

ACAA-R1

# CLASS I RAILROAD ANNUAL REPORT R-1

*to the Surface Transportation Board  
for the Year Ending Dec. 31, 2004*

**BUILDING AMERICA<sup>SM</sup>**

Union Pacific Railroad  
1400 Douglas, Omaha, NE 68179

# NOTICE

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

For Index, See Back of Form

ANNUAL REPORT

OF

**UNION PACIFIC RAILROAD COMPANY**

To The

**SURFACE TRANSPORTATION BOARD**

For The

**Year Ended December 31, 2004**

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

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

(Telephone number) (402) 544-0100 (or contact Zane Nielsen at (402) 544-0135)

(Office address) 1400 Douglas Street - Stop 1770, 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:

### Stockholders' Reports

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

Check appropriate box:

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

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

## C VOTING POWERS AND ELECTIONS

- 1 State the par value of each share of stock Common - Common Stock and Class A Stock both \$10/ per share, First preferred - None, Second preferred - None, Debenture stock - None
- 2 State whether or not each share of stock has the right to one vote, if not, give full particulars in a footnote - Yes
- 3 Are voting rights proportional to holdings? YES If no, state in a footnote the relationship between holdings and corresponding voting rights
- 4 Are voting rights attached to any securities other than stock? NO If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relationship between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent, and if contingent, showing the contingency
- 5 Has any class or issue of securities any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method? NO If yes, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges
- 6 Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing N/A
- 7 State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing, if not, state as of the close of the year - 4,853
- 8 State the total number of stockholders of record, as of the date shown in answer to Inquiry No 7 One stockholder
- 9 Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or 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	1400 Douglas Street	Common Stock - 4,465	4,465			1
2	Corporation	Omaha, Nebraska 68179	Class A Stock - 388	388			2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15	Notes and Remarks	Excludes stock owned by Southern Pacific Rail Corporation					15
16							16
17	Excludes non-voting FRA Preference Shares listed in Schedule 230 on page 20						17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25



## C. VOTING POWERS AND ELECTIONS - Continued

- 10 State the total number of votes cast at the latest general meeting for the election of the respondent - N/A
11. Give the date of such meeting - April 16, 2004
12. Give the place of such meeting - Via written consent

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

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

## 200 COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at begin- ning of year (c)	Line No
CURRENT ASSETS						
1		701	Cash	222,028	142,967	1
2		702	Temporary Cash Investments	12,903	9,284	2
3		703	Special Deposits	4,314	3,855	3
4		704	Accounts Receivable (A) - Loan and Notes	0	0	4
5		705	- Interline and Other Balances	62,461	52,405	5
6		706	- Customers	297,247	264,954	6
7		707	- Other	142,014	137,120	7
8		709,708	- Accrued Accounts Receivables	136,947	139,923	8
9		708 5	- Receivables from Affiliated Companies	0	0	9
10		709 5	- Less Allowance for Uncollectible Accounts	0	0	10
11		710,711,714	Working Funds Prepayments Deferred Income Tax Debits	337,743	261,679	11
12		712	Materials and Supplies	308,528	267,234	12
13		713	Other Current Assets	51,840	10,340	13
14			TOTAL CURRENT ASSETS	1,576,025	1,289,761	14
OTHER ASSETS						
15		715, 716, 717	Special Funds	4,676	4,765	15
16		721, 721 5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	744,132	690,323	16
17		722, 723	Other Investments and Advances	19,143	31,278	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) \$20,788	179,154	178,903	19
20		739, 741	Other Assets	426,767	273,894	20
21		743	Other Deferred Debits	38,571	54,014	21
22		744	Accumulated Deferred Income Tax Debits	0	0	22
23			TOTAL OTHER ASSETS	1,412,443	1,233,177	23
ROAD AND EQUIPMENT						
24		731, 732	Road (Schedule 330) L-30 Cols h & b	31,283,129	29,931,450	24
25		731, 732	Equipment (Schedule 330) L-39 Cols h & b	7,686,430	7,618,067	25
26		731, 732	Unallocated Items	705,060	527,116	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(9,426,463)	(8,506,282)	27
28			Net Road and Equipment	30,248,156	29,570,351	28
29	*		TOTAL ASSETS	33,236,624	32,093,289	29

