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UNION PACIFIC RAILROAD

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Annual Report

to the Surface Transportation Board

R-1

for the year ended
December 31, 1998

1998

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, 1998

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

(Name) J. R. Young (Title) Senior Vice President - Finance

(Telephone number) (402) 271-6655 (Or Contact Matt Modica at (402) 280-6072)

(Office address) 1416 Dodge Street - Rm 730, Omaha, Nebraska 68179

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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
		<div>NONE</div>

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: See Note 9 on page 9.

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 UP). 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 compilation 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	1717 Main Street	Common Stock - 4,465	4,465			1
2	Corporation	Suite 5900	Class A Stock - 388	388			2
3		Dallas, Texas 75201					3
4							4
5							5
6							6
7							7
8							8
9							9
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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 - January 29, 1999
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
Arkansas & Memphis Railway Bridge and Terminal Company
Chicago & Western Indiana Railroad Company
Chicago Heights Terminal Transfer Company
Doniphan, Kensett & Searcy Railway Company
Midwestern Railroad Properties, Incorporated
Missouri Pacific Corporation
MP Equipment Corporation
MP Redevelopment Corporation
Ogden Union Railway & Depot Company
Southern Illinois and Missouri Bridge Company
Southern Pacific Rail Corporation
Union Pacific Railroad Company (UP)
Union Pacific Receivables Inc.

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	29,729	37,350	1
2		702	Temporary Cash Investments	0	3,406	2
3		703	Special Deposits	3,912	6,388	3
4		704	Accounts Receivable (A) - Loan and Notes	0	0	4
5		705	- Interline and Other Balances	62,876	52,944	5
6		706	- Customers	205,359	81,891	6
7		707	- Other	130,918	119,402	7
8		709,708	- Accrued Accounts Receivables	137,980	372,215	8
9		708.5	- Receivables from Affiliated Companies	219	3,985	9
10		709 5	- Less: Allowance for Uncollectible Accounts	0	0	10
11		710,711,714	Working Funds Prepayments Deferred Income Tax Debits	149,023	112,232	11
12		712	Materials and Supplies	335,439	289,994	12
13		713	Other Current Assets	115,590	70,919	13
14			TOTAL CURRENT ASSETS	1,171,045	1,150,726	14
OTHER ASSETS						
15		715, 716, 717	Special Funds	6,222	6,770	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	1,019,032	940,965	16
17		722, 723	Other Investments and Advances	142,362	145,538	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) \$12,434	193,604	264,726	19
20		739, 741	Other Assets	69,510	55,361	20
21		743	Other Deferred Debits	55,673	87,510	21
22		744	Accumulated Deferred Income Tax Debits	0	0	22
23			TOTAL OTHER ASSETS	1,486,403	1,500,870	23
ROAD AND EQUIPMENT						
24		731, 732	Road (Schedule 330) L-30 cols. h & b	23,726,657	22,746,265	24
25		731, 732	Equipment (Schedule 330) L-39 Cols. h & b	7,461,271	7,030,432	25
26		731, 732	Unallocated Items	836,226	632,426	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(5,817,435)	(5,253,533)	27
28			Net Road and Equipment	26,206,719	25,155,590	28
29	*		TOTAL ASSETS	28,864,167	27,807,186	29

(A) See Note 11 on page 10.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITY AND SHAREHOLDER'S 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	45,764	59,824	31
32		753	Audited Accounts and Wages	280,790	295,290	32
33		754	Other Accounts Payable	48,700	52,999	33
34		755, 756	Interest and Dividends Payable	109,874	104,356	34
35		757	Payables to Affiliated Companies	8	8	35
36		759	Accrued Accounts Payable	1,599,180	1,857,097	36
37		760, 761, 761 5, 762	Taxes Accrued	269,337	154,624	37
38		763	Other Current Liabilities	5,538	23,724	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	178,487	231,702	39
40			TOTAL CURRENT LIABILITIES	2,537,678	2,779,624	40
NON-CURRENT LIABILITIES						
41		765, 767	Funded Debt Unmatured	524,607	473,232	41
42		766	Equipment Obligations	787,457	741,382	42
43		766.5	Capitalized Lease Obligations	1,343,550	1,197,103	43
44		768	Debt in Default	0	0	44
45		769	Accounts Payable; Affiliated Companies	5,713,836	4,437,258	45
46		770.1, 770.2	Unamortized Debt Premium	(49,526)	(51,148)	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	6,799,617	6,738,317	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	2,580,781	2,570,316	50
51			TOTAL NON-CURRENT LIABILITIES	17,700,322	16,106,460	51
SHAREHOLDER'S EQUITY						
52		791, 792	Total Capital Stock:(Schedule 230) (L-10 Col. g, L-17 Col. e)	27,168	29,463	52
53			Common Stock	49	49	53
54			Preferred Stock	27,119	29,414	54
55			Discount on Capital Stock	0	0	55
56		794, 795	Additional Capital (Schedule 230) (L-17 Col. h)	4,781,906	4,781,904	56
57		797	Retained Earnings: Appropriated	123	1,583	57
58		798	Unappropriated (Schedule 220) (L-17 Col. b)	3,816,970	4,108,152	58
59		798.1	Net Unrealized Loss on Non-current Marketable Equity Securities	0	0	59
60		798.5	Less Treasury Stock	0	0	60
61			Net Stockholder's Equity	8,626,167	8,921,102	61
62	*		TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	28,864,167	27,807,186	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. \$123.
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. - See Note 2 on Schedule 450, page 64.
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 12 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. Not Available. \$_____.
- (c) Is any part of pension plan funded? Specify. Yes ☒ 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, 1995
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 Note 12, 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 ☒
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 ____ No ____ If yes, who determines how stock is voted? _____
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 ☒ See additional Note 16 on page 14.
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 14 ON PAGE 14.

(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

9. Acquisitions

CNW - In April 1995, Union Pacific Corporation (UPC or the Corporation) acquired the remaining 71.6% of Chicago and North Western Transportation Company's (CNW) outstanding common stock not previously owned by UPC for \$1.2 billion. Prior to the acquisition, CNW was the nation's eighth largest Class I railroad. CNW's rail operations were legally merged with UPRR in October 1995 and have been completely integrated with the rail operations of the Respondent.

Southern Pacific - In September 1996, UPC or the Corporation completed the acquisition of Southern Pacific Rail Corporation (SP or Southern Pacific) after receipt of a favorable decision from the Surface Transportation Board of the U.S. Department of Transportation (STB) regarding the Corporation's acquisition of SP. The aggregate purchase price was \$4.1 billion (\$2.5 billion in UPC common stock and \$1.6 billion in cash funded with borrowings by UPC, both of which were subsequently pushed down to the Company). The acquisition of Southern Pacific has been accounted for using the purchase method and was fully consolidated into Railroad's results beginning October 1996.

Merger Consolidation Activities - In connection with the acquisition and continuing integration of Union Pacific Railroad Company (UPRR), a Utah Corporation and Southern Pacific's rail operations, the Company is in the process of eliminating 5,200 duplicate positions, which are primarily employees involved in activities other than train, engine and yard activities. In addition, the Company is relocating 4,700 positions, merging or disposing of redundant facilities, and disposing of certain rail lines. The Company is also canceling uneconomical and duplicative SP contracts.

To date the Company has severed 2,400 employees and relocated 3,800 employees due to merger implementation activities. The Company recognized a \$958 million pre-tax liability in the SP purchase price allocation for costs associated with SP's portion of these activities. In addition, the Railroad expects to incur \$160 million in pre-tax acquisition-related costs for severing or relocating UPRR employees, disposing of certain UPRR facilities, and training and equipment upgrading over the merger implementation period. Earnings for 1998 and 1997 included \$68 million pre-tax or \$42 million after-tax, and \$97 million pre-tax and \$60 million after-tax, respectively, for acquisition-related costs for UPRR consolidation activities.

The components of the merger liability as of December 31, 1998 were as follows:

(Millions of Dollars)	Original Reserve	Cumulative Activity	Current Reserve
Labor protection related to legislated and contractual obligations	\$361	\$361	\$ -
Severance costs	343	253	90
Contract cancellation fees and facility and line closure costs	145	121	24
Relocation costs	109	79	30
Total	\$958	\$814	\$144
	=====	=====	=====

Merger Liabilities - Merger liability activity reflected cash payments for merger consolidation activities and reclassification of contractual obligations from merger liabilities to contractual liabilities. In addition, where merger implementation has varied from the original merger plan, the Company has adjusted the merger liability and the fair value allocation of SP's purchase price to fixed assets to eliminate the portion of the merger liability that is no longer required. Where the merger implementation has caused the Company to incur more costs than were envisioned in the original merger plan, such costs are charged to expense in the period incurred. The Company expects that the remaining merger payments will be made over the course of the next three years as labor negotiations are completed and implemented, and related merger consolidation activities are finalized.

Legal Mergers: Since January 1, 1997, the Respondent and its predecessors have been merged with and into several entities (the Legal Mergers) in order to consolidate all of UPC's principal rail operations into one legal entity. The Legal Mergers have been accounted for in a manner similar to a pooling-of-interest combination of entities under common control since all entities involved in the Legal Mergers were direct or indirect wholly-owned subsidiaries of UPC at the respective dates of the Legal Mergers with the surviving entity continuing as such following the Legal Mergers.

The consolidated financial statements of the Company are presented on a "pooled basis" back to the effective dates on which the STB approval for common control was granted to the Corporation. As a result, the consolidated financial statements include the results of UPRR for all periods presented, the results of SP and its various rail operating subsidiaries as of October 1, 1996, the effective date on which the STB approval for common control was granted to the Corporation for this acquisition, and the results of Missouri Pacific Corporation's rail operating subsidiary, Missouri Pacific Railroad Company (MPRR), for all periods presented. A detailed description of the Legal Mergers follows:

On January 1, 1997, MPRR was merged with and into UPRR (the MPRR Merger), with UPRR continuing as the surviving entity. Prior to the MPRR Merger, MPRR was a Class I railroad, that operated as a unified rail system with UPRR, and such operations continued following the MPRR Merger.

On June 30, 1997, two SP rail operating subsidiaries, Denver and Rio Grande Western Railroad Company (DRGW) and SPCSL Corp. (SPCSL), were merged with and into UPRR (the DRGW and SPCSL Mergers), with UPRR continuing as the surviving entity. Immediately prior to the DRGW and SPCSL Mergers, DRGW and SPCSL were wholly-owned, direct subsidiaries of another SP rail operating subsidiary, Southern Pacific Transportation Company (SPT), and UPRR and SPT at that time and immediately thereafter were wholly-owned, indirect subsidiaries of UPC.

On September 30, 1997, St. Louis and Southwestern Railway Company (SSW), an SP rail operating subsidiary, was merged with and into SSW Merger Corp, with SSW Merger Corp continuing as the surviving entity, and immediately thereafter SSW Merger Corp was merged with and into UPRR (collectively, the SSW Merger), with UPRR continuing as the surviving entity. Immediately prior to the SSW Merger, SSW was a direct subsidiary of SPT, and UPRR and SPT at that time and immediately thereafter were wholly-owned, indirect subsidiaries of the Corporation.

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

NOTES TO FINANCIAL STATEMENTS

On February 1, 1998, UPRR was merged with and into SPT, a Delaware corporation and the principal SP rail affiliate (the SPT Merger), with SPT continuing as the surviving corporation and changing its name to "Union Pacific Railroad Company" immediately following the SPT Merger, thereby creating the current Respondent. Immediately prior to the SPT Merger, SPT and UPRR were wholly-owned, indirect subsidiaries of UPC. UPRR and SPT operated as a unified system before and after the SPT Merger.

Mexican Railway Concession – During 1997, the Company and a consortium of partners were granted a 50-year concession to operate the Pacific-North and Chihuahua Pacific lines in Mexico and a 25% stake in the Mexico City Terminal Company at a price of \$525 million. The Railroad holds a 13% ownership share and has accounted for its interest on the equity method. The consortium assumed operational control of both lines in 1998. In January 1999, the Company signed a letter of intent to acquire an additional 13% ownership interest.

10. Related Party Transactions

Amounts due to and from affiliates, including advances to and borrowings from the Corporation, bear interest at an annually determined rate which considers the Corporation's cost of debt. Net intercompany interest expense charged on such amounts was \$399 million, \$279 million and \$192 million in 1998, 1997 and 1996, respectively.

11. Financial Instruments

Risk Management

Strategy and Risk – The Company uses derivative financial instruments in limited instances and for other than trading purposes to manage risk as it relates to fuel prices. Where the Company has fixed fuel prices through the use of swaps, futures or forward contracts, the Company has mitigated the downside risk of adverse price movements; however, it has also limited future gains from favorable movements.

Market and Credit Risk – The Company addresses market risk related to these instruments by selecting instruments whose value fluctuations highly correlate with the underlying item being hedged. Credit risk related to derivative financial instruments, which is minimal, is managed by requiring high credit standards for counterparties and periodic settlements. The Company had no credit risk related to these instruments at December 31, 1998. The Company has not been required to provide, nor has it received any collateral relating to its hedging activity.

Determination of Fair Value – The fair market values of the Company's derivative financial instrument positions at December 31, 1998 and 1997, described below, were determined based on current fair market values as quoted by recognized dealers.

Fuel Hedging

Strategy – Over the past three years, fuel costs have been a significant portion of the Company's total operating expenses. As a result of the significance of fuel costs and the historical volatility of fuel prices, the Company periodically uses swaps, futures and forward contracts to mitigate the impact of fuel price volatility. The intent of this program is to protect the Company's operating margins and overall profitability from adverse fuel price changes. However, the use of these contracts also limits the benefit of favorable fuel price changes.

Financial Impact – At December 31, 1998, the Railroad had hedged 64% of its forecasted 1999 fuel consumption at a price of \$0.41 per gallon. At December 31, 1997, the Railroad had hedged 42% of its forecasted 1998 fuel consumption. In addition, at year-end 1998, the Railroad had outstanding swap agreements covering its fuel purchases in 1999 of \$343 million, with gross and net liability positions of \$49 million. At year-end 1997, the Railroad had outstanding swap agreements covering its fuel purchases in 1998 of \$298 million, with gross and net liability positions of \$13 million. Fuel hedging increased the Railroad's 1998 fuel costs by \$87 million, had no significant effect on 1997 fuel costs, and lowered 1996 fuel costs by \$34 million.

Fair Value of Debt Instruments

The fair value of the Company's long-term and short-term debt has been estimated using quoted market prices or current borrowing rates. At December 31, 1998, the fair value of total debt exceeded the carrying value by approximately 7% of the Company's total third-party debt portfolio. Approximately \$145 million of the Company's fixed-rate debt securities contain call provisions that allow the Company to retire the debt instruments prior to final maturity subject, in certain cases, to the payment of premiums.

Sale of Receivables

The Railroad has sold, on a revolving basis, an undivided percentage ownership interest in a designated pool of accounts receivable to third parties through a bankruptcy-remote subsidiary (the Subsidiary). The Subsidiary is collateralized by a \$75 million note from Union Pacific Railroad Company. The amount of receivables sold fluctuates based upon the availability of the designated pool of receivables and is directly affected by changing business volumes and credit risks. At December 31, 1998 and 1997, accounts receivable are presented net of the \$580 million and \$650 million of receivables sold, respectively.

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

NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans

Benefit Summary - The Company provides defined benefit retirement income to eligible non-union employees through qualified and non-qualified (supplemental) pension plans of the Corporation. In addition, all non-union and certain of the Company's union employees participate in defined contribution medical and life insurance programs for retirees. All Railroad employees are covered by the Railroad Retirement System (System).

