5
6		2-04 TOTAL TRAIN MILES (lines 2-4)	162,738,091	0	6
7		2-05 Motorcars (C)	0	0	7
		2-07 TOTAL ALL TRAINS (lines 5 and 6)	162,738,091	0	
8		3. Locomotive Unit Miles (D)			8
9		Road Service (E)			9
10		3-01 Unit Trains	123,805,686	XXXXXX	10
11		3-02 Way Trains	17,201,610	XXXXXX	11
12		3-03 Through Trains	294,983,955	0	12
13		3-04 TOTAL (lines 8-10)	435,991,251	0	13
14		3-11 Train Switching (F)	25,422,318	XXXXXX	14
		3-21 Yard Switching (G)	29,310,060	0	
		3-31 TOTAL ALL SERVICES (line 11-13)	490,723,629	0	
15		4. Freight Car-Miles (thousands) (H)			15
16		4-01 RR Owned and Leased Cars - Loaded	1	XXXXXX	16
17		4-010 Box-Plain 40-Foot	13,029	XXXXXX	17
18		4-011 Box-Plain 50-Foot and Longer	422,177	XXXXXX	18
19		4-012 Box-Equipped	99,426	XXXXXX	19
20		4-013 Gondola-Plain	129,828	XXXXXX	20
21		4-014 Gondola-Equipped	399,700	XXXXXX	21
22		4-015 Hopper-Covered	308,693	XXXXXX	22
23		4-016 Hopper-Open Top-General Service	84,118	XXXXXX	23
24		4-017 Hopper-Open Top-Special Service	83,535	XXXXXX	24
25		4-018 Refrigerator-Mechanical	64,312	XXXXXX	25
26		4-019 Refrigerator-Non-Mechanical	1,067,796	XXXXXX	26
27		4-020 Flat-TOFC/COFC	71,839	XXXXXX	27
28		4-021 Flat-Multi-Level	1,301	XXXXXX	28
29		4-022 Flat-General Service	143,090	XXXXXX	29
30		4-023 Flat-All Other	1,185	XXXXXX	30
		4-024 All Other Car Types-Total	2,890,030	XXXXXX	
		4-025 TOTAL (Lines 15-29)			

755. RAILROAD OPERATING STATISTICS - Continued

2003

Line No.	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No.
31		4-11 RR Owned and Leased Cars - Empty			31
		4-110 Box-Plain 40-Foot	0	XXXXXX	
32		4-111 Box-Plain 50-Foot and Longer	11,222	XXXXXX	32
33		4-112 Box-Equipped	336,776	XXXXXX	33
34		4-113 Gondola-Plain	101,111	XXXXXX	34
35		4-114 Gondola-Equipped	122,644	XXXXXX	35
36		4-115 Hopper-Covered	402,139	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	322,293	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	85,872	XXXXXX	38
39		4-118 Refrigerator-Mechanical	55,842	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	49,318	XXXXXX	40
41		4-120 Flat-TOFC/COFC	86,825	XXXXXX	41
42		4-121 Flat-Multi-Level	38,798	XXXXXX	42
43		4-122 Flat-General Service	1,273	XXXXXX	43
44		4-123 Flat-All Other	126,981	XXXXXX	44
45		4-124 All Other Car Types	1,122	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,742,216	XXXXXX	46
47		4-13 Private Line Cars - Loaded (H)			
		4-130 Box-Plain 40-Foot	0	XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	100,568	XXXXXX	48
49		4-132 Box-Equipped	10,406	XXXXXX	49
50		4-133 Gondola-Plain	755,727	XXXXXX	50
51		4-134 Gondola-Equipped	18,277	XXXXXX	51
52		4-135 Hopper-Covered	654,292	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	23,158	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	488,889	XXXXXX	54
55		4-138 Refrigerator-Mechanical	9,200	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	8,631	XXXXXX	56
57		4-140 Flat-TOFC/COFC	304,529	XXXXXX	57
58		4-141 Flat-Multi-Level	614,997	XXXXXX	58
59		4-142 Flat-General Service	134	XXXXXX	59
60		4-143 Flat-All Other	112,046	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	159,198	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	286,787	XXXXXX	62
63		4-146 All Other Car Types	7,479	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	3,554,318	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - Continued