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

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

Line No	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at begin- ning of year (c)	Line No
<b>CURRENT LIABILITIES</b>						
30		751	Loans and Notes Payable	0	0	30
31		752	Accounts Payable; Interline and Other Balances	24,640	26,551	31
32		753	Audited Accounts and Wages	202,467	197,878	32
33		754	Other Accounts Payable	43,087	44,309	33
34		755, 756	Interest and Dividends Payable	70,916	73,193	34
35		757	Payables to Affiliated Companies	0	0	35
36		759	Accrued Accounts Payable	1,638,368	1,509,182	36
37		760, 761, 761 5, 762	Taxes Accrued	215,566	230,724	37
38		763	Other Current Liabilities	3,551	10,005	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	152,743	169,909	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>2,351,338</b>	<b>2,261,751</b>	<b>40</b>
<b>NON-CURRENT LIABILITIES</b>						
41		765, 767	Funded Debt Unmatured	305,778	411,610	41
42		766	Equipment Obligations	185,903	228,755	42
43		766 5	Capitalized Lease Obligations	1,317,684	1,419,041	43
44		768	Debt in Default	0	0	44
45		769	Accounts Payable, Affiliated Companies	4,689,590	4,373,194	45
46		770 1, 770 2	Unamortized Debt Premium	(66,524)	(61,647)	46
47		781	Interest in Default	0	0	47
48		783	Deferred Revenues-Transfers from Government Authorities	0	0	48
49		786	Accumulated Deferred Income Tax Credits	9,240,282	8,909,548	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	2,303,466	1,798,675	50
51			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>17,976,179</b>	<b>17,079,176</b>	<b>51</b>
<b>SHAREHOLDERS' EQUITY</b>						
52		791, 792	Total Capital Stock (Schedule 230) (L-10 Col g, L-17 Col e)	13,639	15,966	52
53			Common Stock	49	49	53
54			Preferred Stock	13,590	15,917	54
55			Discount on Capital Stock	0	0	55
56		794, 795	Additional Capital (Schedule 230) (L-17 Col h)	4,781,906	4,781,906	56
57		797	Retained Earnings. Appropriated	811	1,583	57
58		798	Unappropriated (Schedule 220) (L-17 Col b)	8,349,891	8,077,350	58
59		798 1	Other Comprehensive Income	(237,140)	(124,443)	59
60		798 5	Less Treasury Stock	0	0	60
61			Net Shareholders' Equity	12,909,107	12,752,362	61
62	*		<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>33,236,624</b>	<b>32,093,289</b>	<b>62</b>

## 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. \$811

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 \$42,715

3 (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year \_\_\_\_\_  
See Explanatory Note 11 on page 11.

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund \$\_\_\_\_\_. See Explanatory Note 11 on page 11

(c) Is any part of pension plan funded? Specify Yes X No \_\_\_

(i) If funding is by insurance, give name of insuring company Not Applicable

If funding is by trust agreement, list trustee(s) The Northern Trust Company

Date of trust agreement or latest amendment May 5, 2004

If respondent is affiliated in any way with the trustee(s), explain affiliation. Not Applicable

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement See Explanatory Note 11 on page 11

(e) (i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates?

Specify Yes \_\_\_ No X

If yes, give number of the shares for each class of stock or other security \_\_\_\_\_

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

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610) Yes X No \_\_\_ See Note 16 on page 15A

5 (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ NONE

(b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ NONE

6 In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account \$ NONE

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

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

Disclose the nature and amount of contingency that is material.

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

SEE NOTE 13 ON PAGE 15

(a) Changes in Valuation Accounts

8 Marketable Equity Securities

UP has no marketable equity securities

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

**9. Transactions with Affiliates**

At December 31, 2004 and 2003, we had \$775 million and \$972 million working capital deficit balances, respectively, relating to Union Pacific Corporation's (UPC) management of our cash position. As part of UPC's cash management activities, we advance excess cash (cash available after satisfying all of our obligations and paying dividends to UPC) to UPC. We declare and pay dividends to UPC which typically approximate the dividends that UPC declares to its shareholders; however, there is no formal requirement to do so. The dividend declaration between us and UPC is determined solely by our Board of Directors. To the extent we require additional cash for use in our operations, UPC makes such funds available to us for borrowing. Transactions between UPC and us are treated as net intercompany borrowings in the Consolidated Statements of Financial Position.