Funding and Benefit Payments - Qualified and non-qualified pension benefits are based on years of service and the highest compensation during the latest years of employment. The qualified plans are funded based on the Projected Unit Credit actuarial funding method and are funded at not less than the minimum funding standards set forth in the Employee Retirement Income Security Act of 1974, as amended. The Company has settled a portion of the non-qualified unfunded supplemental plan's accumulated benefit obligation by purchasing annuities. The Company also provides medical and life insurance benefits on a cost sharing basis for qualifying employees. These costs are funded as incurred. In addition, contributions made to the System are expensed as incurred and amounted to approximately \$411 million in 1998, \$392 million in 1997 and \$275 million in 1996.

The following illustrates the change in the Company's projected benefit obligation for 1998 and 1997.

Change in Benefit Obligation:

(Millions of Dollars)	Pension Benefits		Other Postretirement Benefits	
	1998	1997	1998	1997
Net benefit obligation at beginning of year	\$1,294	\$1,145	\$368	\$360
Service cost	18	16	4	4
Interest cost	86	87	25	26
Plan amendments	-	65	(1)	-
Actuarial (gain) loss	(1)	61	6	2
Gross benefits paid	(82)	(80)	(24)	(24)
Net benefit obligation at end of year	\$1,315	\$1,294	\$378	\$368
	=====	=====	=====	=====

Changes in the Company's benefit plan assets are summarized as follows for 1998 and 1997:

Change in Plan Assets:

(Millions of Dollars)	Pension Benefits		Other Postretirement Benefits	
	1998	1997	1998	1997
Fair value of plan assets at beginning of year	\$1,247	\$1,118	\$ -	\$ -
Actual return on plan assets	222	187	-	-
Employer contributions	4	22	24	24
Gross benefits paid	(82)	(80)	(24)	(24)
Fair value of plan assets at end of year	\$1,391	\$1,247	\$ -	\$ -
	=====	=====	=====	=====

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

NOTES TO FINANCIAL STATEMENTS

The components of funded status of the benefit plans for 1998 and 1997 are as follows:

Components of Plan Liabilities:

(Millions of Dollars)	Pension Benefits		Other Postretirement Benefits	
	1998	1997	1998	1997
Funded status at end of year	\$ 76	\$ (48)	\$(378)	\$(368)
Unrecognized net actuarial gain	(459)	(340)	(20)	(22)
Unrecognized prior service cost (credit)	65	69	(36)	(40)
Unrecognized net transition obligation	(9)	(6)	-	-
Net liability recognized at end of year	=====	=====	=====	=====

In 1998 and 1997, \$24 million and \$33 million, respectively, of total pension and other postretirement liability was reclassified as a current liability. Amounts recognized for the benefit plan liabilities in the statement of consolidated financial position for 1998 and 1997 consist of:

Balance Sheet Components:

(Millions of Dollars)	Pension Benefits		Other Postretirement Benefits	
	1998	1997	1998	1997
Prepaid benefit cost	\$ 1	\$ 1	\$ -	\$ -
Accrued benefit cost	(328)	(326)	(434)	(430)
Additional minimum liability	(9)	(22)	-	-
Intangible asset	9	22	-	-
Net liability recognized at end of year	=====	=====	=====	=====

The components of the Company's net periodic pension costs for the years ended December 31, 1998, 1997 and 1996 were as follows:

Components of Expense:

	Pension Benefits			Other Postretirement Benefits		
	1998	1997	1996	1998	1997	1996
Service cost	\$ 18	\$ 16	\$ 13	\$ 4	\$ 4	\$ 3
Interest cost	86	87	58	25	26	15
Expected return on assets	(96)	(81)	(53)	-	-	-
Amortization of:						
Transition obligation	3	3	5	-	-	-
Prior service cost (credit)	7	7	6	(3)	(3)	(3)
Actuarial gain	(9)	(9)	(5)	(1)	(2)	(1)
Total net periodic benefit cost	=====	=====	=====	=====	=====	=====

As of year-end 1998 and 1997, approximately 31% and 32%, respectively, of the funded plans' assets were held in fixed-income and short-term securities, with the remainder in equity securities.

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

NOTES TO FINANCIAL STATEMENTS

The weighted-average actuarial assumptions for the years ended December 31, 1998, 1997 and 1996 were as follows:

Key Assumptions:

	Pension Benefits			Other Postretirement Benefits		
	1998	1997	1996	1998	1997	1996
Discount rate	6.75%	7.0%	7.5%	6.75%	7.0%	7.5%
Expected return on plan assets	9.00	9.0	8.0	N/A	N/A	N/A
Rate of compensation increase.	4.75	5.0	5.5	4.75	5.0	5.5
Health care cost trend:						
Current	N/A	N/A	N/A	9.00	9.0	9.5
Level in 2005	N/A	N/A	N/A	4.50	4.5	5.0

Assumed health care cost trend rates have a significant effect on the amount reported for health care plans. A one percentage point change in the assumed health care cost trend rates would have the following effects:

(Millions of Dollars)	One percentage point increase	One percentage point decrease
Effect on total service and interest cost components.....	\$ 3	\$ (3)
Effect on postretirement benefit obligation.....	31	(26)

Affiliates Covered by the Plan - Salaried employees of the following Affiliated Companies are covered by the Corporations funded pension plan for salaried employees. Note: Charges are allocated on basis of actuarial valuation for each company participating in the Plan.

Union Pacific Corporation	PS Technology, Inc	Delta Finance Company, Ltd
Southern Pacific Rail Corporation	Standard Realty & Development Company	Pacific Fruit Express Company
American Refrigerator Transit Co.	Union Pacific Freight Services Company	Union Pacific Distribution Services, Inc.
Union Pacific Carrier Services, Inc.	Southern Pacific Asset Management	Southern Pacific Land Corporation
Southern Pacific Real Estate Enterprises		

13. Capital Stock

The Board of Directors of the Company 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 the Company's investment in its non-transportation subsidiaries, as determined by the Board of Directors of the Company, 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).

The Company's capital structure consists of Class A Stock and Common Stock. 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. However, dividends may be declared and paid on the Class A Stock only when there is unappropriated available income in respect of prior calendar years which is sufficient to make a sinking fund payment equal to 25 percent of such dividend for the benefit of the MKT Debentures or the Certificates. To the extent that dividends are paid on the Common Stock but not the Class A Stock because the amount of unappropriated available income is insufficient to make such a sinking fund payment, a special cash dividend on the Class A Stock shall be paid when sufficient unappropriated available income exists to make the sinking fund payment. Such insufficiency does not affect the Company's right to declare dividends on the Common Stock. In 1998, the Company did not have sufficient available income to declare a special cash dividend on the Class A Stock. Dividends in arrears on the Class A Stock total \$82 million.

The number of shares shown in Schedule 230 on page 20 excludes 2,665 shares of Common Stock and 232 shares of Class A Stock owned by Southern Pacific Rail Corporation, whose results have been consolidated with the respondent in this report.

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

NOTES TO FINANCIAL STATEMENTS

14 Commitments and Contingencies

There are various claims and lawsuits pending against the Company and certain of its subsidiaries. The Company is also subject to Federal, state and local environmental laws and regulations, pursuant to which it is currently participating in the investigation and remediation of numerous sites. In addition, the Company periodically enters into financial and other commitments in connection with its business, and has retained certain contingent liabilities upon the disposition of formerly-owned operations.

It is not possible at this time for the Company to determine fully the effect of all unasserted claims on its 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, the Company has recorded a liability. The Company does not expect that any known lawsuits, claims, environmental costs, commitments or guarantees will have a material adverse effect on its consolidated financial condition or results of operations. Certain potentially significant contingencies relating to the Company are detailed below:

Customer Claims – Certain customers have submitted claims for damages related to shipments delayed by the Railroad as a result of congestion problems, and certain customers have filed lawsuits seeking relief related to such delays. The nature of the damages sought by claimants includes, but is not limited to, contractual liquidated damages, freight loss or damage, alternative transportation charges, additional production costs, lost business and lost profits. In addition, some customers have asserted that they have the right to cancel contracts as a result of alleged material breaches of such contracts by the Railroad. The Company has accrued an aggregate of \$456 million for these claims (\$370 million in 1998 and \$86 million in 1997).

Environmental Issues – For environmental sites where remediation costs can be reasonably determined, and where such remediation is probable, the Company has recorded a liability. At December 31, 1998, the Company had accrued \$206 million for estimated future environmental costs and believes it is reasonably possible that actual environmental costs could be lower than the recorded reserve or as much as 25% higher.

Shareholder Lawsuits – UPC and certain of its officers and directors (who are also directors of the Company) are defendants in two purported class actions that have been consolidated into one proceeding. The consolidated complaint alleges, among other things, that the Corporation violated the Federal securities laws by failing to disclose material facts and making materially false and misleading statements concerning the service, congestion and safety problems encountered following the Corporation's acquisition of Southern Pacific in 1996. These lawsuits were filed in late 1997 in the United States District Court for the Northern District of Texas and seek to recover unspecified amounts of damages. Management believes that the plaintiffs' claims are without merit and intends to defend them vigorously. The defendants have moved to dismiss this action, and the motion has been fully briefed.

In addition to the class action litigation, a purported derivative action was filed on behalf of the Corporation and the Railroad in September 1998 in the District Court for Tarrant County, Texas, naming as defendants the then-current and certain former directors of the Corporation and the Railroad and, as nominal defendants, the Corporation and the Railroad. The derivative action alleges, among other things, that the named directors breached their fiduciary duties to the Corporation and the Railroad by approving and implementing the Southern Pacific merger without informing themselves of its impact or ensuring that adequate controls were put in place and by causing UPC and the Railroad to make misrepresentations about the Railroad's service problems to the financial markets and regulatory authorities. The Corporation's Board of Directors established a special litigation committee consisting of three independent directors to review the plaintiff's allegations and determine whether it is in UPC's best interest to pursue them. The committee has unanimously concluded that further prosecution of the derivative action on behalf of the Corporation and the Railroad is not in the best interest of either such company. Accordingly, the Corporation and the Railroad have filed a motion with the Court to dismiss the derivative action. The individual defendants also believe that these claims are without merit and intend to defend them vigorously.

15. Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities," that will be effective in 2000. Management is determining the effect, if any, the Statement will have on the Company's financial statements (see Note 11 for a quantification of the fair value of the Company's financial instruments).

16. Union Pacific Fund for Effective Government

The Corporation, UP'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. UP's executive and administrative personnel are solicited annually by the FFEG within the guidelines of the Act and certain executive officers of UP are members of the FFEG's managing Finance Committee.

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

NOTES TO FINANCIAL STATEMENTS

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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.

Schedule 410

= Line 620, col h

= Line 620, col f

= Line 620, col g

4 All contra entries should be shown in parenthesis.

Line 14, col b

Line 14, col d

Line 14, col e

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	8,852,992	9,474,675	8,852,992		1
2		(102) Passenger	60,113	59,038		60,113	2
3		(103) Passenger-Related	410	538		410	3
4		(104) Switching	126,955	117,502	126,955		4
5		(105) Water Transfers					5
6		(106) Demurrage	99,219	66,982	99,219		6
7		(110) Incidental	16,410	35,918	16,410		7
8		(121) Joint Facility-Credit	6,013	7,122	6,013		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	9,162,112	9,761,775	9,101,589	60,523	10
11		(502) Railway operating revenues-transfers from government authorities	36,253	38,913		36,253	11
12		(503) Railway operating revenues-amortization of deferred transfers from government authorities		0	0		12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	9,198,365	9,800,688	9,101,589	96,776	13
14	*	(531) Railway operating expenses	8,821,103	8,594,138	8,723,586	97,517	14
15	*	Net revenue from railway operations	377,262	1,206,550	378,003	(741)	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	12,284	31,241			16
17		(510) Miscellaneous rent income	118,720	77,499			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	84	250			19
20		(514) Interest income	19,739	14,599			20
21		(516) Income from sinking and other funds	0	1			21
22		(517) Release of premiums on funded debt	16,563	16,696			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	127,999	139,425			24
25		Income from affiliated companies: 519					
		a. Dividends (equity method)	7,890	9,210			25
26		b. Equity in undistributed earnings (losses)	53,954	42,858			26
27		TOTAL OTHER INCOME (lines 16-26)	357,233	331,779			27
28		TOTAL INCOME (lines 15, 27)	734,495	1,538,329			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	33,643	11,750			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	72,641	90,973			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	106,284	102,723			36
37		Income available for fixed charges	628,211	1,435,606			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					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	205,248	258,922	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	398,598	211,488	40
41		(548) Amortization of discount on funded debt	11,719	9,679	41
42		TOTAL FIXED CHARGES (lines 38-41)	615,565	480,089	42
43		Income after fixed charges (line 37 minus line 42)	12,646	955,517	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest	4,363	9,482	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	8,283	946,035	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	(21,193)	(1,166)	47
48	*	(b) State income taxes	(3,611)	(8,397)	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	5,729	335,577	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-52)	(19,075)	326,014	51
52		Income from continuing operations (line 46 minus line 51)	27,358	620,021	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)	27,358	620,021	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)	27,358	620,021	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62	*	Net revenues from railway operations	377,262	1,206,550	62
63	*	(556) Income taxes on ordinary income (-)	24,804	9,563	63
64	*	(557) Provision for deferred income taxes (-)	(5,729)	(335,577)	64
65		Income from lease of road and equipment (-)		0	65
66		Rent for leased roads and equipment (+)	2,313	2,233	66
67		Net railway operating income (loss)	398,650	882,769	67

NOTES AND REMARKS FOR SCHEDULES 210 AND 220

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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	3,600,102	508,050	1
2		(601.5) Prior period adjustments to beginning retained earnings	6,014	(6,014)	2
3		CREDITS			
3		(602) Credit balance transferred from income	(26,596)	53,954	3
4		(603) Appropriations released	1,583		4
5		(606) Other credits to retained earnings			5
6		TOTAL CREDITS	(25,013)	53,954	6
7		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	123		9
10		(621) Appropriations for other purposes			10
11		(623) Dividends: Common stock	320,000		11
12		Preferred stock (1)			12
13		TOTAL DEBITS	320,123		13
14		Net increase (decrease) during year (line 6 minus line 13)	(345,136)	53,954	14
15		Balances at close of year (lines 1, 2, and 14)	3,260,980	555,990	15
16		Balances from line 15(c)	555,990	N/A	16
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	3,816,970	N/A	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year 123			19
20		Debits during year 1,583			20
21		Balance at Close of year 123			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.

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)	In Treasury (h)	
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	27,119		6
7	FRA Preference Shares - Series B	10,000		436		436			7
8									8
9									9
10	TOTAL		15,000	10,118	0	10,118	27,168		10

1/ See note 13 on page 13

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		Additional Capital \$ (h)	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 (UP/SPRC Consolidated)	5,265	29,414	4,853	49			4,781,904	11
12									12
13	Payments of Preference Shares		(2,295)						13
14	Rounding							2	14
15									15
16									16
17	Balance at close of year	5,265	27,119	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 No.
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	27,358	620,021	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	(126,276)	(101,924)	11
12		Depreciation and amortization expenses	1,000,783	968,616	12
13		Increase (decrease) in provision for Deferred Income Taxes	5,729	335,577	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(53,954)	(42,858)	14
15		Decrease (increase) in accounts receivable	93,085	(25,898)	15
16		Decrease (increase) in material and supplies and other current assets	(124,431)	(30,446)	16
17		Increase (decrease) in current liabilities other than debt	(188,731)	55,180	17
18		Increase (decrease) in other - net	(31,780)	48,238	18
19		Net cash provided from continuing operations (Lines 10-18)	601,783	1,826,506	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)	601,783	1,826,506	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	304,544	312,386	22
23		Capital expenditures	(2,113,547)	(2,067,727)	23
24		Net change in temporary cash investments not qualifying as cash equivalents			24
25		Proceeds from sale/repayment of investment and advances	(66,448)	(88,742)	25
26		Purchase price of long-term investment and advances			26
27		Net decrease (increase) in sinking and other special funds	548	2,351	27
28		Other - net			28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(1,874,903)	(1,841,732)	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	485,719	180,482	30
31		Principle payments of long-term debt	(275,506)	(210,216)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(320,000)	(420,000)	34
35		Other - net	1,371,880	430,953	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	1,262,093	(18,781)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29 & 36)	(11,027)	(34,007)	37
38		Cash and cash equivalents at beginning of the year	40,756	74,763	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	29,729	40,756	39
		Footnotes to Schedule 240 Cash paid during the year for:			
40		Interest (net of amount capitalized)*	1/	1/	40
41		Income taxes (net) * 2/	(49,000)	49,000	41

* Only applies if indirect method is adopted.