2003

Line No.	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No.
		4-15 Private Line Cars - Empty (H)	XXXXXX	XXXXXX	
65		4-150 Box-Plain 40-Foot	0	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	33,146	XXXXXX	66
67		4-152 Box-Equipped	512	XXXXXX	67
68		4-153 Gondola-Plain	5,373	XXXXXX	68
69		4-154 Gondola-Equipped	18	XXXXXX	69
70		4-155 Hopper-Covered	990	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	34	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	520	XXXXXX	72
73		4-158 Refrigerator-Mechanical	15	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	10	XXXXXX	74
75		4-160 Flat-TOFC/COFC	23,904	XXXXXX	75
76		4-161 Flat-Multi-Level	282,192	XXXXXX	76
77		4-162 Flat-General Service	161	XXXXXX	77
78		4-163 Flat-All Other	85,927	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	235	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	380	XXXXXX	80
81		4-166 All Other Car Types	710	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	434,127	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	35,601	XXXXXX	83
84		4-18 No Payment Car-Miles (I) (1)	5,085,491	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)			
85		4-191 Unit Trains	5,117,839	XXXXXX	85
86		4-192 Way Trains	249,120	XXXXXX	86
87		4-193 Through Trains	8,374,824	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	13,741,783	XXXXXX	88
89		4-20 Caboose Miles	46	XXXXXX	89

- (1) Total number of loaded miles 0 and empty miles 0 by roadrailer reported above.
 (2) As in prior years, the passenger statistics exclude results from commuter operations.

Note: Line 88 total car miles is equal to the sum of lines 30, 46, 64, 82, 83 and 84. Accordingly, the car miles reported on lines 83 and 84 are to be allocated to lines 85, 86 and 87 and included in the total shown on line 88. Line 88 excludes business car miles.

755. RAILROAD OPERATING STATISTICS - Concluded					2003
Line No.	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No.
		6. Gross Ton-Miles (thousands) (K)			
98		6-01 Road Locomotives	86,354,204	XXXXXX	98
		6-02 Freight Trains, Cars, Cnts., and Caboose			
99		6-020 Unit Trains	420,139,595	XXXXXX	99
100		6-021 Way Trains	16,058,047	XXXXXX	100
101		6-022 Through Trains	582,683,626	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts.		0	102
103		6-04 Non-Revenue	3,934,121	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	1,109,169,593	0	104
		7. Tons of Freight (thousands)			
105		7-01 Revenue	587,701	XXXXXX	105
106		7-02 Non-Revenue	12,426	XXXXXX	106
107		7-03 TOTAL (lines 105 and 106)	600,127	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	532,879,407	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	532,879,407	XXXXXX	110
111		8-04 Non-Revenue-Road Service	5,620,795	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	0	XXXXXX	112
113		8-06 TOTAL (lines 111 and 112)	5,620,795	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110 and 113)	538,500,202	XXXXXX	114
		9. Train Hours (M)			
115		9-01 Road Service	7,496,341	XXXXXX	115
116		9-02 Train Switching	1,757,768	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	1,833,199	XXXXXX	117
		11. Train-Miles Work Trains (O)			
118		11-01 Locomotives	1,630,842	XXXXXX	118
119		11-02 Motorcars	0	XXXXXX	119
		12. Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	2,916,164	XXXXXX	120
121		12-02 Way Trains	3,289,069	XXXXXX	121
122		12-03 Through Trains	10,133,538	XXXXXX	122
123		13. TOFC/COFC-No. of Rev. Trailers and Containers Loaded and Unloaded (Q)	5,541,094	XXXXXX	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded and Unloaded (Q)	5,058,720	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	188,071	XXXXXX	125
		16. Revenue Tons-Marine Terminal (S)			
126		16-01 Marine Terminals-Coal	0	XXXXXX	126
127		16-02 Marine Terminals-Ore	0	XXXXXX	127
128		16-03 Marine Terminals-Other	0	XXXXXX	128
129		16-04 TOTAL (lines 126-128)	0	XXXXXX	129
		17. Number of Foreign Per Diem Cars on Line (T)			
130		17-01 Serviceable	60,343	XXXXXX	130
131		17-02 Unserviceable	0	XXXXXX	131
132		17-03 Surplus	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	60,343	XXXXXX	133

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

OATH

(To be made by the officer having control over the accounting of the respondent)

State of Nebraska
County of Douglas

Robert M. Knight, Jr. makes oath and says that he (she) is Executive Vice President - Finance and Chief Financial Officer
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of Union Pacific Railroad Company
(Insert here the exact legal title or name of the respondent)

that it is his or her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he or she knows that such books have been kept in good faith during the period covered by this report; that he or she knows that the entries contained in this report relate to accounting matters that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board; that he or she believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

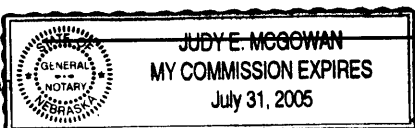
January 1, 2003 to and including December 31, 2003

[Signature]
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 22nd day of March, 2004

My commission expires

Use a
L.S.
impression seal



[Signature]
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Nebraska
County of Douglas

Richard K. Davidson makes oath and says that he (she) is Chairman and Chief Executive Officer
(Insert here name of the affiant) (Insert here the official title of the affiant)