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

UPC provides us with various services, including strategic planning, legal, treasury, accounting, auditing, insurance, human resources, and corporate affairs. Pursuant to a services agreement, UPC provides services to us, and we pay UPC its share of the costs as determined by an independent review. Billings for these services were \$60 million and \$58 million for the years ended December 31, 2004 and 2003, respectively.

**10. Financial Instruments**

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

**Market and Credit Risk** – We address market risk related to derivative financial instruments by selecting instruments with value fluctuations that highly correlate with the underlying hedged item. Credit risk related to derivative financial instruments, which is minimal, is managed by requiring high credit standards for counterparties and periodic settlements. At December 31, 2004, we have not been required to provide collateral, nor have we received collateral, relating to our hedging activities.

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

**Determination of Fair Value** – The fair values of our derivative financial instrument positions at December 31, 2003 were determined based upon current fair values as quoted by recognized dealers or developed based upon the present value of expected future cash flows discounted at the applicable U.S. Treasury rate, LIBOR, or swap spread.

**Interest Rate Cash Flow Hedges** – Changes in the fair value of cash flow hedges are reported in accumulated other comprehensive income until earnings are affected by the hedged item.

In May 2004, in anticipation of a future lease transaction, we entered into treasury lock transactions with notional amounts totaling \$125 million and an average locked-in rate of 5.08%. The treasury locks are accounted for as cash flow hedges. On September 28, 2004, the treasury locks were settled in connection with a 10-year operating lease, commencing on October 5, 2004, and maturing on September 30, 2014. The settlement of these treasury lock transactions was based on a treasury yield of 4.01% and resulted in a payment of \$11 million to our counterparty that is being amortized to rent expense over the life of the 10-year operating lease. The unamortized portion of the payment is recorded as a \$7 million after-tax reduction to common shareholders' equity as part of accumulated other comprehensive loss at December 31, 2004. As of December 31, 2004 and 2003, we had no interest rate cash flow hedges outstanding.

**Fuel Cash Flow Hedges** – Fuel costs are a significant portion of our total operating expenses. In 2004 and 2003, our primary means of mitigating the impact of adverse fuel price changes was our fuel surcharge program. However, we may use swaps, collars, futures, and/or forward contracts to further mitigate the impact of adverse fuel price changes. We currently have no fuel hedges in place for 2005.

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

## NOTES TO FINANCIAL STATEMENTS

The following is a summary of our fuel derivatives qualifying as cash flow hedges:

Millions, Except Average Commodity Prices	2004	2003
<b>Swaps:</b>		
Number of gallons hedged for 2003 .....	-	145
Average price of 2003 hedges (per gallon) [a] .....	\$ -	\$0.63
<b>Collars</b>		
Number of gallons hedged for 2004 .....	120	120
Average cap price for 2004 collars outstanding [a] .....	\$0.74	\$0.74
Average floor price for 2004 collars outstanding [a] .....	\$0.64	\$0.64
Average ceiling price for 2004 collars outstanding [a] .....	\$0.86	\$0.86
Gross fair value asset position .....	\$ -	\$ 6
Gross fair value (liability) position .....	\$ -	\$ -

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

Fuel hedging positions qualifying as cash flow hedges would be reclassified from accumulated other comprehensive income to fuel expense over the life of the hedge as fuel is consumed. At December 31, 2004, no amounts were recorded in accumulated other comprehensive income associated with our fuel hedges because no fuel hedges were outstanding.

**Earnings Impact** – Our use of derivative financial instruments had the following impact on pre-tax income for the years ended December 31:

Millions of Dollars	2004	2003	2002
Decrease in fuel expense from fuel hedging .....	\$14	\$28	\$36
Decrease in fuel expense from fuel swaptions .....	-	-	19
Decrease in operating expenses .....	14	28	55
Increase in other income, net from fuel swaptions .....	-	-	5
Increase in pre-tax income .....	\$14	\$28	\$60

**Fair Value of Debt Instruments** – The fair value of our short- and long-term debt was estimated using quoted market prices, where available, or current borrowing rates. At December 31, 2004 and 2003, the fair value of total debt exceeded the carrying value by approximately \$230 million and \$247 million, respectively. At December 31, 2004 and 2003, approximately \$169 million and \$262 million, respectively, of fixed-rate debt securities contained call provisions that allowed us to retire the debt instruments prior to final maturity, with the payment of fixed call premiums, or in certain cases, at par.