1/ Fixed charges include intercompany interest expense of \$399,000 and \$279,000 for 1998 and 1997. Interest payments approximates fixed charges less intercompany interest. See note 10 on page 10.

2/ 1998 amount represents a refund, while 1997 amount represents a tax payment.

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	62,876	1
2	Customers (706)	Schedule 200, line 6, column b	205,359	2
3	Other (707)	Note A	39,032	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	307,267	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	9,198,365	5
6	Rent Income	Note B	229,328	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	9,427,693	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	26,188	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	12	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	27	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	45,764	11
12	Audited Accounts and Wages Payable (753)	Note A	280,790	12
13	Accounts Payable - Other (754)	Note A	48,700	13
14	Other Taxes Accrued (761.5)	Note A	272,948	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	648,202	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	8,821,103	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,000,783	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	8,049,648	18
19	Average Daily Expenditures	Line 18 divided by 360 days	22,360	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	29	20
21	Days of Working Capital Required	Line 10 - Line 20 (Note C)	(2)	21
22	Cash Working Capital Required	Line 21 x line 19	(44,720)	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	29,729	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	0	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	335,439	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	7,831	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	327,608	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	327,608	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 - 29BLien 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.

Companies Under Joint Control

<u>Company (UPRR Ownership)</u>	<u>Other Parties</u>
Alameda Belt Line (50.0%)	BNSF Ry. (50.0%)
Belt Railway of Chicago (8.3%)	Conrail, GTW, CSX, ICG, N&W, SOO, BNSF
Brownsville & Matamoros Br. Co. (50.0%)	Gobierno de Estados Unidos Mexicanos (50.0%)
1/ Camas Prairie RR Co. (50.0%)	BNSF Inc. (50.0%)
Central California Traction Co. (66.6%)	BNSF Ry. (33.3%)
Denver Union Terminal Ry. Co. (33.4%)	BNSF Inc. (50.0%), Chicago Pacific Corp. (16.67% each)
Houston Belt & Terminal Ry (50.0%)	BNSF Ry (50.0%)
Iowa Transfer Ry Co. (25.0%)	BNSF, NS, Chicago Pacific Corp.
Kansas City Terminal Ry Co. (41.6%)	BNSF Inc (25.0%), CM&W, KCS Ry, N&W Ry, Soo Line (8.3% each)
Longview Switching Co (50.0%)	BNSF Inc (50.0%)
MT Properties, Inc. (42.1%)	BNSF (43.3%), Soo Line (14.6%)
Oakland Terminal Ry (50.0%)	BNSF Inc (50.0%)
Peoria & Pekins Union Ry Co. (12.5%)	IC, NS, CR
Portland Terminal RR Co (60.0%)	BNSF Inc. (40.0%)
St. Joseph Terminal RR Co (50.0%)	BNSF Ry (50.0%)
Sunset Railway Co. (50.0%)	BNSF Ry (50.0%) and operated by each company alternately for 5-year periods.
Terminal Railroad Association of St. Louis (42.8%)	BNSF, NS, CSX, IC (14.3% each)
Texas City Terminal Ry (66.7%)	BNSF Ry (33.3%)
TTX (36.45%)	CR (21.8%), BNSF (17.1%), CSX (9.4%), NS (7.8%), GTW, IC, SOO (1 6% each), FEC (.99%), B&M, KCS,FBT (6% each)

Wholly-owned companies that have a joint interest in subsidiaries

Transborder Rail owns a 13% interest in Grupo Ferroviario Mexicano

Union Pacific Baseball Enterprises owns a 50% interest in the Omaha Golden Spikes minor league baseball team

Union Pacific Venture Leasing owns a 50% interest in Bay Pacific

Union Pacific Venture Leasing owns a 50% interest in Helm Pacific

1/ Camas Prairie RR was sold during 1998

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				Alameda Belt Line (C)	50.0	2
3				American Refrigerator Transit Co. (A)	100.0	3
4				Belt Railway of Chicago	8.3	4
5				Brownsville & Matamoros Bridge Co. (A) (C)	50.0	5
6				Camas Prairie Railroad Co. (C)	50.0	6
7				Central California Traction Co. (C)	66.6	7
8				Denver Union Terminal Ry. Co. (C)	33.4	8
9				Houston Belt & Terminal Ry. (A) (B) (C)	50.0	9
10				Iowa Transfer Railway Co. (C)	25.0	10
11				Jonesboro Rice & Mill 1/		11
12				Kansas City Terminal Ry. (A) (B) (C) 1/	41.6	12
13				Longview Switching Co. (C)	50.0	13
14				MT Properties, Inc. (C)	42.1	14
15				Oakland Terminal Railway (C)	50.0	15
16				Pacific Fruit Express	100.0	16
17				Pacific Motor Transport	100.0	17
18				Peoria & Pekins Union Rwy Co. 1/ (C)	12.5	18
19				Portland Terminal RR Co. (C)	60.0	19
20				Portland Traction Co.	100.0	20
21				St. Joseph Terminal RR Co. (C) 1/	50.0	21
22				Southern Pacific Motor Trucking	100.0	22
23				Sunset Railway	50.0	23
24				Terminal Railroad Association of St. Louis (C) 1/	42.8	24
25				Texas City Terminal Ry. (C)	66.7	25
26				Trailer Train Co. (C)	36.5	26
27				Transborder Rail	100.0	27
28				Union Pacific Fruit Express Corp.	100.0	28
29						29
30	721	A3		STOCKS - NONCARRIERS - ACTIVE		30
31				Automated Monitoring & Control International	67.3	31
32			VI	Donland Development Company	100.0	32
33			VI	Missouri Improvement Co. (A)	100.0	33

(A) (B) Lien references as described on page 24.
1/ Carried at nominal value of \$1.00.

(C) See Note page 24
(D) See Note page 24

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.	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain (h)	Closing Balance (i)	Disposed of: profit(loss) (j)	Adjustments Acct. 721.5 (k)	Dividends or interest credited to income (l)	Line No.
1								1
2								2
3	378			378				3
4	260			260				4
5	250			250				5
6	50		50	0				6
7	2,286			2,286				7
8	10	20		30				8
9	13			13				9
10	55			55				10
11	1			1				11
12	0			0				12
13	1			1				13
14	672			672				14
15	0			0				15
16	6,000			6,000				16
17	0			0				17
18	0			0				18
19	1,800			1,800				19
20	1,300			1,300				20
21	0			0				21
22	14,906			14,906				22
23	0			0				23
24	0			0				24
25	3,869			3,869				25
26	138,231			138,231				26
27	23,603	53,636		77,239				27
28	1,000			1,000				28
29								29
30								30
31	1,867	512		2,379				31
32	250			250				32
33	5,589			5,589				33

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.
34				Bay Pacific	50 0	34
35				Missouri Pacific Intermodal Transport, Inc.	100.0	35
36			VI	Montwood	100.0	36
37			VI	Monument Place	50.0	37
38			VI	RG Holding	100.0	38
39			VI	RG Land	100.0	39
40			VI	Southern Pacific Asset Management	100.0	40
41				Southern Pacific Warehouse	100.0	41
42				Southern Pacific International	100.0	42
43			X	SP Environmental Systems	100.0	43
44			X	SP Environmental Waste Systems	100.0	44
45				SP Fleet Acquisition	100.0	45
46			VI	SP Land Co.	100.0	46
47			VI	Southern Pacific Receivables, Inc.	100.0	47
48			VI	Standard Realty & Development	100.0	48
49				TSSI	100.0	49
50				Union Pacific Distribution Services	100.0	50
51				Union Pacific Freight Service	100.0	51
52			X	UP Baseball Enterprises, Inc.	100.0	52
53				UP Expressair	100.0	53
54			VI	UP Financial Corp.	100.0	54
55				UP Venture Leasing	100.0	55
56			VI	Wisconsin Town Lot	100 0	56
57				TOTAL CLASS A		57
58	721	D1		UNSECURED NOTES - CARRIERS - ACTIVE		58
59				St. Joseph Terminal RR Co.		59
60				Terminal RR Assn. of St. Louis		60
61				Trailer Train Co.		61
62				TOTAL CLASS D		62
63	721	E1		INVESTMENT ADVANCES - CARRIERS - ACTIVE		63
64				ABL Trans		64
65				Alameda Belt Line		65
66				Belt Railway of Chicago		66
67				Camas Prairie RR Co.		67
68				Denver Union Terminal Ry. Co.		68
69				Harbor Belt Line RR Co.		69
70				Houston Belt & Terminal Ry.		70
71				Kansas City Terminal Ry. Co.		71
72				Longview Switching Co.		72
73				Pacific Fruit Express		73
74				Pacific Motor Transport Co		74
75				Port Terminal Ry. Assn.		75
76				Southern Pacific International		76
77				Southern Pacific Motor Trucking		77
78				St. Joseph Terminal RR Co.		78
79				Sunset Railway		79
80				Terminal Railroad Assn. of St. Louis		80
81				Transborder Rail		81
82				UP International Advisors		82
83				Wichita Terminal		83

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

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued
(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)				
34	571			571				34
35	1			1				35
36	3,070			3,070				36
37	6,296		3,107	3,189				37
38	104,118			104,118				38
39	2,486			2,486				39
40	1			1				40
41	19			19				41
42	823			823				42
43	1			1				43
44	1			1				44
45	1			1				45
46	1			1				46
47	21,400			21,400				47
48	100			100				48
49	0			0				49
50	1			1				50
51	0			0				51
52	1			1				52
53	1			1				53
54	1			1				54
55	498			498				55
56	574			574				56
57	342,356	54,168	3,157	393,367				57
58								58
59	175			175				59
60	0			0				60
61	1,841			1,841				61
62	2,016	0	0	2,016				62
63								63
64	0			0				64
65	20			20				65
66	0			0				66
67	250		250	0				67
68	847		180	667				68
69	105		105	0				69
70	9,537		4,815	4,722				70
71	10,893			10,893				71
72	37			37				72
73	1,463	1,977		3,440				73
74	0			0				74
75	742		290	452				75
76	3,992			3,992				76
77	30,290		10,970	19,320				77
78	79			79				78
79	981		623	358				79
80	2,310			2,310				80
81	0	34		34				81
82	0	218		218				82
83	113	1		114				83

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.
84	721	E3		INVESTMENT ADVANCES - NONCARRIERS - ACTIVE		84
85				Motor Vehicle Logistics Corp.		85
86			VI	Park Springs		86
87			VI	Rio Grande Holding, Inc.		87
88			VI	Southern Pacific Asset Management		88
89				Southern Pacific Mexico		89
90				Southern Pacific Warehouse		90
91			X	SP Environmental		91
92				SP Fleet		92
93			VI	SP Land Co.		93
94			VI	Southern Pacific Receivables, Inc.		94
95			VI	Stonegate Park		95
96				TSSI		96
97			X	UP Baseball Enterprises, Inc.		97
98				UP Carrier Services		98
99				UP de Mexico		99
100				UP Distribution Services		100
101			VI	Wisconsin Town Lot		101
102				TOTAL CLASS E		102
103						103
104						104
105						105
106						106
107						107
108						108
109						109
110						110
111						111
112						112
113						113
114						114
115						115
116						116
117						117
118						118
119						119
120						120
121						121
122						122
123						123
124						124
125						125
126						126
127						127
128				TOTAL ACCOUNT 721		128

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)				
84								84
85	25			25				85
86	4,197			4,197				86
87	141	369		510				87
88	1,464		1,464	0				88
89	0			0				89
90	1,510	827		2,337				90
91	468		2	466				91
92	131		131	0				92
93	354	1,725		2,079				93
94	6,999		6,999	0				94
95	1,552			1,552			-	95
96	213		213	0				96
97	1,494		500	994				97
98	1,801		1,801	0				98
99	11,213		2,450	8,763				99
100	451		451	0				100
101	80			80				101
102	93,752	5,151	31,244	67,659				102
103								103
104								104
105								105
106								106
107								107
108								108
109								109
110								110
111								111
112								112
113								113
114								114
115								115
116								116
117								117
118								118
119								119
120								120
121								121
122								122
123								123
124								124
125								125
126								126
127								127
128	438,124	59,319	34,401	463,042				128

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	American Refrigerator Transit Co.	10,638		366			11,004	1
2	Belt Ry of Chicago	438		0			438	2
3	Brownsville & Matamoros Bridge Co	3,602		434			4,036	3
4	Central California Traction	240		0			240	4
5	Chicago Western Indiana RR	(151)		0			(151)	5
6	Houston Belt & Terminal Rwy.	8,187		679			8,866	6
7	Kansas City Terminal Rwy.	729		0			729	7
8	MT Properties	562		(23)			539	8
9	Pacific Fruit Express Co.	(1,936)		(1,486)			(3,422)	9
10	Portland Terminal Railroad Company	(675)		0			(675)	10
11	Portland Traction Co.	44		21			65	11
12	Terminal RR Assn. of St. Louis	17,297		1,648			18,945	12
13	Texas City Terminal Ry.	13,082		(368)			12,714	13
14	Transborder Rail Corp.	0		8,531			8,531	14
15	UP Fruit Express Co.	147,105		887			147,992	15
16	TOTAL CARRIER	199,162		10,689		0	209,851	16
	NONCARRIER: (List specifics for each company)							
17	Automated Monitoring & Control International	(931)		(1,397)			(2,328)	17
18	Bay Pacific Logistics	130		0			130	18
19	Delta Finance	2,200		0			2,200	19
20	Denver Union Terminal	0		67			67	20
21	Donland Development Company	5,759		(48)			5,711	21
22	Missouri Improvement Co.	6,385		37			6,422	22
23	Missouri Pacific Intermodal Transport	(48)		0			(48)	23
24	Monument Place	(109)		192			83	24
25	Motor Vehicle Logistics Corp.	(25)		0			(25)	25
26	Signage	2,622		0			2,622	26
27	SP Asset Management	0		1,374			1,374	27
28	SP Motor Trucking	312		(693)			(381)	28
29	SP Warehouse	8		8,125			8,133	29
30	Standard Realty & Development	48,883		50			48,933	30
31	Trailer Train Co.	206,430		30,580			237,010	31
32	UP Baseball Enterprises	259		12			271	32
33	UP Carrier Services	302		381			683	33
34	UP de Mexico	230		12			242	34
35	UP Distribution Co.	19,883		2,025			21,908	35
36	UP Expressair	1,513		0			1,513	36
37	UP Financial Corp.	(331)		0			(331)	37
38	UP Venture Leasing	3,463		2,170			5,633	38
39	UPRR Land Companies	2,210		(3)			2,207	39
40	Wisconsin Town Lot	(118)		11			(107)	40
41	Rio Grande Holding	877		(2)			875	41
42	Rio Grande Land	28		67			95	42
43	Transportation Service Systems	(280)		11			(269)	43
44	PS Technology, Inc.	528		0		(528)	0	44
45	Montwood Corporation	836		292			1,128	45
46	SP Environmental	277		0		(277)	0	46
47	SP Land Corporation	(432)		1			(431)	47
48	SP Fleet Acquisition	(1)		1			0	48
49	Southern Pacific Reveivables, Inc.	2,819		0			2,819	49
50	TOTAL NONCARRIER	303,679		43,285		(805)	346,139	50
51	TOTAL EQUITY	502,841		53,954		(805)	555,990	51