Of Union Pacific Railroad Company
(Insert here the exact legal title or name of the respondent)

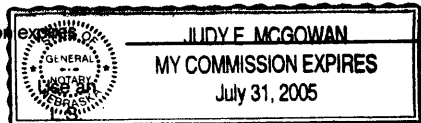
that he or she has carefully examined the foregoing report; that he or she believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including

January 1, 2003, to and including December 31, 2003

[Signature]
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 22nd day of March, 2004

My commission expires



impression seal

[Signature]
(Signature of officer authorized to administer oaths)

MEMORANDA
(FOR USE OF BOARD ONLY)
CORRESPONDENCE

[illegible]

100-443887-100
 ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
 DATE 08-14-2011 BY 60322 UCBAW

[illegible]

EXPLANATORY REMARKS	

INDEX

	Page No.		Page No.
Accumulated depreciation		Mileage-Average of road operated	85
Road and equipment leased		Of new tracks in which rails were laid	88
From others	38	Of new tracks in which ties were laid	87
Improvements to	38	Miscellaneous items in retained income accounts for the year	65
To others	41	Motorcar car miles	94
Owned and used	35	Motor rail cars owned or leased	79
Accruals-railway tax	63	Net income	17
Analysis of taxes	63	Oath	98
Application of funds-Source	21	Operating expenses (see Expenses)	
Balance sheet	5-9	Revenues (see Revenues)	
Capital stock	20	Statistics (see Statistics)	
Car, locomotive, and floating equipment-Classification	78-83	Ordinary income	16
Changes in financial position	21-22	Private line cars loaded	95
Company service equipment	79	Private line cars empty	95
Compensating balances and short-term borrowing arrangements	67	Rails	
Consumption of fuel by motive-power units	91	Laid in replacement	88
Contingent assets and liabilities	8	Charges to operating expenses	45
Crossties (see Ties)		Additional tracks, new lines, and extensions	89
Debt holdings	69	Miles of new track in which rails were laid	88
Depreciation base and rates		Weight of	89
Road and equipment leased		Railway - Operating expenses	45-53
From others	34	Railway - Operating revenues	16
Improvements to	32-33	Results of Operations	16-17
To others	40	Retained income unappropriated	19
Owned and used	34	Miscellaneous items in accounts for year	65
Electric locomotive equipment at close of year	68	Revenues	
Equipment -- classified	78-83	Freight	16
Company service	79	Passenger	16
Floating	82-83	Road and equipment - Investment in	32-33
Freight-train cars	80-81	Improvements to leased property	32-33
Highway revenue equipment	82-83	Reserve	38
Passenger-train cars	78-79	Leased to others - Depreciation base and rates	40
Inventory	78-83	Reserve	41
Owned-Not in service of respondent	78	Owned - Depreciation base and rates	34
Equipment-Leased, depreciation base and rate		Reserve	35
From others	34	Used - Depreciation base and rates	34
Improvements to	37	Reserve	35
Reserve	38	Road - Mileage operated at close of year	74
To others	40	By States and Territories	75
Reserve	41	Securities (see Investments)	
Equipment -- Owned, depreciation base rates	34	Short-term borrowing arrangements-Compensating	
Reserve	35	balances and	67
Expenses-railway operating	45-53	Sinking funds	7
Extraordinary items	17	Source and application of working capital	21-22
Federal income taxes	63	Specialized service subschedule	60
Financial position - Changes in	21-22	Statement of changes in financial position	21-22
Floating equipment	82-83	Stock outstanding	20
Freight car loaded	94	Changes during year	20
Freight-train cars	80-81	Number of security holders	3
Freight car-miles	94	Total voting power	3-4
Fuel consumed diesel	91	Value per share	3
Cost	91	Voting rights	3
Funded debt (see Debt holdings)		Supporting schedule - Road	56-57
Guaranties and suretyships	66	Suretyships - Guaranties and	66
Identity of respondent	2	Ties laid in replacement	86
Items in selected income and retained earnings accounts	65	Ties - Additional tracks, new lines and extensions	87
Investments in common stocks of affiliated companies	30	Tracks operated at close of year	74
Investments and advances of affiliated companies	26-29	Miles of, at close of year	75
Railway property used in transportation service	42-43	Track and traffic conditions	85
Road and equipment	32-33	Train hours, yard switching	97
Changes during year	32-33	Train miles	94
Leased property-improvements made during the year	32-33	Tons of freight	97
Leases	61	Ton-miles of freight	97
Locomotive equipment	78	TOFC/COFC number of revenue trailers and containers	
Electric and other	78	loaded and unloaded	97
Consumption of diesel fuel	91	Voting powers and elections	3
Locomotive unit miles	94	Weight of rail	90