**Sale of Receivables** – We transfer most of our accounts receivable to Union Pacific Receivables, Inc. (UPRI), a bankruptcy-remote subsidiary, as part of a sale of receivables facility. UPRI sells, without recourse on a 364-day revolving basis, an undivided interest in such accounts receivable to investors. The total capacity to sell undivided interests to investors under the facility was \$600 million at December 31, 2004. The value of the outstanding undivided interest held by investors under the facility was \$590 million at both December 31, 2004 and December 31, 2003. The value of the outstanding undivided interest held by investors is not included in our Consolidated Financial Statements. The value of the undivided interest held by investors was supported by \$1,089 million and \$1,048 million of accounts receivable held by UPRI at December 31, 2004 and December 31, 2003, respectively. At December 31, 2004 and December 31, 2003, the value of the interest retained by UPRI was \$499 million and \$458 million, respectively. This retained interest is included in accounts receivable in our Consolidated Financial Statements. The interest sold to investors is sold at carrying value, which approximates fair value, and there is no gain or loss recognized from the transaction.

The value of the outstanding undivided interest held by investors could fluctuate based upon the availability of eligible receivables and is directly affected by changing business volumes and credit risks, including default and dilution. If default or dilution percentages were to increase one percentage point, the amount of eligible receivables would decrease by \$6 million. Should UPC's credit rating fall below investment grade, the value of the outstanding undivided interest held by investors would be reduced, and, in certain cases, the investors would have the right to discontinue the facility.

We have been designated to service the sold receivables; however, no servicing asset or liability has been recognized as the servicing fees adequately compensate us for our responsibilities. We collected approximately \$12.2 billion and \$11.3 billion during the years ended December 31, 2004 and 2003, respectively. UPRI used such proceeds to purchase new receivables under the facility.

The costs of the sale of receivables program are included in other income and were \$11 million, \$10 million, and \$13 million for the twelve months ended December 31, 2004, 2003, and 2002, respectively. The costs include interest, program fees paid to banks, commercial paper issuing costs, and fees for unused commitment availability.

The investors have no recourse to our other assets except for customary warranty and indemnity claims. Our creditors have no recourse to the assets of UPRI. On August 5, 2004, the sale of receivables program was renewed for an additional 364-day period without any significant changes in terms.

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

## NOTES TO FINANCIAL STATEMENTS

## 11. Retirement Plans

## Pension and Other Postretirement Benefits

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

**Other Postretirement Benefits (OPEB)** – We provide defined contribution medical and life insurance benefits for eligible retirees through the Corporation's programs. These benefits are funded as medical claims and life insurance premiums are paid.

## Funded Status

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

Millions of Dollars	Pension		OPEB	
	2004	2003	2004	2003
Projected benefit obligation at beginning of year .....	\$1,804	\$1,703	\$543	\$551
Service cost .....	30	27	5	7
Interest cost .....	120	113	31	35
Plan amendments .....	-	-	(52)	(74)
Actuarial loss (gain) .....	219	76	(34)	61
Gross benefits paid .....	(115)	(115)	(40)	(37)
Projected benefit obligation at end of year .....	\$2,058	\$1,804	\$453	\$543

**Assets** – Plan assets are measured at fair value. Changes in the fair value of the plan assets are as follows for the years ended December 31:

Millions of Dollars	Pension		OPEB	
	2004	2003	2004	2003
Fair value of plan assets at beginning of year .....	\$1,520	\$1,231	\$ -	\$ -
Actual return on plan assets .....	180	297	-	-
Voluntary funded pension plan contributions .....	100	100	-	-
Unfunded plan benefit payments .....	8	7	40	37
Gross benefits paid .....	(115)	(115)	(40)	(37)
Fair value of plan assets at end of year .....	\$1,693	\$1,520	\$ -	\$ -