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	4,886,706			1
2		(3) Grading	2,583,538			2
3		(4) Other, right-of-way expenditures	39,995			3
4		(5) Tunnels and subways	366,717			4
5		(6) Bridges, trestles, and culverts	1,891,132			5
6		(7) Elevated structures	7			6
7		(8) Ties	2,647,880			7
8		(9) Rail and other track material	5,511,659			8
9		(11) Ballast	1,678,117			9
10		(13) Fences, snowsheds and signs	38,532			10
11		(16) Station and office buildings	425,429			11
12		(17) Roadway buildings	31,453			12
13		(18) Water stations	5,095			13
14		(19) Fuel stations	84,110			14
15		(20) Shops and enginehouses	230,602			15
16		(22) Storage warehouses	1			16
17		(23) Wharves and docks	243			17
18		(24) Coal and ore wharves	3,336			18
19		(25) TOFC/COFC terminals	231,560			19
20		(26) Communication systems	199,428			20
21		(27) Signals and interlockers	1,020,854			21
22		(29) Power plants	1,932			22
23		(31) Power-transmission systems	27,143			23
24		(35) Miscellaneous structures	8,808			24
25		(37) Roadway machines	311,560			25
26		(39) Public improvements-construction	374,530			26
27		(44) Shop machinery	137,308			27
28		(45) Power-plant machinery	7,258			28
29		Other lease/rentals	1,332			29
30		TOTAL EXPENDITURES FOR ROAD	22,746,265	0	0	30
31		(52) Locomotives	4,128,738			31
32		(53) Freight train cars	2,473,013			32
33		(54) Passenger train cars	104			33
34		(55) Highway revenue equipment	4,408			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	129,281			36
37		(58) Miscellaneous equipment	24,519			37
38		(59) Computer systems and word processing equipment	270,369			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	7,030,432	0	0	39
40		(76) Interest during construction	45,395			40
41		(80) Other elements of investment 1/	13,252			41
42		(90) Construction work in progress	573,779			42
43		GRAND TOTAL	30,409,123	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 UP'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		16,844	130,925	(114,081)	4,772,625	1
2		36,574	48,396	(11,822)	2,571,716	2
3		3,804	785	3,019	43,014	3
4		1,973	11,059	(9,086)	357,631	4
5		97,491	38,851	58,640	1,949,772	5
6		0	7	(7)	0	6
7		268,064	(28,920)	296,984	2,944,864	7
8		534,135	80,133	454,002	5,965,661	8
9		133,838	21,623	112,215	1,790,332	9
10		1,432	288	1,144	39,676	10
11		12,682	50,978	(38,296)	387,133	11
12		355	(456)	811	32,264	12
13		166	(65)	231	5,326	13
14		8,239	176	8,063	92,173	14
15		35,713	(1,147)	36,860	267,462	15
16		0	0	0	1	16
17		0	15	(15)	228	17
18		0	(2)	2	3,338	18
19		5,310	(2,480)	7,790	239,350	19
20		17,942	6,356	11,586	211,014	20
21		108,869	2,927	105,942	1,126,796	21
22		62	(32)	94	2,026	22
23		4,354	(407)	4,761	31,904	23
24		83	(70)	153	8,961	24
25		29,386	6,592	22,794	334,354	25
26		42,384	21,577	20,807	395,337	26
27		6,506	(4,278)	10,784	148,092	27
28		0	2,960	(2,960)	4,298	28
29		0	23	(23)	1,309	29
30		1,366,206	385,814	980,392	23,726,657	30
31		411,961	61,435	350,526	4,479,264	31
32		87,937	5,467	82,470	2,555,483	32
33		0	13	(13)	91	33
34		0	(393)	393	4,801	34
35		0	0	0	0	35
36		7,161	18,812	(11,651)	117,630	36
37		(388)	3,539	(3,927)	20,592	37
38		36,813	23,772	13,041	283,410	38
39		543,484	112,645	430,839	7,461,271	39
40		0	57	(57)	45,338	40
41		0	0	0	13,252	41
42		203,857	0	203,857	777,636	42
43		2,113,547	498,516	1,615,031	32,024,154	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	2,583,538	2,565,249	1.11				1
2	(4) Other, right-of-way expenditures	39,995	41,936	3.13				2
3	(5) Tunnels and subways	366,717	357,633	1.06				3
4	(6) Bridges, trestles, and culverts	1,891,139	1,945,429	1.32				4
5	(7) Elevated structures	0	0	0				5
6	(8) Ties	2,670,859	2,947,376	4.09				6
7	(9) Rail and other track material	5,546,660	5,972,178	4.48				7
8	(11) Ballast	1,675,455	1,782,392	2.56				8
9	(13) Fences, snow sheds, and signs	38,531	39,626	1.28				9
10	(16) Station and office buildings	425,429	384,304	3.23				10
11	(17) Roadway buildings	31,454	32,265	2.94				11
12	(18) Water stations	5,094	5,325	4.00				12
13	(19) Fuel Stations	84,110	92,113	3.33				13
14	(20) Shops and enginehouse	230,601	266,168	2.41				14
15	(22) Storage warehouses	1	1	2.13				15
16	(23) Wharves and docks	243	228	2.50				16
17	(24) Coal and ore wharves	3,336	3,338	2.22				17
18	(25) TOFC/COFC terminals	231,560	238,836	4.00				18
19	(26) Communication systems	199,429	209,935	3.19				19
20	(27) Signals and interlockers	1,020,854	1,116,520	2.00				20
21	(29) Power plants	1,933	2,026	3.33				21
22	(31) Power-transmission systems	27,144	31,863	2.33				22
23	(35) Miscellaneous structures	8,809	8,950	2.56				23
24	(37) Roadway machines	311,561	333,550	6.93				24
25	(39) Public improvements-Construction	374,531	385,308	2.78				25
26	(44) Shop machinery	140,672	145,871	4.09				26
27	(45) Power-plant machinery	3,894	4,299	4.35				27
28	All other road accounts	0	0	0				28
29	Amortization (other than def. projects)	0	0	0				29
30	TOTAL ROAD	17,913,549	18,912,719	3.52				30
	EQUIPMENT							
31	(52) Locomotives	4,157,134	4,465,935	4.57				31
32	(53) Freight-train cars	2,490,389	2,559,216	3.58				32
33	(54) Passenger-train cars	104	91	6.43				33
34	(55) Highway revenue equipment	4,408	4,801	7.00				34
35	(56) Floating equipment	0	0	0				35
36	(57) Work equipment	129,281	117,395	2.53				36
37	(58) Miscellaneous equipment	24,519	20,645	5.67				37
38	(59) Computer systems and WP equipment	270,369	278,888	16.32				38
39	TOTAL EQUIPMENT	7,076,204	7,446,971	4.69				39
40	GRAND TOTAL	24,989,753	26,359,690	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 During the year		DEBITS TO RESERVE 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	96,369	35,577	0	33,825	0	98,121	1
2		(4) Other, right-of-way expenditures	3,553	1,411	0	750	0	4,214	2
3		(5) Tunnels and subways	1,799	5,175	0	5,911	0	1,063	3
4		(6) Bridges, trestles, and culverts	95,103	37,716	0	31,764	0	101,055	4
5		(7) Elevated structures	0	0	0	0	0	0	5
6		(8) Ties	440,719	117,725	0	43,916	0	514,528	6
7		(9) Rail and other track material	1,445,015	300,808	0	130,735	0	1,615,088	7
8		(11) Ballast	152,824	56,620	0	26,241	0	183,203	8
9		(13) Fences, snow sheds and signs	6,415	802	0	364	0	6,853	9
10		(16) Station and office buildings	59,105	14,010	0	22,261	0	50,854	10
11		(17) Roadway buildings	5,512	1,174	0	(204)	0	6,890	11
12		(18) Water stations	388	309	0	11	0	686	12
13		(19) Fuel stations	16,851	3,059	0	283	0	19,627	13
14		(20) Shops and enginehouses	73,503	5,455	0	2,071	0	76,887	14
15		(22) Storage warehouses	1	0	0	0	0	1	15
16		(23) Wharves and docks	13	19	0	24	0	8	16
17		(24) Coal and ore wharves	1,293	104	0	14	0	1,383	17
18		(25) TOFC/COFC terminals	52,803	10,963	0	(635)	0	64,401	18
19		(26) Communication systems	50,392	7,062	0	(634)	0	58,088	19
20		(27) Signals and interlockers	159,574	23,460	0	8,628	0	174,406	20
21		(29) Power plants	218	35	0	(31)	0	284	21
22		(31) Power-transmission systems	4,806	747	0	(170)	0	5,723	22
23		(35) Miscellaneous structures	2,836	247	0	(43)	0	3,126	23
24		(37) Roadway machines 1/	124,353	4,271	0	(14,469)	0	143,093	24
25		(39) Public improvements-Construction	83,578	10,994	0	11,160	0	83,412	25
26		(44) Shop machinery* 1/	38,818	4,430	0	(2,184)	0	45,432	26
27		(45) Power-plant machinery	2,020	166	0	(354)	0	2,540	27
28		All other road accounts	1,323	0	0	0	0	1,323	28
29		Amortization (Adjustments)	0	0	0	0	0	0	29
30		TOTAL ROAD	2,919,184	642,339	0	299,234	0	3,262,289	30
		EQUIPMENT							
31		(52) Locomotives 1/	1,222,382	198,466	0	59,897	0	1,360,951	31
32		(53) Freight-train cars	987,209	112,678	0	28,254	0	1,071,633	32
33		(54) Passenger-train cars	(4)	15	0	13	0	(2)	33
34		(55) Highway revenue equipment	(2,711)	285	0	(402)	0	(2,024)	34
35		(56) Floating equipment	0	0	0	0	0	0	35
36		(57) Work equipment 1/	28,248	2,461	0	16,418	0	14,291	36
37		(58) Miscellaneous equipment	15,851	3,310	0	12,141	0	7,020	37
38		(59) Computer systems and WP equip.	83,374	41,229	0	21,326	0	103,277	38
39		Amortization Adjustments	0	0	0	0	0	0	39
40		TOTAL EQUIPMENT	2,334,349	358,444	0	137,647	0	2,555,146	40
41		GRAND TOTAL	5,253,533	1,000,783	0	436,881	0	5,817,435	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 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, pages 42 and 42A:

- 1/ Figures in Column (c) are miles of road only, as reported in Schedule 702, Columns (b) and (c).
- 2/ Actual value not known. No rental is paid on which an estimated value can be determined.
- 3/ Actual value not known. Amounts reported in lieu of actual value represent results of capitalizing rentals at 6 percent.
- 4/ Amounts of depreciation and amortization accrued are not known.
- 5/ 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 base on capitalization of rentals at 6 percent.
- 6/ Basis per Montwood Corporation records.
- 7/ 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 3/ "Actual Value Not Known." Amounts so reported on Schedule 352A represent results of capitalizing annual rental at 6 percent.

350. DEPRECIATION BASE AND RATES – ROAD AND EQUIPMENT LEASED TO OTHERS

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			N/A	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 USED					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	29,233	\$32,024,154	\$5,817,435	1
2						2
3		Add - Leased From Others				3
4	O	U S. Government - Sable to Bunell, CO used under contract	1/ 1	3/	4/	4
5	O	City of Kansas City, KS - Tracks	1/	3/ 244	4/	5
6	O	BN Inc , Spokane, WY - Tracks	1/	3/ 46	4/	6
7	O	Mid States Port Authority, Track Rental Fairbury to Hallam, NE	1/	3/ 4,800	4/	7
8	O	General Motors	1/	3/ 11	4/	8
9	O	Louisville & Nashville RR Co.,-SCL		16		9
10	O	New Orleans Public Belt Railroad Co.		36		10
11	O	Port of Corpus Christi		3/ 581		11
12	O	Greater Baton Rouge Port Commission		3/ 2,960		12
13	O	Lake Charles Harbor & Terminal District		3/ 104		13
14	O	Port of Beaumont		3/ 419		14
15	O	City and County of San Francisco (Formerly Ocean				15
16		Shore Railway) yard switching tracks		34		16
17	O	Medford Corp,Medford, Oregon-Way switching tracks		40		17
18	O	Nueces County Navigation Dist. No 1 Terminal				18
19		Properties Corpus Christi, TX		581		19
20	O	Moffat Tunnel Improvement District	9	5/ 11,435	7/ 0	20
21	O	Montwood Corporation	6	6/ 5,474	6/ 1,214	21
22						22
23						23
24						24
25		Total Leased From Others	16	26,781	1,214	25
26						26
27						27
28						28
29						29
30						30
31		Sub-total All Classes	29,249	\$32,050,935	\$5,818,649	31

1/, 2/, 3/, 4/, 5/, 6/, 7/ See notes on page 39.

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company) - Concluded

(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, and "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		continued from Page 42				1
2		Sub-total All Classes	29,249	\$32,050,935	\$5,818,649	2
3						3
4		Deduct - Leased to Others:				4
5	O	Burlington Northern, Inc.-Garrison to Meaderville, MT	51	3/ 821	4/	5
6	O	Houston Belt & Terminal Rwy. Co	16	24,826	3,829	6
7						7
8						8
9		Total - Leased to Others	67	25,647	3,829	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
26						26
27						27
28						28
29						29
30		TOTAL	29,182	\$32,025,288	\$5,814,820	30

3/, 4/ See note on page 39.

NOTES AND REMARKS

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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)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other Leased Properties (e)	Line No.
1		(2) Land for transportation purposes	4,768,559	4,066		127	1
2		(3) Grading	2,565,143	6,573		3,205	2
3		(4) Other, right-of-way expenditures	42,786	228			3
4		(5) Tunnels and subways	357,631			9,244	4
5		(6) Bridges, trestles, and culverts	1,940,776	8,996		72	5
6		(7) Elevated structures	0				6
7		(8) Ties	2,934,047	10,817		793	7
8		(9) Rail and other track material	5,928,104	37,557		1,663	8
9		(11) Ballast	1,777,656	12,676		324	9
10		(13) Fences, snowsheds and signs	39,371	305		5	10
11		(16) Station and office buildings	386,449	684		19	11
12		(17) Roadway buildings	32,212	52		38	12
13		(18) Water stations	5,317	9			13
14		(19) Fuel stations	92,164	9			14
15		(20) Shops and enginehouses	267,407	55			15
16		(22) Storage warehouses	1				16
17		(23) Wharves and docks	228				17
18		(24) Coal and ore wharves	3,338				18
19		(25) TOFC/COFC terminals	237,431	1,919			19
20		(26) Communication systems	210,644	370			20
21		(27) Signals and interlockers	1,120,448	6,348		78	21
22		(29) Power plants	2,026				22
23		(31) Power transmission systems	31,885	19			23
24		(35) Miscellaneous structures	8,910	51			24
25		(37) Roadway machines	334,350	4			25
26		(39) Public improvements-construction	394,402	935		612	26
27		(44) Shop machinery	148,092				27
28		(45) Power-plant machinery	4,298				28
29		Leased property capitalized rentals (explain)	0			1/ (16,054)	29
30		Other (specify and explain)	1,309				30
31		TOTAL ROAD	23,634,984	91,673		126	31
32		(52) Locomotives	4,479,264				32
33		(53) Freight-train cars	2,555,483				33
34		(54) Passenger-train cars	91				34
35		(55) Highway revenue equipment	4,801				35
36		(56) Floating equipment	0				36
37		(57) Work equipment	117,630				37
38		(58) Miscellaneous equipment	20,591	1			38
39		(59) Computer systems & WP equipment	283,410				39
40		TOTAL EQUIPMENT	7,461,270	1			40
41		(76) Interest during construction	44,706	632		1,008	41
42		(80) Other elements of investment	13,252				42
43		(90) Construction work in progress	777,636				43
44		GRAND TOTAL	31,931,848	92,306		1,134	44

1/ 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 230, column (f)

=

Line 19, columns (e) thru (g)

Schedule 415

Lines 5, 38, column (f)

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

=

Lines 226, 227, column (f)

=

Lines 24, 39, column (f)

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

=

Lines 32, 35, 36, 37, 40, 41, 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)

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Line 509, column (f)

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Line 510, column (f)

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Line 511, column (f)