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

Millions of Dollars	Pension		OPEB	
	2004	2003	2004	2003
Funded status at end of year .....	\$(365)	\$(284)	\$(453)	\$(543)
Unrecognized net actuarial loss .....	373	201	133	216
Unrecognized prior service cost (credit) .....	39	46	(144)	(116)
Unrecognized net transition obligation .....	-	(2)	-	-
Net amount recognized at end of year .....	\$ 47	\$ (39)	\$(464)	\$(443)

**Amounts Recorded in Consolidated Statement of Financial Position** – The following table presents the amounts recorded in the Consolidated Statements of Financial Position for the years ended December 31:

Millions of Dollars	Pension		OPEB	
	2004	2003	2004	2003
Prepaid benefit cost .....	\$ 127	\$ 34	\$ -	\$ -
Accrued benefit cost .....	(80)	(73)	(464)	(443)
Additional minimum liability .....	(380)	(221)	-	-
Intangible assets .....	38	46	-	-
Accumulated other comprehensive income .....	342	175	-	-
Net amount recognized at end of year .....	\$ 47	\$ (39)	\$(464)	\$(443)

At both December 31, 2004 and 2003, \$35 million of the total pension and other postretirement liabilities were classified as current.



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

## NOTES TO FINANCIAL STATEMENTS

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

Millions of Dollars	2004	2003
Projected benefit obligation .....	\$(2,042)	\$(1,789)
Accumulated benefit obligation .....	\$(2,014)	\$(1,769)
Fair value of plan assets .....	1,674	1,503
Unfunded accumulated benefit obligation .....	\$ (340)	\$ (266)

The accumulated benefit obligation for all defined benefit pension plans was \$2.0 billion and \$1.8 billion as of December 31, 2004 and 2003, respectively.

**Assumptions** – The weighted-average actuarial assumptions used to determine benefit obligations at December 31:

Percentages	Pension			OPEB		
	2004	2003	2002	2004	2003	2002
Discount rate .....	6.00%	6.50%	6.75%	6.00%	6.50%	6.75%
Salary increase .....	3.00	3.50	3.75	N/A	N/A	N/A
Healthcare cost trend rate:						
Current .....	N/A	N/A	N/A	11.00	9.00	10.00
Level in 2010 .....	N/A	N/A	N/A	5.00	5.00	5.00

**Expense**

Both pension and OPEB expense are determined based upon the annual service cost of benefits (the actuarial cost of benefits earned during a period) and the interest cost on those liabilities, less the expected return on plan assets. With respect to the value of pension plan assets, the expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a five-year period. This practice is intended to reduce year-to-year volatility in pension expense, but it can have the effect of delaying the recognition of differences between actual returns on assets and expected returns based on long-term rate of return assumptions. The expected rate of return on assets was 8% for both 2004 and 2003.

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

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

Millions of Dollars	Pension			OPEB		
	2004	2003	2002	2004	2003	2002
Service cost .....	\$ 30	\$ 27	\$ 21	\$ 5	\$ 7	\$ 6
Interest cost .....	120	113	117	31	35	37
Expected return on plan assets .....	(137)	(133)	(144)	-	-	-
Amortization of:						
Transition obligation .....	(2)	(2)	(2)	-	-	-
Prior service cost (credit) .....	8	9	9	(24)	(15)	(3)
Actuarial loss (gain) .....	3	1	(15)	18	16	5
Total net periodic benefit cost (income) .....	\$ 22	\$ 15	\$ (14)	\$ 30	\$ 43	\$ 45

**Assumptions** – The weighted-average actuarial assumptions used to determine expense were as follows for the years ended December 31:

Percentages	Pension			OPEB		
	2004	2003	2002	2004	2003	2002
Discount rate .....	6.50%	6.75%	7.25%	6.50%	6.75%	7.25%
Expected return on plan assets .....	8.00	8.00	9.00	N/A	N/A	N/A
Salary increase .....	3.50	3.75	4.25	N/A	N/A	N/A
Healthcare cost trend rate:						
Current .....	N/A	N/A	N/A	9.00	10.00	7.70
Level in 2008 .....	N/A	N/A	N/A	5.00	5.00	5.50

The discount rate is based on a hypothetical portfolio of high quality bonds with cash flows matching the plans' expected benefit payments. The expected return on plan assets is based on the asset allocation mix and the historical return, taking into account current and expected market

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

## NOTES TO FINANCIAL STATEMENTS

conditions. The actual return on pension plan assets was approximately 12% in 2004, compared to 25% in 2003. The historical annualized ten-year rate of return on plan assets is approximately 10%.

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

<i>Millions of Dollars</i>	<i>One % pt. Increase</i>	<i>One % pt. Decrease</i>
Effect on total service and interest cost components.....	\$ 7	\$ (6)
Effect on accumulated benefit obligation.....	79	(66)

**Equity Adjustment**

An additional minimum pension liability adjustment is required when the accumulated benefit obligation exceeds the fair value of the plan assets, and that difference exceeds the net pension liability recognized in the Consolidated Statements of Financial Position. The liability was recorded as a \$212 million and \$109 million after-tax reduction to common shareholders' equity as part of accumulated other comprehensive loss in 2004 and 2003, respectively.

The equity reduction may be restored to the balance sheet in future periods if the fair value of plan assets exceeds the accumulated benefit obligations. This reduction to equity does not affect net income or cash flow and has no impact on compliance with debt covenants.

**Cash Contributions**

The following table details the cash contributions for the years ended December 31, 2004 and 2003, and the expected contributions for 2005:

<i>Millions of Dollars</i>	<i>Pension</i>		<i>OPEB</i>
	<i>Funded</i>	<i>Unfunded</i>	
2003 .....	\$100	\$7	\$37
2004 .....	100	8	40
2005 (expected) .....	50	8	35

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

All benefit payments for other postretirement benefits are voluntary, as the postretirement plans are not funded, and are not subject to any minimum regulatory funding requirements. Benefit payments for each year represent claims paid for medical and life insurance, and we anticipate the 2005 OPEB payments will be made from cash generated from operations.

**Benefit Payments**

The following table details expected benefit payments for the years 2005 through 2014:

<i>Millions of Dollars</i>	<i>Pension</i>	<i>OPEB</i>
2005 .....	\$ 120	\$ 35
2006 .....	120	33
2007 .....	122	34
2008 .....	126	35
2009 .....	130	36
Years 2010 – 2014 .....	737	189

**Medicare Reform Act**

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

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

## NOTES TO FINANCIAL STATEMENTS

**Asset Allocation Strategy**

The pension plan asset allocation at December 31, 2004 and 2003, and target allocation for 2005, are as follows:

Asset Category	Target Allocation 2005	Percentage of Plan Assets December 31,	
		2004	2003
Equity securities .....	65% to 75%	73%	70%
Debt securities.....	20% to 30%	27%	30%
Real estate .....	2% to 8%	0%	0%
Other .....	0%	0%	0%
Total	100%	100%	100%

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

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

Equity risks are further balanced by investing a significant portion of the plan's assets in high quality debt securities. The average quality rating of the debt portfolio exceeded AA as of December 31, 2004 and 2003. The debt portfolio is also broadly diversified and invested primarily in U.S. Treasury, mortgage, and corporate securities with an intermediate average maturity. The weighted-average maturity of the debt portfolio was 6.3 years at December 31, 2004 and 6.1 years as of December 31, 2003.

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

**Other Retirement Programs**

**Thrift Plan** – The Corporation provides a defined contribution plan (thrift plan) to eligible non-union employees and we make matching contributions to the thrift plan. We match 50 cents for each dollar contributed by employees up to the first six percent of compensation contributed. Our thrift plan contributions were \$12 million, \$11 million, and \$10 million for the years ended December 31, 2004, 2003, and 2002, respectively.

**Railroad Retirement System** – All Railroad employees are covered by the Railroad Retirement System (the System). On December 21, 2001, The Railroad Retirement and Survivors' Improvement Act of 2001 (the Act) was signed into law. The Act was a result of historic cooperation between rail management and labor, and provides improved railroad retirement benefits for employees and reduced payroll taxes for employers. Contributions made to the System are expensed as incurred and amounted to approximately \$569 million in 2004, \$562 million in 2003, and \$595 million in 2002.