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Line 512, column (f)

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Line 513, column (f)

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Line 514, column (f)

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Line 515, column (f)

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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	18,310	4,372	2,682	4,149	29,513	410	29,923	1
2		Bridge & Building	10,261	1,527	1,061	2,534	15,383	391	15,774	2
3		Signal	10,907	3,296	5,297	(438)	19,062	348	19,410	3
4		Communication	2,592	99	1,376	543	4,610	127	4,737	4
5		Other	12,311	579	7,665	3,493	24,048	291	24,339	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	15,249	1,319	16,631	83	33,282	1,455	34,737	6
7		Roadway - Switching	3,659	265	3,955	21	7,900	0	7,900	7
8		Tunnels and Subways - Running	107	0	1,519	0	1,626	35	1,661	8
9		Tunnels and Subways - Switching	25	0	325	0	350	0	350	9
10		Bridges - Culverts - Running	15,650	3,041	195	3,059	21,945	296	22,241	10
11		Bridges - Culverts - Switching	3,546	710	45	701	5,002	0	5,002	11
12		Ties - Running	11,632	3,951	796	1,137	17,516	540	18,056	12
13		Ties - Switching	2,667	1,054	183	261	4,165	0	4,165	13
14		Rail & Other Track Material - Running	83,602	13,072	14,286	2,137	113,097	2,596	115,693	14
15		Rail & Other Track Material - Switching	19,365	3,934	3,340	481	27,120	7	27,127	15
16		Ballast - Running	548	(183)	331	3	699	107	806	16
17		Ballast - Switching	134	38	76	1	249	0	249	17
18		Road Property Damaged - Running	1,144	36	972	0	2,152	51	2,203	18
19		Road Property Damaged - Switching	261	5	231	0	497	3	500	19
20		Road Property Damaged - Other	108	3	95	0	206	0	206	20
21		Signal & Interlockers-Running	36,098	10,504	3,613	2,660	52,875	3,175	56,050	21
22		Signal & Interlockers-Switching	8,607	2,390	909	622	12,528	0	12,528	22
23		Communications Systems	19,771	12,437	3,096	1,102	36,406	109	36,515	23
24		Power Systems	1,236	0	0	0	1,236	174	1,410	24
25		Highway Grade Crossing - Running	10,908	247	1,062	0	12,217	533	12,750	25
26		Highway Grade Crossing - Switching	0	0	0	0	0	0	0	26
27		Station & Office Buildings	5,713	7,705	15,927	1,378	30,723	1,863	32,586	27
28		Shop Building - Locomotives	14,226	0	0	0	14,226	328	14,554	28
29		Shop Buildings - Freight Cars	482	0	0	0	482	N/A	482	29
30		Shop Buildings - Other Equipment	0	10	0	0	10	9	19	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	520	838	2,920	116	4,394	121	4,515	101
102		Miscellaneous Buildings & Structures	3,897	472	145	34	4,548	846	5,394	102
103		Coal Terminals	0	0	0	0	0	0	0	103
104		Ore Terminals	3	0	0	0	3	0	3	104
105		Other Marine Terminals	0	0	0	0	0	0	0	105
106		TOFC/COFC-Terminals	0	0	13,486	0	13,486	0	13,486	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	3,251	15,854	1,103	290	20,498	1,270	21,768	109
110		Small Tools and Supplies	0	0	0	0	0	0	0	110
111		Snow Removal	1,699	1,353	660	0	3,712	632	4,344	111
112		Fringe Benefits - Running	N/A	N/A	N/A	59,039	59,039	2,855	61,894	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	13,137	13,137	188	13,325	113
114		Fringe Benefits - Other	N/A	N/A	N/A	38,168	38,168	362	38,530	114
115		Casualties & Insurance - Running	N/A	N/A	N/A	32,427	32,427	29	32,456	115
116		Casualties & Insurance - Switching	N/A	N/A	N/A	7,580	7,580	0	7,580	116
117		Casualties & Insurance - Other	N/A	N/A	N/A	17,079	17,079	0	17,079	117
118		Lease Rentals - Debit - Running	N/A	N/A	2,340	N/A	2,340	0	2,340	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	27,036	N/A	27,036	473	27,509	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	19,131	N/A	19,131	0	19,131	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	765	N/A	765	0	765	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	156	N/A	156	0	156	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(10,756)	N/A	(10,756)	0	(10,756)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(98)	N/A	(98)	0	(98)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	(72)	N/A	(72)	0	(72)	129
130		Other Rents - Debit - Running	N/A	N/A	10	N/A	10	0	10	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	23	N/A	23	0	23	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	475,826	475,826	1,498	477,324	136
137		Depreciation - Switching	N/A	N/A	N/A	113,539	113,539	0	113,539	137
138		Depreciation - Other	N/A	N/A	N/A	47,046	47,046	0	47,046	138
139		Joint Facility - Debit - Running	N/A	N/A	78,170	N/A	78,170	93	78,263	139
140		Joint Facility - Debit - Switching	N/A	N/A	13,051	N/A	13,051	0	13,051	140
141		Joint Facility - Debit - Other	N/A	N/A	562	N/A	562	0	562	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(46,203)	N/A	(46,203)	0	(46,203)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(7)	N/A	(7)	0	(7)	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	0	0	0	57	57	0	57	148
149		Other - Switching	0	0	0	0	0	0	0	149
150		Other - Other	0	129	162	1	292	4	296	150
151		TOTAL WAY & STRUCTURE	318,489	89,057	188,252	828,266	1,424,064	21,219	1,445,283	151
		EQUIPMENT - LOCOMOTIVES								
201		Administration	9,930	1,050	8,865	2,360	22,205	216	22,421	201
202		Repair & Maintenance	118,909	184,262	58,676	3,943	365,790	3,183	368,973	202
203		Machinery Repair	0	4,699	1,243	0	5,942	0	5,942	203
204		Equipment Damaged	182	3	1	1	187	0	187	204
205		Fringe Benefits	N/A	N/A	N/A	45,184	45,184	1,216	46,400	205
206		Other Casualties and Insurance	N/A	N/A	N/A	26,366	26,366	6	26,372	206
207		Lease Rentals - Debit	N/A	N/A	168,666	N/A	168,666	0	168,666	207
208		Lease Rentals - (Credit)	N/A	N/A	0	N/A	0	0	0	208
209		Joint Facility Rent - Debit	N/A	N/A	147	N/A	147	0	147	209
210		Joint Facility Rent - (Credit)	N/A	N/A	(66)	N/A	(66)	0	(66)	210
211		Other Rents - Debit	N/A	N/A	1,073	N/A	1,073	0	1,073	211
212		Other Rents - (Credit)	N/A	N/A	(309)	N/A	(309)	0	(309)	212
213		Depreciation	N/A	N/A	N/A	200,847	200,847	22	200,869	213
214		Joint Facility - Debit	N/A	N/A	65	N/A	65	0	65	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)	0	0	0	0	0	0	0	217
218		Dismantling Retired Property	601	25	8,072	(532)	8,166	3	8,169	218
219		Other	129,622	190,039	246,433	278,169	844,263	4,646	848,909	219
		TOTAL LOCOMOTIVES								
		FREIGHT CARS								
220		Administration	10,144	539	2,011	41	12,735	N/A	12,735	220
221		Repair & Maintenance	106,883	137,569	72,782	5,578	322,812	N/A	322,812	221
222		Machinery Repair	0	3,513	928	0	4,441	N/A	4,441	222
223		Equipment Damaged	0	0	0	0	0	N/A	0	223
224		Fringe Benefits	N/A	N/A	N/A	40,835	40,835	N/A	40,835	224
225		Other Casualties & Insurance	N/A	N/A	N/A	45,820	45,820	N/A	45,820	225
226		Lease Rentals - Debit	N/A	N/A	245,970	N/A	245,970	N/A	245,970	226
227		Lease Rentals - (Credit)	N/A	N/A	(8,329)	N/A	(8,329)	N/A	(8,329)	227
228		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	N/A	0	228
229		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	N/A	0	229
230		Other Rents - Debit	N/A	N/A	907,877	N/A	907,877	N/A	907,877	230
231		Other Rents - (Credit)	N/A	N/A	(209,578)	N/A	(209,578)	N/A	(209,578)	231
232		Depreciation	N/A	N/A	N/A	114,374	114,374	N/A	114,374	232
233		Joint Facility - Debit	N/A	N/A	(17)	N/A	(17)	N/A	(17)	233
234		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	234
235		Repairs Billed Other - (Credit)	N/A	N/A	(174,092)	N/A	(174,092)	N/A	(174,092)	235
236		Dismantling Retired Property	0	0	0	0	0	N/A	0	236
237		Others	122	0	0	9	131	N/A	131	237
238		TOTAL FREIGHT CARS	117,149	141,621	837,552	206,657	1,302,979	N/A	1,302,979	238
		OTHER EQUIPMENT								
301		Administration	(9)	0	0	0	(9)	99	90	301
		Repair and Maintenance:								
302		Truck, Trailers & Containers - Revenue Service	713	9,123	15,886	140	25,862	N/A	25,862	302
303		Floating Equipment - Revenue Services	0	0	0	0	0	N/A	0	303
304		Passenger & Other Revenue Equipment	644	113	(5)	(5)	747	11,597	12,344	304
305		Computers & Data Process Systems	0	5,388	30,223	0	35,611	678	36,289	305
306		Machinery	0	332	88	0	420	328	748	306
307		Work & Other Nonrevenue Equipment	464	1,563	29,370	0	31,397	632	32,029	307
308		Equipment Damaged	0	0	0	8	8	0	8	308
309		Fringe Benefits	N/A	N/A	N/A	702	702	3,651	4,353	309
310		Other Casualties & Insurance	N/A	N/A	N/A	661	661	8	669	310
311		Lease Rentals - Debit	N/A	N/A	53,289	N/A	53,289	1,437	54,726	311
312		Lease Rentals - (Credit)	N/A	N/A	(54)	N/A	(54)	0	(54)	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.
		OTHER EQUIPMENT - (Continued)								
313		Joint Facility Rent - Debit	N/A	N/A	56	N/A	56	0	56	313
314		Joint Facility Rent - (Credit)	N/A	N/A	(17)	N/A	(17)	0	(17)	314
315		Other Rents - Debit	N/A	N/A	56,408	N/A	56,408	0	56,408	315
316		Other Rents - (Credit)	N/A	N/A	(49)	N/A	(49)	0	(49)	316
317		Depreciation	N/A	N/A	N/A	47,516	47,516	115	47,631	317
318		Joint Facility - Debit	N/A	N/A	2,832	N/A	2,832	0	2,832	318
319		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	319
320		Repairs Billed Other - (Credit)	N/A	N/A	(12,179)	N/A	(12,179)	0	(12,179)	320
321		Dismantling Retired Equipment	0	0	0	0	0	0	0	321
322		Other	231	52	546	25	854	1	855	322
323		TOTAL OTHER EQUIPMENT	2,043	16,571	176,394	49,047	244,055	18,546	262,601	323
324		TOTAL EQUIPMENT	248,814	348,231	1,260,379	533,873	2,391,297	23,192	2,414,489	324
		TRANSPORTATION								
		TRAIN OPERATIONS								
401		Administration	29,982	2,512	11,824	2,735	47,053	1,138	48,191	401
402		Engine Crews	554,366	926	3,133	94,104	652,529	4,947	657,476	402
403		Train Crews	473,873	23	174	170	474,240	10,059	484,299	403
404		Dispatching Trains	33,745	22	3,465	282	37,514	403	37,917	404
405		Operating Signal & Interlockers	302	(1)	0	0	301	245	546	405
406		Operating Drawbridges	0	0	0	0	0	0	0	406
407		Highway Crossing Protection	0	0	0	0	0	0	0	407
408		Train Inspection & Lubricants	89,507	23,616	13	2,209	115,345	587	115,932	408
409		Locomotive Fuel	0	630,366	0	0	630,366	4,383	634,749	409
410		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	410
411		Servicing Locomotives	54,625	8,020	2,974	46	65,665	2,010	67,675	411
412		Freight Lost or Damaged	N/A	N/A	N/A	0	0	0	0	412
413		Clearing Wrecks	2,620	173	21,328	0	24,121	0	24,121	413
414		Fringe Benefits	N/A	N/A	N/A	388,938	388,938	5,700	394,638	414
415		Other Casualties & Insurance	N/A	N/A	N/A	142,061	142,061	4,341	146,402	415
416		Joint Facility - Debit	N/A	N/A	85,183	N/A	85,183	0	85,183	416
417		Joint Facility - (Credit)	N/A	N/A	(74,099)	N/A	(74,099)	0	(74,099)	417
418		Other	27,583	124	317	6,992	35,016	112	35,128	418
419		TOTAL TRAIN OPERATIONS	1,266,603	665,781	54,312	637,537	2,624,233	33,925	2,658,158	419
		YARD OPERATIONS								
420		Administration	18,743	1,484	7,123	575	27,925	0	27,925	420
421		Switch Crews	241,065	3,116	5,799	21,292	271,272	829	272,101	421

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)								
		Controlling Operations	25,601	0	0	0	25,601	431	26,032	422
423		Yard & Terminal Clerical	24,238	318	482	115	25,153	75	25,228	423
424		Operating Switches, Signals, Retarders & Humps	122	0	4	1	127	59	186	424
425		Locomotive Fuel	0	64,905	0	0	64,905	0	64,905	425
426		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	426
427		Servicing Locomotives	5	0	0	0	5	0	5	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	0	0	0	0	428
429		Clearing Wrecks	(10)	0	0	0	(10)	10	0	429
430		Fringe Benefits	N/A	N/A	N/A	95,266	95,266	494	95,760	430
431		Other Casualties & Insurance	N/A	N/A	N/A	31,819	31,819	0	31,819	431
432		Joint Facility - Debit	N/A	N/A	20,699	N/A	20,699	0	20,699	432
433		Joint Facility - (Credit)	N/A	N/A	(1,885)	N/A	(1,885)	0	(1,885)	433
434		Other	0	0	0	0	0	0	0	434
435		TOTAL YARD OPERATION	309,764	69,823	32,222	149,088	560,877	1,898	562,775	435
		TRAIN & YARD OPERATIONS COMMON								
501		Cleaning Car Interiors	1,117	0	6,652	N/A	7,769	0	7,769	501
502		Adjusting & Transferring Loads	56	0	4,900	N/A	4,956	N/A	4,956	502
503		Car Loading Devices & Grain Doors	435	124	21,738	N/A	22,297	N/A	22,297	503
504		Freight Loss or Damaged - All Other	N/A	N/A	N/A	48,000	48,000	3,034	51,034	504
505		Fringe Benefits	N/A	N/A	N/A	492	492	0	492	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON	1,608	124	33,290	48,492	83,514	3,034	86,548	506
		SPECIALIZED SERVICE OPERATIONS								
507		Administration	3,565	225	3,822	3,772	11,384	N/A	11,384	507
508		Picking & Delivery & Marine Line Haul	1,098	1	12,688	46	13,833	N/A	13,833	508
509		Loading & Unloading Local Marine	7,874	2,731	100,132	90	110,827	N/A	110,827	509
510		Protective Services	0	0	55	0	55	N/A	55	510
511		Freight Loss or Damaged - Solely Related	N/A	N/A	N/A	0	0	N/A	0	511
512		Fringe Benefits	N/A	N/A	N/A	2,299	2,299	N/A	2,299	512
513		Casualties & Insurance	N/A	N/A	N/A	1,497	1,497	N/A	1,497	513
514		Joint Facility - Debit	N/A	N/A	14	N/A	14	N/A	14	514
515		Joint Facility - (Credit)	N/A	N/A	(85)	N/A	(85)	N/A	(85)	515
516		Others	375	332	136	34	877	N/A	877	516
517		TOTAL SPECIALIZED SERVICES OPERATIONS	12,912	3,289	116,762	7,738	140,701	N/A	140,701	517