**Collective Bargaining Agreements** – Under collective bargaining agreements, we participate in multi-employer benefit plans that provide certain postretirement healthcare and life insurance benefits for eligible union employees. Premiums under the plans are expensed as incurred and amounted to \$30 million in 2004, \$27 million in 2003, and \$16 million in 2002.

**12. Capital Stock and Dividend Restrictions**

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

**13. Commitments and Contingencies**

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

**Personal Injury** – The cost of personal injuries to employees and others related to our activities is charged to expense based on estimates of the ultimate cost and number of incidents each year. We use third-party actuaries to assist us in properly measuring the expense and liability, including unasserted claims. Compensation for work-related accidents is governed by the Federal Employers' Liability Act (FELA). Under FELA, damages are assessed based on a finding of fault through litigation or out-of-court settlements. We offer a comprehensive variety of services and rehabilitation programs for employees who are injured at work. Annual expenses for our personal injury-related events were \$288 million in 2004, \$250 million in 2003, and \$221 million in 2002. As of December 31, 2004 and 2003, we had a liability of \$637 million and \$615 million, respectively, accrued for future personal injury costs, of which \$272 million was recorded in current liabilities as accrued casualty costs for each year.

**Asbestos** – We are a defendant in a number of lawsuits in which current and former employees allege exposure to asbestos. Additionally, we have received claims for asbestos exposure that have not been litigated. The claims and lawsuits (collectively referred to as "claims") allege occupational illness resulting from exposure to asbestos-containing products. In most cases, the claimants do not have credible medical evidence of physical impairment resulting from the alleged exposures. Additionally, most claims filed against us do not specify an amount of alleged damages.

The greatest potential for asbestos exposure in the railroad industry existed while steam locomotives were used. The railroad industry, including our predecessors and us, phased out steam locomotives in approximately 1955-1960. The use of asbestos-containing products in the railroad industry was substantially reduced after steam locomotives were discontinued, although it was not completely eliminated. Some asbestos-containing products were still manufactured in the building trade industry and were used in isolated component parts on locomotives and railroad cars during the 1960s and 1970s. By the early 1980s, manufacturers of building materials and locomotive component parts developed non-asbestos alternatives for their products and ceased manufacturing asbestos-containing materials.

During 2004, we engaged a third-party expert with extensive experience in estimating resolution costs for asbestos-related claims to assist us in assessing the number and value of these unasserted claims through 2034, based on our average claims experience over a multi-year period. As a result, we increased our liability for asbestos-related claims to \$326 million. At December 31, 2004, \$17 million was classified as current liabilities, while the remainder was classified as long-term accrued casualty costs. Approximately 14% of the recorded liability related to pending claims, and approximately 86% related to future claims. These claims are expected to be paid out over the next 30 years. Payments for asbestos-related claims were \$14.1 million, \$14.4 million, and \$12.4 million in 2004, 2003, and 2002, respectively. Aggregate payments totaled \$118.3 million, \$104.2 million, and \$89.8 million at December 31, 2004, 2003, and 2002, respectively.

We have insurance coverage that reimburses us for a portion of the costs incurred to resolve asbestos-related claims. At December 31, 2004, we have recognized an asset for estimated insurance recoveries.

We believe that our liability for asbestos-related claims and the estimated insurance recoveries reflect reasonable and probable estimates. The amounts recorded for asbestos-related liabilities and related insurance recoveries were based on currently known facts. However, future events, such as the number of new claims to be filed each year, average settlement costs, and insurance coverage issues could cause the actual costs and insurance recoveries to be higher or lower than the projected amounts. Estimates may also vary due to changes in the litigation environment, federal and state law governing compensation of asbestos claimants, and the level of payments made to claimants by other defendants.

**Environmental Costs** – We are subject to federal, state, and local environmental laws and regulations. We have identified approximately 384 sites at which we are or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. This includes 52 sites that are the subject of actions taken by the U.S. government, 31 of which are currently on the Superfund National Priorities List. Certain federal legislation imposes joint and several liability for the remediation of identified sites; consequently, our ultimate environmental liability may include costs relating to activities of other parties, in addition to costs relating to our own activities at each site.