410 RAILWAY OPERATING EXPENSES - Concluded
(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								
		Administration	94,684	2,128	12,343	3,345	112,500	695	113,195	518
519		Employees Performing Clerical & Acctg Functions	54,550	2,261	1,675	1,254	59,740	4,596	64,336	519
520		Communication Systems Operations	5,033	196	3,513	254	8,996	686	9,682	520
521		Loss & Damage Claims Process	13,599	541	2,202	1,334	17,676	29	17,705	521
522		Fringe Benefits	N/A	N/A	N/A	54,950	54,950	1,486	56,436	522
523		Casualties & Insurance	N/A	N/A	N/A	22,389	22,389	0	22,389	523
524		Joint Facility - Debit	N/A	N/A	56	N/A	56	0	56	524
525		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	525
526		Other	5,686	59	385	175	6,305	2	6,307	526
527		TOTAL ADMINISTRATION SUPPORT OPERATIONS	173,552	5,185	20,174	83,701	282,612	7,494	290,106	527
528		TOTAL TRANSPORTATION	1,764,439	744,202	256,760	926,536	3,691,937	46,351	3,738,288	528
601		GENERAL & ADMINISTRATIVE								
		Officers General & Administration	29,224	3,430	20,289	22,790	75,733	331	76,064	601
602		Accounting, Auditing & Finance	37,520	544	10,254	(1,101)	47,217	387	47,604	602
603		Management Services & Data Processing	26,208	257	50,427	4,075	80,967	866	81,833	603
604		Marketing	36,797	540	15,350	5,968	58,655	0	58,655	604
605		Sales	0	0	0	0	0	0	0	605
606		Industrial Development	1,844	25	2,489	205	4,563	N/A	4,563	606
607		Personnel & Labor Relations	14,382	1,474	6,145	15,482	37,483	763	38,246	607
608		Legal & Secretarial	12,347	184	37,608	1,315	51,454	1,648	53,102	608
609		Public Relations & Advertising	3,894	52	1,819	451	6,216	88	6,304	609
610		Research & Development	0	0	582	1	583	14	597	610
611		Fringe Benefits	N/A	N/A	N/A	96,203	96,203	926	97,129	611
612		Casualties & Insurance	N/A	N/A	N/A	20,115	20,115	8	20,123	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	13,841	13,841	36	13,877	613
614		Property Taxes	N/A	N/A	N/A	132,557	132,557	1,297	133,854	614
615		Other Taxes	N/A	N/A	N/A	49,593	49,593	0	49,593	615
616		Joint Facility - Debit	N/A	N/A	3,388	N/A	3,388	0	3,388	616
617		Joint Facility - (Credit)	N/A	N/A	(27)	N/A	(27)	0	(27)	617
618		Other	131,652	289	26,785	379,021	537,747	391	538,138	618
619		TOTAL GENERAL & ADMINISTRATIVE	293,868	6,795	175,109	740,516	1,216,288	6,755	1,223,043	619
620		TOTAL OPERATING EXPENSE	2,625,610	1,188,285	1,880,500	3,029,191	8,723,586	97,517	8,821,103	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	35,577			2
3		4	Other right-of-way expenditures	1,411			3
4		5	Tunnels and subways	5,175			4
5		6	Bridges, trestles and culverts	37,716			5
6		7	Elevated structures	0			6
7		8	Ties	117,725			7
8		9	Rail and other track material	299,310			8
9		11	Ballast	56,620			9
10		13	Fences, snowsheds and signs	802			10
11		16	Station and office buildings	14,010			11
12		17	Roadway buildings	1,174			12
13		18	Water stations	309			13
14		19	Fuel stations	3,059			14
15		20	Shops and enginehouses	5,455			15
16		22	Storage warehouses	0			16
17		23	Wharves and docks	19			17
18		24	Coal and ore wharves	104			18
19		25	TOFC/COFC terminals	10,963			19
20		26	Communications systems	7,062			20
21		27	Signals and interlockers	23,460			21
22		29	Power plants	35			22
23		31	Power transmission systems	747			23
24		35	Miscellaneous structures	247			24
25		37	Roadway machines	4,271			25
26		39	Public improvements; construction	10,994			26
27		45	Power plant machines	166			27
28			Other lease/rentals		29,409	N/A	28
29			TOTAL	636,411	29,409		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.

NOTES: 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)	
		CAR TYPES							
1		Box - Plain 40 Foot						4	1
2		Box - Plain 50 Foot and Longer		1,008	4,927	25,336	2,656	26,329	2
3		Box - Equipped		8,935	32,661	19	16,346	109,104	3
4		Gondola - Plain		228	849	3,359	1,118	6,852	4
5		Gondola - Equipped		2,575	11,489	17	5,625	35,306	5
6		Hopper - Covered		7,915	37,717	97,082	5,552	48,175	6
7		Hopper - Open Top - General Service		2,277	8,513	69	1,942	7,619	7
8		Hopper - Open Top - Special Service		118	771	46	516	4,436	8
9		Refrigerator - Mechanical				176	822	2,742	9
10		Refrigerator - Non-Mechanical		1,908	7,047	13,447	1,059	6,775	10
11		Flat - TOFC/COFC		1,574	5,466	130,400	8,416	35,157	11
12		Flat - Multi-Level		1,508	5,109	96,356	4,287	8,230	12
13		Flat - General Service		68	168	15	149	640	13
14		Flat - Other		1,157	7,209	35,070	3,957	28,173	14
15		Tank - Under 22,000 Gallons				33,849	2	18	15
16		Tank - 22,000 Gallons and Over			1	48,778	6	67	16
17		All Other Freight Cars		37	607	65	34	317	17
18		Auto Racks			57,736			51,362	18
19		TOTAL FREIGHT TRAIN CARS	0	29,308	180,270	484,084	52,487	371,306	19
		OTHER FREIGHT-CARRYING EQUIPMENT							
20		Refrigerated Trailers							20
21		Other Trailers			49			56,408	21
22		Refrigerated Containers							22
23		Other Containers							23
24	*	TOTAL TRAILERS AND CONTAINERS			49	0		56,408	24
25		GRAND TOTAL (Lines 19 and 24)	0	29,308	180,319	484,084	52,487	427,714	25

NOTES AND REMARKS

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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	30,708	4,246	81		1
2		Diesel Locomotive - Road	335,082	152,353	41,764		2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL LOCOMOTIVES	365,790	156,599	41,845		5
		FREIGHT TRAIN CARS					
6		Box - Plain-40 Ft	0	30	0		6
7		Box - Plain-50 Ft & Longer	4,941	6,402	140		7
8		Box - Equipped	10,015	14,353	2,448		8
9		Gondola - Plain	1,692	7,930	240		9
10		Gondola - Equipped	15,194	3,424	721		10
11		Hopper - Covered	29,908	16,291	1,497		11
12		Hopper - Open Top Gen Svc	9,728	13,031	5,389		12
13		Hopper - Open Top Spec Svc	1,510	1,617	0		13
14		Refrigerator - Mechanical	0	3,566	0		14
15		Refrig - Non-mechanical	2,802	4,495	1,757		15
16		Flat - TOFC/COFC	745	147	874		16
17		Flat - Multi-level	0	2,372	0		17
18		Flat - General Service	2,932	592	0		18
19		Flat - Other	455	4,229	1		19
20		All Other Freight Cars	62	208	0		20
21		Cabooses	112	684	0		21
22		Auto Racks	68,624	17,045	1,428		22
23		Misc Accessories	0	1,318	449		23
24	*	TOTAL FREIGHT TRAIN CARS	148,720	97,734	14,944	0	24
		OTHER EQUIPMENT-REVENUE FREIGHT					
25		Refrigerated Trailers					25
26		Other Trailers (A)	25,862	285			26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equip (Frt)					31
32	*	TOTAL HIGHWAY EQUIPMENT	25,862	285	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 (Frt Portion)	747	16			36
37	*	Comp Sys & Word Proc. Equip.	35,611	39,343	1,885		37
38	*	Machinery - Locomotives (1)	5,942	2,403			38
39	*	Machinery - Freight Cars (2)	4,441	1,696			39
40	*	Machinery - Other Equipment (3)	420	331			40
41	*	Work and Non-revenue Equip	31,397	5,427	229		41
42		TOTAL OTHER EQUIPMENT	78,558	49,216	2,114	0	42
43		TOTAL ALL EQUIPMENT (Frt Portion)	618,930	303,834	58,903	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		3,207	109,443	6,554	46,698	81	1
2		166,223	3,170,824	1,192,443	1,074,532	239,640	2
3							3
4							4
5	*	169,430	3,280,267	1,198,997	1,121,230	239,721	5
6		0	496	0	400	0	6
7		21,074	129,379	8,224	49,198	132	7
8		5,909	284,235	60,767	139,948	17,251	8
9		11,424	206,184	13,446	69,911	1,301	9
10		6,500	88,271	15,935	34,953	5,602	10
11		121,281	476,274	51,174	202,933	17,245	11
12		39,391	287,176	84,850	166,235	17,103	12
13		0	44,140	0	12,873	0	13
14		9,848	79,370	0	35,623	0	14
15		0	85,353	42,980	35,377	12,231	15
16		0	2,636	16,185	1,280	4,370	16
17		0	42,704	0	25,970	0	17
18		394	15,340	0	9,209	0	18
19		3,939	109,804	73	45,672	1	19
20		768	4,519	3,437	3,116	0	20
21		20	8,146	0	6,539	0	21
22		22,847	338,334	22,634	137,231	15,048	22
23		(5,754)	25,540	7,877	3,410	1,471	23
24	*	237,641	2,227,901	327,582	979,878	91,755	24
25							25
26		39,375	4,801		(2,024)		26
27							27
28							28
29							29
30							30
31							31
32	*	39,375	4,801	0	(2,024)	0	32
33							33
34							34
35	*	0	0	0	0	0	35
36	*		91		(2)		36
37	*	13,461	279,005	4,405	101,392	1,885	37
38	*		77,302		22,003	0	38
39	*		63,249		20,316		39
40	*		7,541		3,113		40
41	*	399	137,174	1,048	20,383	928	41
42		13,860	564,362	5,453	167,205	2,813	42
43		460,306	6,077,331	1,532,032	2,266,289	334,289	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 (j) 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 (j), 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	1,347,065	49,326	1.11							1,347,065	49,326	1
2		8	1,505,066	199,802	4.09							1,505,066	199,802	2
3		9	3,124,797	811,832	5.63							3,124,797	811,832	3
4		11	967,353	79,344	2.56							967,353	79,344	4
5	SUB-TOTAL		6,944,281	1,140,304								6,944,281	1,140,304	5
6	II	3	687,677	26,846	1.11							687,677	26,846	6
7		8	850,687	174,749	4.09							850,687	174,749	7
8		9	1,595,359	441,848	3.02							1,595,359	441,848	8
9		11	510,344	62,593	2.56							510,344	62,593	9
10	SUB-TOTAL		3,644,067	706,036					0	0	0	3,644,067	706,036	10
11	III	3	20,574	N/A	N/A		N/A	N/A		N/A	N/A	20,574	N/A	11
12		8	30,100	N/A	N/A		N/A	N/A		N/A	N/A	30,100	N/A	12
13		9	47,787	N/A	N/A		N/A	N/A		N/A	N/A	47,787	N/A	13
14		11	16,940	N/A	N/A		N/A	N/A		N/A	N/A	16,940	N/A	14
15	SUB-TOTAL		115,401	N/A	N/A		N/A	N/A		N/A	N/A	115,401	N/A	15
16	IV	3	491,969	19,310	1.11							491,969	19,310	16
17		8	532,315	123,688	4.09							532,315	123,688	17
18		9	1,141,330	317,914	3.05							1,141,330	317,914	18
19		11	277,416	36,024	2.56							277,416	36,024	19
20	SUB-TOTAL		2,443,030	496,936					0	0	0	2,443,030	496,936	20
21	V	3	24,431	1,541	1.11							24,431	1,541	21
22		8	26,696	7,733	4.09							26,696	7,733	22
23		9	56,388	25,461	2.05							56,388	25,461	23
24		11	18,279	2,460	2.56							18,279	2,460	24
25	SUB-TOTAL		125,794	37,195								125,794	37,195	25
26	GRAND TOTAL	N/A	13,272,573	2,380,471	N/A				0	0	0	13,272,573	2,380,471	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

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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	10,052					229	1,103		11,384	1
2	*	Pick up and delivery, marine line haul	13,833					0	N/A		13,833	2
3	*	Loading and unloading and local marine	92,374					18,453	N/A		110,827	3
4	*	Protective services, total debit and credits	0					0	55		55	4
5	*	Freight lost or damaged-solely related	0					0	0		0	5
6	*	Fringe benefits	1,709					101	489		2,299	6
7	*	Casualty and insurance	1,306					33	158		1,497	7
8	*	Joint facility - Debit	14					0	0		14	8
9	*	Joint facility - Credit	(18)					(67)	0		(85)	9
10	*	Other	877					0	0		877	10
11	*	TOTAL	120,147					18,749	1,805		140,701	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	4,479,264	1,198,977	41,845	239,722
53 Freight-Train Cars	2,555,483	328,582	14,944	91,755
57 Work Equipment	117,630	900	220	780
58 Miscellaneous Equipment	20,592	147	9	147
59 Computer Systems And Word Processing Equipment	283,410	4,405	1,885	1,885
TOTAL	7,456,379	1,533,011	58,903	334,289

NOTES AND REMARKS

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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	179,536	1
		U.S. Government Taxes		
		Income Taxes:		
2		Normal Tax and Surtax	(21,193)	2
3		Excess Profits	0	3
4	*	Total - Income Taxes L 2 + 3	(21,193)	4
5		Railroad Retirement	578,789	5
6		Hospital Insurance	44,411	6
7		Supplemental Annuities	35,473	7
8		Unemployment Insurance	13,087	8
9		All Other United States Taxes	68,227	9
10		Total - U.S. Government Taxes	718,794	10
11		Total - Railway Taxes	898,330	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.	7,009,514	303,947		7,313,461	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	SP Merger Reserves	(234,681)	184,610		(50,071)	6
7	Retirement Benefits	(255,106)	(15,876)		(270,982)	7
8	Long-Term Liabilities	(169,199)	(137,699)		(306,898)	8
9	Deferred State Income Taxes - Net	539,290	(10,154)	(486)	528,650	9
10	Tax Loss Carryforwards	(528,192)	(279,447)		(807,639)	10
11	Alternative Minimum Tax Credit Carryforwards	(2,768)		(1,756)	(4,524)	11
12	Other Items	300,457	(39,652)	6,451	267,256	12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*	0			0	18
19	TOTALS	6,659,315	5,729	4,209	6,669,253	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. | |
|--|--|

See Note Below

Note>

UP has Net Operating Loss (NOL) carryovers of \$2,307 million. The Internal Revenue Code limits a corporation's ability to utilize NOLs after certain ownership changes. UP does not expect these limits to cause any of the NOLs to expire unused. However, these limits and other Internal Revenue Code provisions will result in UP paying Federal income taxes before utilizing all of the NOLs.

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	603				1
2		Appropriation 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	620				10
11		Appropriation Established:			11
12		- Income Debenture (CE&I)	123		12
13		TOTAL	123		13
14					14
15					15
16					16
17	519	Gain on Sale of Real Estate		113,120	17
18		Easements		1,196	18
19		Other - No Item comprises 10% of NI (net)		13,683	19
20		TOTAL		127,999	20
21					21
22					22
23					23
24	551	Loss on Sale of Receivables	33,307		24
25		Environmental Costs	19,501		25
26		Loss on Sale of Real Estate	2,205		26
27		Other - No Item comprises 10% of NI (net)	17,628		27
28		TOTAL	72,641		28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

501. GUARANTIES 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	Term. RR Assn. of St. Louis				1
2	B&O-ICG-SBD-CRC	Sinking Fund & Int on RFT & Mige	7,787	Joint	2
3	MKT-SLSW-MP-SOU	Bonds Ser. G due 7-1-2019			3
4	CCC&SL-N&W	(FD 14553)			4
5					5
6					6
7	Union Pacific	Helm - Pacific Leasing - various lease agreements	3,600	Sole	7
8	Railroad Company				8
9					9
10					10
11	Union Pacific	Equipment Management provides Venture	31,358	Sole	11
12	Railroad Company	container and chassis rental.			12
13					13
14					14
15	Union Pacific	Crew lodging facilities	55,000	Sole	15
16	Railroad Company				16
17					17
18					18
19	Kansas City Terminal Flyover				19
20	UPRR - BNSF	6.8884% Railway Bridge System Bond	75,000	Joint	20
21					21
22					22
23	Union Pacific	Japanese Leveraged Lease rental deposits	78,633	Sole	23
24	Railroad Company				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

- 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 \$7.9 million with various banks under which no borrowings were outstanding at December 31, 1998.

NOTES AND REMARKS

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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	-	1
2	764	Equip. Obligations and Other Debt due within one year	Sch. 200, L. 39	178,487	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	524,607	3
4	766	Equipment Obligations	Sch. 200, L. 42	787,457	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	1,343,550	5
6	768	Debt in Default	Sch. 200, L. 44	-	6
7	769	Accounts Payable: Affiliated Companies	Sch. 200, L. 45	5,713,836	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(49,526)	8
9		Total Debt	Sum L. 1-8	8,498,411	9
10		Debt Directly Related to Road Property	Note 1	267,008	10
11		Debt Directly Related to Equipment	Note 1	2,289,811	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	2,556,819	12
13		Percent Directly Related to Road	L. 10 divided by L. 12 Whole % plus 2 decimals	10.44%	13
14		Percent Directly Related to Equipment	L. 11 divided by L. 12 Whole % plus 2 decimals	89.56%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	5,941,592	15
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	887,487	16
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	7,610,924	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	615,565	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	4,363	19
20	517	Release of Premium on Funded Debt	Sch. 210, L. 22	16,563	20
21		Total Interest (Note 3)	(L. 18 + L. 19) minus L. 20	603,365	21
22		Interest Directly Related to Road Property Debt	Note 4	13,347	22
23		Interest Directly Related to Equipment Debt	Note 4	182,688	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 minus (L. 22 + L. 23)	407,330	24
25		Interest on Road Property Debt (Note 5)	L. 22 plus (L. 24 x L. 13)	55,884	25
26		Interest on Equipment Debt (Note 5)	L. 23 plus (L. 24 x L. 14)	547,481	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 divided by L. 16	6.30%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 divided by L. 17	7.19%	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

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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)	1,373,900 (P)	5,367,500 (P)	1
2	Wasatch Insurance Ltd.		Common	Insurance	5,892 (P)		2
3	UP Fruit Express Company		Direct	Repair & Service Equip.	3,422 (P)		3
4	UP Fruit Express Company		Direct	Equipment Rental	12,976 (P)		4
5	UP Distribution Services		Direct	Freight Brokerage	64,099 (R)		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 12-31-97	3,993,600
Interest Expense	398,700
Financing Net	600,200
Taxes	(44,100)
UP Tech Charges	37,000
Insurance	62,100
Dividends	320,000
Balance Other	<u>5,367,500</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) and affiliated corporation, or (B) independent or not affiliated with 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%	28,971	3,660	249	3,939	4,093	6,350	47,262	1
2										2
3	1J	12.5%	4				30	5	39	3
4	1J	23.0%	1	1				5	7	4
5	1J	25.0%	1	1		1	7	14	24	5
6	1J	33.3%	2				15	31	48	6
7	1J	37.5%	2	2				3	7	7
8	1J	40.0%							-	8
9	1J	44.0%	1	1				11	13	9
10	1J	50.0%	251	154		48	170	355	978	10
11	1J	66.6%					21	4	25	11
12		Total 1J	262	159	-	49	243	428	1,141	12
13										13
14		Total 1 and 1J	29,233	3,819	249	3,988	4,336	6,778	48,403	14
15										15
16										16
17	3A							2	2	17
18	3B		327	5		35	188	126	681	18
19										19
20		Total 3	327	5	-	35	188	128	683	20
21										21
22										22
23	4B						35	3	38	23
24										24
25		Total 4	-	-	-	-	35	3	38	25
26										26
27										27
28	5		4,146	1,158	41	230	389	209	6,173	28
29	5J							6	6	29
30		Total 5	4,146	1,158	41	230	389	215	6,179	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
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	33,706	4,982	290	4,253	4,948	7,124	55,303	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		Arkansas	1,456				8	1,464	140		1
2		Arizona	738					738			2
3		California	3,472		2		241	3,715	14		3
4		Colorado	1,564				79	1,643	3		4
5		Idaho	983					983	6		5
6		Illinois	1,778				976	2,754	3		6
7		Indiana	0				6	6			7
8		Iowa	1,675				76	1,751			8
9		Kansas	1,559				669	2,228	572		9
10		Louisiana	928				58	986			10
11		Minnesota	485				239	724			11
12		Missouri	1,295		6		165	1,466	335		12
13		Montana	125					125	52		13
14		Nebraska	1,104				7	1,111	252	61	14
15		Nevada	1,107					1,107			15
16		New Mexico	566					566			16
17		Oklahoma	596		311		302	1,209	5		17
18		Oregon	866				138	1,004	289		18
19		Tennessee	10				22	32	2		19
20		Texas	5,718		8		609	6,335	260		20
21		Utah	1,301				30	1,331	24		21
22		Washington	280				214	494	86		22
23		Wisconsin	668				304	972	74		23
24		Wyoming	959				3	962			24
25											25
26											26
27											27
28											28
29											29
30											30
31		TOTAL MILEAGE	29,233	0	327	0	4,146	33,706	2,117	61	31
32		(single track)									32

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

1. Includes 44 locomotives, 87 bi-level auto racks, 28 rail train cars purchased in previous years and 119 locomotives, 4 diesel fuel tenders, 95 covered gondola cars, 1 flat car, 289 covered hopper cars, 300 mechanical refrigerator cars, 91 auto parts boxcars, 86 insulated boxcars, 7 gondola cars, 16 equipped boxcars and 7 traction motor cars rebuilt in previous years, but financially complete this year.

2. Excludes 348 locomotives, 265 gondola cars, 357 covered gondola cars, 300 bi-level auto racks, 5 ramp cars purchased and 69 locomotives, 279 gondola cars, 268 plain boxcars, 135 covered gondola cars, 290 mechanical refrigerator cars, 29 auto parts boxcars, 56 insulated boxcars, 6 track panel cars, 10 "A" frame flat cars and 45 equipment cars 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 (i). 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 (i).
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 (i)
Line 6, column (j)	=	Line 12, column (i)
Line 7, column (j)	=	Line 13, column (i)
Line 8, column (j)	=	Line 14, column (i)
Line 9, column (j)	=	Line 15, column (i)
Line 10, column (j)	=	Line 16, column (i)

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 or including reclassification (g)	Units at Close of Year					Line No.
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h)&(i))	Aggregate capacity of units reported in col. (j) (see ins. 7)	Leased to others (l)	
				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)							
1		LOCOMOTIVE UNITS										(H P.)		1
2		Diesel-freight units	59						6	53	59	181,400		2
3		Diesel-passenger units	6,203	256		63	73	205	4,395	1,995	6,390	21,687,400	0	3
4		Diesel-multiple purpose units	661				6	76	491	100	591	936,800	0	4
5	*	Diesel-switching units	6,923	256	0	63	79	281	4,892	2,148	7,040	22,805,600	0	5
6	*	TOTAL (lines 1 to 4) units												6
7	*	Electric-locomotives												7
8	*	Other self-powered units (steam)	2						2		2	N/A		8
9	*	TOTAL (lines 5, 6 and 7) units	6,925	256	0	63	79	281	4,894	2,148	7,042	22,805,600	0	9
		Auxiliary units	43						43		43	N/A		10
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	6,968	256	0	63	79	281	4,937	2,148	7,085	N/A	0	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 TERM DULT; DURING SPENDING TERM OF REBUILDING																
Line No.	Cross Check	Type of design of units (a)	Before Jan. 1, 1975 (b)	Between Jan. 1, 1975 and Dec. 31, 1979 (c)	Between Jan. 1, 1980 and Dec. 31, 1984 (d)	Between Jan. 1, 1985 and Dec. 31, 1989 (e)	Between Jan. 1, 1990 and Dec. 31, 1994 (f)	During Calendar Year					TOTAL (l)	Line No.		
								1995 (g)	1996 (h)	1997 (i)	1998 (j)	1999 (k)				
11	*	Diesel	1,553	1,458	1,226	807	883	387	194	276	256	7,040	11			
12	*	Electric											12			
13	*	Other self-powered units (steam)	2									2	13			
14	*	TOTAL (lines 11 to 13)	1,555	1,458	1,226	807	883	387	194	276	256	7,042	14			
15	*	Auxiliary units	10	7	19		3		4			43	15			
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	1,565	1,465	1,245	807	886	387	198	276	256	7,085	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 including reclassification (g)	Units at Close of Year				Line No.	
				Units Installed			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)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)		Leased to others (l)
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)								
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA,PB, PBO)											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)											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)											27	
28		TOTAL (lines 24 to 27)											28	
29		TOTAL (lines 23 to 28)											29	
30		COMPANY SERVICE CARS Business car (PV)	100					22	78		78		30	
31		Board outfit cars (MWX)	201				3		204		204		31	
32		Derrick and snow removal cars (MWU,MWV,MWW,MWK)	402					15	387		387		32	
33		Dump and ballast cars (MWB,MWD)	4,319					1243	3076		3076		33	
34		Other maintenance and service equipment cars	5,023				450		5473		5473		34	
35		TOTAL (lines 30 to 34)	10,045	0			453	1,280	9,218		9,218		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 properly 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)	31						36
37		Plain box cars - 50' longer (B3_0-7, B4_0-7, B5__, B6__, B7__, B8)	2,777						37
38		Equipped box cars (All Code A, Except A 5)	21,910				933		38
39		Plain gondola cars (All Codes, G & J 1,J 2,J 3,J 4)	2,606				854		39
40		Equipped gondola cars (All Code E)	13,477		734		1,011		40
41		Covered hopper cars (C 1,C 2,C 3,C 4)	41,149		848		100		41
42		Open top hopper cars--general service (All Code H)	17,125						42
43		Open top hopper cars--special service (J Q, and All Code K)	3,549		538		65		43
44		Refrigerator cars -- mechanical (R 5 , R 6 , R 7 , R 8 , R 9)	4,917				1,317		44
45		Refrigerator cars -- non-mechanical (R 0 , R 1 , R 2)	5,063						45
46		Flat cars -- TOFC/COFC (All Code P, Q and S, Except Q8)	1,098						46
47		Flat cars -- multi-level (All Code V)	0						47
48		Flat cars -- general service (F10 , F20 , F30)	883						48
49		Flat cars -- other (F_1_ , F_2_ , F_3_ , F_4_ , F_5_ , F_6) (F_8 , F40)	4,913				275		49
50		Tank cars -- under 22,000 gallons (T 0, T 1, T 2, T 3, T 4, T 5)	70						50
51		Tank cars -- 22,000 gallons and over (T 6, T 7, T 8, T 9)	48				1		51
52		All other freight cars (A 5 , F 7 , All Code L and Q8)	151				14		52
53		TOTAL (lines 36 to 52)	119,767	0	2,120	0	4,570	0	53
54		Caboose (All Code M-930)	N/A	235					54
55		TOTAL (lines 53 and 54)	119,767	235	2,120	0	4,570	0	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	10	21		21		1,155		36
37	2,378	350	49	399		30,823		37
38		17,871	4,972	22,843		1,813,734		38
39		2,887	573	3,460		273,340		39
40	854	10,650	3,718	14,368		1,396,570		40
41	2,000	24,184	15,913	40,097		4,059,821		41
42	163	13,410	3,552	16,962		1,698,744		42
43	790	3,048	314	3,362		301,235		43
44	288	4,000	1,946	5,946		393,031		44
45	10	3,911	1,142	5,053		373,669		45
46	33	656	409	1,065		82,697		46
47				0				47
48	117	764	2	766		57,756		48
49		4,784	404	5,188		469,773		49
50	9	61		61		4,911		50
51		46	3	49		3,945		51
52	29	134	2	136		11,247		52
53	6,681	86,777	32,999	119,776	0	10,972,451	0	53
54	20	215		N/A	215	N/A		54
55	6,701	86,992	32,999	119,776	215	10,972,451	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.
					Units installed				
					New units purchased or built (d)	New 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)	
			Per diem (b)	All others (c)					
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	10,744					1,925	59
60		Dry van U2 , Z , Z6 , 1-6	747						60
61		Flat bed U3 , Z3							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 (1) Z0 , U6							66
67		Other trailer and container (Special equipped dry van U9 , Z8 , Z9)	3,134						67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 and 69)	14,625					1,925	70

NOTES AND REMARKS

(1) Must have fitting code "CN" to qualify for 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 Leased (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				12,669	12,669				59
60		747			0				60
61									61
62									62
63									63
64									64
65					0				65
66									66
67				3,134	3,134				67
68									68
69									69
70		747	0	15,803	15,803				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	Locomotive					1
2	Diesel Road Freight					2
3	4390 HP C44AC	44	9,130	\$82,359		3
4	Freight Train Cars					4
5	Bi-Level Auto Rack	87	1,492	3,640		5
6	Gondola	37	812	1,976		6
7	Work Equipment					7
8	Rail Train Car	28	924	1,255		8
9						9
10						10
11	1/ 2/ TOTAL	196	N/A	\$89,230		11

REBUILT UNITS

12	Locomotive					12
13	GP38-2	1	147	\$373		13
14	SD38-2	8	1,576	2,719		14
15	GP40-2	1	191	410		15
16	SD40-2	64	11,867	27,134		16
17	SD45-2	1	191	368		17
18	SD50-M	17	3,247	5,902		18
19	MP15AC	2	293	659		19
20	SW1500	27	3,961	10,392		20
21	Diesel Fuel Tender	4	375	373		21
22	Freight Train Cars					22
23	Covered Gondola	95	3,415	2,274		23
24	Flat Car	21	711	461		24
25	Covered Hopper	380	12,267	8,965		25
26	Mechanical Refrigerator	300	13,095	10,050		26
27	Auto Parts Box	106	5,836	4,439		27
28	Insulated Box	86	3,466	3,265		28
29	Gondola	60	1,957	1,187		29
30	Plain Box	362	11,266	8,990		30
31	Equipped Box	16	719	578		31
32	Work Equipment					32
33	Equipment Car	47	1,567	357		33
34	Traction Motor Car	7	236	90		34
35	Inspection Car	1	68	931		35
36	Track Panel Car	9	370	59		36
37	Wheel Car	12	360	296		37
38	Ballast Car	100	2,770	2,688		38
39	Air Dump Car	58	1,740	1,547		39
40						40
41	1/ 2/ TOTAL	1,785	N/A	\$94,507		41
42						42
43	1/ 2/ GRAND TOTAL	1,981	N/A	\$183,737	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	15,912	N/A	N/A	N/A
2	B	10,212	N/A	N/A	N/A
3	C	4,038	N/A	N/A	N/A
4	D	6,890	N/A	N/A	N/A
5	E	12,072	XXXXXXXX	XXXXXXXX	
6	TOTAL	49,124			
7	F	6,087	XXXXXXXX	XXXXXXXX	
8	Potential abandonments	470			

- * 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										Switch and bridge ties (board feet) (j)	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)						
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)		Other (h)					
1	A	1,180,226		265,609	10,225	2,942		3,554	1,462,556	2,405,036		1		
2	B	519,536		48		6,533		5,862	531,979	877,368		2		
3	C	59,947		6		753		676	61,382	101,235		3		
4	D	86,589		8		1,089		977	88,663	146,228		4		
5	E	270,203		34,258	3,450	4,940		12,240	325,091	3,489,362		5		
6	TOTAL	2,116,501		299,929	13,675	16,257		23,309	2,469,671	7,019,229		6		
7	F											7		
8	Potential abandonment											8		
9	Average cost per cross-ties	\$34.57	and switchtie (MBM)		\$881.97							9		

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 crossties laid in new tracks 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	238,332	\$38.82	\$9,251	507,413	\$1,186.51	\$602	NEW	1	
2	T	41,106	7.16	294				SECONDHAND	2	
3	T	19,125	11.91	228				REHAB	3	
4	S	192,590	34.88	6,717				CONCRETE	4	
5	S	275	46.50	13				STEEL	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	TOTAL	491,428		\$16,503	507,413		\$602		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 No. 10, 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 for 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	1,369.62	16.97	32.14	6.34	1,401.76	23.31		1		
2	B	119.91	5.35	151.67	1.01	271.58	6.36	N/A	2		
3	C	0.00	0.00	0.00	0.00	0.00	0.00		3		
4	D	0.00	0.00	0.00	0.00	0.00	0.00		4		
5	E	10.26	8.16	195.37	16.09	205.63	24.25		5		
6	TOTAL	1,499.79	30.48	379.18	23.44	1,878.97	53.92		6		
7	F								7		
8	Potential abandonment								8		
9	Average cost of new and relay rail laid in replacement per gross ton		New		\$575	Relay	\$177		9		

N/A - Information is not available.

724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

- 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	136	694	\$383,262	\$552	136	33	\$15,752	\$477	1	
2	2	133	17,157	10,239,864	597	133	3,711	2,063,867	556	2	
3	2					119	54	26,440	490	3	
4	4	136	4,474	800,925	179	136	5,050	904,119	179	4	
5	4	133	30	4,653	155	133	15,932	2,797,929	176	5	
6	4	132	6,978	1,214,128	174	132	101	17,644	175	6	
7	4					115	365	68,557	188	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	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	29,333	\$12,642,832		N/A	25,246	\$5,894,308		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	140	24			2
3	136	8,494			3
4	133	10,203			4
5	132	1,328			5
6	131	675			6
7	130	18			7
8	127	10			8
9	119	2,081			9
10	115	3,623			10
11	113	1,025			11
12	112	2,747			12
13	110	377			13
14	100	660			14
15	90	1,084			15
16	85	569			16
17	80	209			17
18	75	492			18
19	72	44			19
20	70	5			20
21	66	2			21
22	65	34			22
23	60	0			23
24	Under				24
25	60	2			25
26					26
27	TOTAL	33,706			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

726. SUMMARY OF TRACK REPLACEMENTS

1. Furnish the requested information concerning the summary of track replacements.
2. In columns (d), (e), (g), and (i) 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	1,462,556	2,405,036	3.5%	N/A	1,425.07	9.0%	2,700,397	2,028	12.7%	1
2	B	531,979	877,368	2.0%		277.94	2.7%	977,663	734	7.2%	2
3	C	61,382	101,235	0.6%		0.00	0.0%	85,920	65	1.6%	3
4	D	88,663	146,228	0.5%		0.00	0.0%	470,389	353	5.1%	4
5	E	325,091	3,489,362	1.0%		229.88	1.9%	105,013	79	0.7%	5
6	TOTAL	2,469,671	7,019,229	1.9%		1,932.89	3.9%	4,339,382	3,259	6.6%	6
7	F										7
8	Potential abandonments										8

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

LOCOMOTIVES				
Line No.	Kind of locomotive service (a)	Diesel		Line No.
		Diesel oil (gallons) (b)		
1	Freight	1,050,403,552		1
2	Passenger	7,105,856		2
3	Yard switching	99,788,708		3
4	TOTAL	1,157,298,116		4
5	COST OF FUEL \$(000)	\$699,654		5
6	Work Train	6,044,722		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) Use car designations shown in Schedule 710. Under Railroad Owned and Leased Cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report the private-line categories, miles for private line cars (whether or not under railroad control) and shipper-owned cars. A car-mile is a movement of a unit of car equipment a distance of 1 mile. Report miles made by flatcars carrying loaded highway trailers or empty highway trailers moving under revenue billings as loaded freight car-miles and miles made by flatcars carrying other empty highway trailers as empty freight car-miles. Exclude miles made by motorcars and report miles made by business car of other than reporting carrier as sleeping car-miles in Item 5-03. Report mail, express baggage cars and combination cars other than 5-02 combination cars, in Item 5-05.

(I) Exclude from Item 4-01, 4-11, 4-13, and 4-15 car-miles of work equipment, cars carrying company freight and no-payment cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. No payment car-miles are miles made by private-line cars (other than railroad controlled) and shipper-owned cars for which the railroad does not reimburse the owner on a loaded and/or empty mile basis. If the payment for the loaded miles includes the empty miles, the loaded and empty miles should not be considered no-payment 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

Line No.	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No
1		1 Miles of Road Operated (A)	33,706		1
2		2. Train Miles - Running (B)			
2		2-01 Unit Trains	36,012,508	XXXXXX	2
3		2-02 Way Trains	9,417,652	XXXXXX	3
4		2-03 Through Trains	95,063,536	52,900	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	140,493,696	52,900	5
6		2-05 Motorcars (C)	0	0	6
7		2-07 TOTAL ALL TRAINS (lines 5 and 6)	140,493,696	52,900	7
8		3. Locomotive Unit Miles (D) Road Service (E)			
8		3-01 Unit Trains	107,401,453	XXXXXX	8
9		3-02 Way Trains	21,529,730	XXXXXX	9
10		3-03 Through Trains	280,326,507	136,570	10
11		3-04 TOTAL (lines 8-10)	409,257,690	136,570	11
12		3-11 Train Switching (F)	34,652,133	XXXXXX	12
13		3-21 Yard Switching (G)	42,393,415	0	13
14		3-31 TOTAL ALL SERVICES (line 11-13)	486,303,238	136,570	14
15		4. Freight Car-Miles (thousands) (H)			
15		4-01 RR Owned and Leased Cars - Loaded			
15		4-010 Box-Plain 40-Foot	8	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	63,068	XXXXXX	16
17		4-012 Box-Equipped	372,638	XXXXXX	17
18		4-013 Gondola-Plain	56,590	XXXXXX	18
19		4-014 Gondola-Equipped	137,391	XXXXXX	19
20		4-015 Hopper-Covered	371,613	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	374,489	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	32,936	XXXXXX	22
23		4-018 Refrigerator-Mechanical	68,489	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	65,114	XXXXXX	24
25		4-020 Flat-TOFC/COFC	451,771	XXXXXX	25
26		4-021 Flat-Multi-Level	50,962	XXXXXX	26
27		4-022 Flat-General Service	2,938	XXXXXX	27
28		4-023 Flat-All Other	96,889	XXXXXX	28
29		4-024 All Other Car Types-Total	3,038	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	2,147,934	XXXXXX	30

755. RAILROAD OPERATING STATISTICS - Continued

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			
		4-110 Box-Plain 40-Foot	6	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	24,531	XXXXXX	32
33		4-112 Box-Equipped	312,517	XXXXXX	33
34		4-113 Gondola-Plain	56,120	XXXXXX	34
35		4-114 Gondola-Equipped	111,619	XXXXXX	35
36		4-115 Hopper-Covered	381,875	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	330,719	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	33,401	XXXXXX	38
39		4-118 Refrigerator-Mechanical	37,583	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	44,846	XXXXXX	40
41		4-120 Flat-TOFC/COFC	31,866	XXXXXX	41
42		4-121 Flat-Multi-Level	30,677	XXXXXX	42
43		4-122 Flat-General Service	3,255	XXXXXX	43
44		4-123 Flat-All Other	93,327	XXXXXX	44
45		4-124 All Other Car Types	1,986	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,494,328	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	67,678	XXXXXX	48
49		4-132 Box-Equipped	7,733	XXXXXX	49
50		4-133 Gondola-Plain	429,747	XXXXXX	50
51		4-134 Gondola-Equipped	11,774	XXXXXX	51
52		4-135 Hopper-Covered	523,375	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	47,565	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	187,877	XXXXXX	54
55		4-138 Refrigerator-Mechanical	1,954	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	8,010	XXXXXX	56
57		4-140 Flat-TOFC/COFC	466,667	XXXXXX	57
58		4-141 Flat-Multi-Level	438,971	XXXXXX	58
59		4-142 Flat-General Service	90	XXXXXX	59
60		4-143 Flat-All Other	74,623	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	154,942	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	199,709	XXXXXX	62
63		4-146 All Other Car Types	2,232	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	2,622,947	XXXXXX	64

755. RAILROAD OPERATING STATISTICS - Continued

Line No	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No
65		4-15 Private Line Cars - Empty (H)	XXXXXX	XXXXXX	
		4-150 Box-Plain 40-Foot	0	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	16,401	XXXXXX	66
67		4-152 Box-Equipped	3,717	XXXXXX	67
68		4-153 Gondola-Plain	419,345	XXXXXX	68
69		4-154 Gondola-Equipped	11,968	XXXXXX	69
70		4-155 Hopper-Covered	511,241	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	46,430	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	186,285	XXXXXX	72
73		4-158 Refrigerator-Mechanical	1,784	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	7,059	XXXXXX	74
75		4-160 Flat-TOFC/COFC	30,798	XXXXXX	75
76		4-161 Flat-Multi-Level	214,210	XXXXXX	76
77		4-162 Flat-General Service	94	XXXXXX	77
78		4-163 Flat-All Other	63,236	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	160,731	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	203,384	XXXXXX	80
81		4-166 All Other Car Types	1,064	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	1,877,747	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	731,298	XXXXXX	83
84		4-18 No Payment Car-Miles (I) (1)	2,677,967	XXXXXX	84
		4-19 Total Car-Miles by Train Type (Note)			
85		4-191 Unit Trains	4,017,241	XXXXXX	85
86		4-192 Way Trains	368,298	XXXXXX	86
87		4-193 Through Trains	7,166,682	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	11,552,221	XXXXXX	88
89		4-20 Caboose Miles	114	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

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	78,676,829	23,482	98
		6-02 Freight Trains, Cars, Cnts., and Caboose	XXXXXX	XXXXXX	
99		6-020 Unit Trains	314,956,341	XXXXXX	99
100		6-021 Way Trains	24,459,003	XXXXXX	100
101		6-022 Through Trains	487,010,754	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts	6,766	50,002	102
103		6-04 Non-Revenue	6,647,079	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	911,756,772	73,484	104
		7. Tons of Freight (thousands)	XXXXXX	XXXXXX	
105		7-01 Revenue	497,878	XXXXXX	105
106		7-02 Non-Revenue	10,453	XXXXXX	106
107		7-03 TOTAL (lines 105 and 106)	508,331	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)	XXXXXX	XXXXXX	
108		8-01 Revenue-Road Service	432,068,000	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	432,068,000	XXXXXX	110
111		8-04 Non-Revenue-Road Service	4,619,485	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service		XXXXXX	112
113		8-06 TOTAL (lines 111 and 112)	4,619,485	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110 and 113)	436,687,485	XXXXXX	114
		9. Train Hours (M)	XXXXXX	XXXXXX	
115		9-01 Road Service	7,024,797	XXXXXX	115
116		9-02 Train Switching	1,874,380	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	2,643,283	XXXXXX	117
		11. Train-Miles Work Trains (O)			
118		11-01 Locomotives	1,504,196	XXXXXX	118
119		11-02 Motorcars	0	XXXXXX	119
		12. Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	2,870,698	XXXXXX	120
121		12-02 Way Trains	2,977,304	XXXXXX	121
122		12-03 Through Trains	8,860,175	XXXXXX	122
123		13 TOFC/COFC-No. of Rev. Trailers and Containers Loaded and Unloaded (Q)	3,945,810	XXXXXX	123
124		14 Multi-Level Cars-No of Motor Vehicles Loaded and Unloaded (Q)	3,588,152	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	11,373	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	56,713	XXXXXX	130
131		17-02 Unserviceable	633	XXXXXX	131
132		17-03 Surplus	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	57,346	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

J. R. Young
(Insert here name of the affiant)

makes oath and states that he (she) is

Senior Vice President - Finance
(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, 1998 to and including December 31, 1998

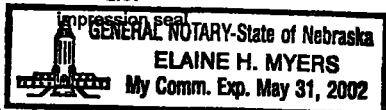
J. R. Young
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 22nd day of March, 19 99.

My commission expires

May 31, 2002

Use an
L.S.



Elaine H. Myers
(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

R K Davidson
(Insert here name of the affiant)

makes oath and says that he (she) is

Chairman and Chief Executive Officer

(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, 1998, to and including December 31, 1998

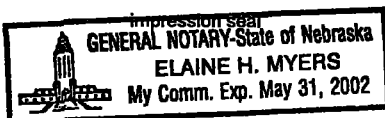
R K Davidson
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 22nd day of March, 19 99.

My commission expires

May 31, 2002

Use an
L.S.



Elaine H. Myers
(Signature of officer authorized to administer oaths)

**MEMORANDA
(FOR USE OF BOARD ONLY)
CORRESPONDENCE**

[illegible]

CORRECTIONS

[illegible]

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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 fuel diesel	91	Voting powers and elections	3
Locomotive unit miles	94	Weight of rail	90

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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	82,876	1
2	Customers (706)	Schedule 200, line 6, column b	205,359	2
3	Other (707)	Note A	39,032	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	307,267	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	9,198,385	5
6	Rent Income	Note B	229,328	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	9,427,693	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	26,188	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	12	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	27	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	45,764	11
12	Audited Accounts and Wages Payable (753)	Note A	280,790	12
13	Accounts Payable - Other (754)	Note A	48,700	13
14	Other Taxes Accrued (761.5)	Note A	272,948	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	648,202	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	8,821,103	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,000,783	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	8,049,648	18
19	Average Daily Expenditures	Line 18 divided by 360 days	22,360	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	29	20
21	Days of Working Capital Required	Line 10 - Line 20 (Note C)	0	21
22	Cash Working Capital Required	Line 21 x line 19	0	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	29,729	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	0	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	335,439	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	7,831	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	327,608	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	327,608	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.

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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	-	1
2	764	Equip. Obligations and Other Debt due within one year	Sch. 200, L. 39	178,487	2
3	785/767	Funded Debt Unmatured	Sch. 200, L. 41	524,807	3
4	788	Equipment Obligations	Sch. 200, L. 42	787,457	4
5	788.5	Capitalized Lease Obligations	Sch. 200, L. 43	1,343,550	5
6	768	Debt in Default	Sch. 200, L. 44	-	6
7	789	Accounts Payable: Affiliated Companies	Sch. 200, L. 45	5,713,836	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(49,526)	8
9		Total Debt	Sum L. 1-8	8,498,411	9
10		Debt Directly Related to Road Property	Note 1	267,008	10
11		Debt Directly Related to Equipment	Note 1	2,289,811	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	2,556,819	12
13		Percent Directly Related to Road	L. 10 divided by L. 12 Whole % plus 2 decimals	10.44%	13
14		Percent Directly Related to Equipment	L. 11 divided by L. 12 Whole % plus 2 decimals	89.56%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	5,941,592	15
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	887,310	16
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	7,611,101	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	548-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	615,565	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	4,363	19
20	517	Release of Premium on Funded Debt	Sch. 210, L. 22	18,563	20
21		Total Interest (Note 3)	(L. 18 + L. 19) minus L. 20	603,365	21
22		Interest Directly Related to Road Property Debt	Note 4	13,347	22
23		Interest Directly Related to Equipment Debt	Note 4	182,688	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 minus (L. 22 + L. 23)	407,330	24
25		Interest on Road Property Debt (Note 5)	L. 22 plus (L. 24 x L. 13)	55,872	25
26		Interest on Equipment Debt (Note 5)	L. 23 plus (L. 24 x L. 14)	547,493	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 divided by L. 16	6.30%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 divided by L. 17	7.19%	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.