When an environmental issue has been identified with respect to the property owned, leased, or otherwise used in the conduct of our business, we and our consultants perform environmental assessments on the property. We expense the cost of the assessments as incurred. We accrue the cost of remediation where our obligation is probable and such costs can be reasonably estimated. We do not discount our environmental liabilities when the timing of the anticipated cash payments is not fixed or readily determinable.

As of December 31, 2004 and 2003, we had a liability of \$201 million and \$187 million, respectively, accrued for future environmental costs, of which \$50 million and \$57 million were recorded in current liabilities as accrued casualty costs. The liability includes future costs for remediation and restoration of sites, as well as for ongoing monitoring costs, but excludes any anticipated recoveries from third parties. Cost estimates are based on information available for each site, financial viability of other potentially responsible parties, and existing technology, laws, and regulations. We believe that we have adequately accrued for our ultimate share of costs at sites subject to joint and several liability. However, the ultimate liability for remediation is difficult to determine because of the number of potentially responsible parties involved, site-specific cost sharing arrangements with other potentially responsible parties, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs. Current obligations are not expected to have a material adverse effect on our results of operations or financial condition.

Remediation of identified sites previously used in operations, used by tenants or contaminated by former owners required cash spending of \$42 million in 2004, \$36 million in 2003, and \$68 million in 2002. We also engage in capital spending designed to reduce emissions and prevent spills and releases of hazardous materials. We spent cash of \$8 million in both 2004 and 2003 and \$6 million in 2002 for these control and prevention

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

## NOTES TO FINANCIAL STATEMENTS

measures. In 2005, we anticipate spending \$50 million for remediation and \$8 million for control and prevention. The impact of current obligations is not expected to have a material adverse effect on our liquidity.

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

At December 31, 2004, we were contingently liable for \$445 million in guarantees and \$31 million in letters of credit. These contingent guarantees were entered into in the normal course of business and include guaranteed obligations of affiliated operations. None of the guarantees individually is significant, and a liability of \$6 million has been recorded for the fair value of these obligations as of December 31, 2004. The final guarantee expires in 2022. We are not aware of any existing event of default that would require us to satisfy these guarantees.

**Headquarters Building** – On October 5, 2004, we completed the refinancing of the synthetic lease for the new headquarters building. We will lease the building pursuant to an operating lease with a term of ten years. Total scheduled lease payments during the term are approximately \$134 million. UPC has guaranteed our obligations under the lease and, therefore, has a contingent liability for such obligations. Our obligations to make lease payments are not recorded in the Consolidated Financial Statements of the Company or UPC. During the term of the lease, we may, at our option, purchase the building. Such purchase amount will represent the cost of constructing the building, including capitalized interest and transaction expenses, which was \$257.5 million. Any such payment may also include an additional make-whole amount for early redemption of the outstanding debt, which will vary depending on prevailing interest rates at the time of prepayment.

Upon expiration of the lease term, if we do not purchase the building or renew the lease, the building will be remarketed. We have guaranteed that the building will have a residual value equal to at least \$206 million in the event that the building is remarketed. Therefore, the guarantee made by UPC with respect to our obligations under the lease is expected to represent a contingent obligation of approximately \$206 million. At December 31, 2004, we had a liability of approximately \$6 million related to the fair value of this guarantee.

The arrangement is subject to customary default provisions, including, without limitation, those relating to payment defaults under the lease and the operative documents, the acceleration of certain other unrelated debt obligations of the Company or UPC, performance defaults and events of bankruptcy. In the event that such defaults occur and are continuing, we (or UPC pursuant to its guarantee) may be required to pay all amounts due under the lease through the end of the term of the lease.

#### 14. Accounting Pronouncements

In December 2004, the FASB issued Statement No. 123 (R), *Share-Based Payment*. This statement, which is effective for the Company beginning July 1, 2005, requires that companies recognize compensation expense equal to the fair value of stock options or other share-based payments. We anticipate the impact of this pronouncement will not differ materially from what has been disclosed in our pro forma net income located in our Significant Accounting Policies section of this Item 8.

#### 15. Comprehensive Income

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

Millions of Dollars	2004	2003
Net Income .....	\$ 584	\$1,106
Other comprehensive income (loss):		
Minimum pension liability adjustment (net of tax) .....	(103)	39
Derivative Adjustments (net of tax) .....	(10)	(4)
Change in accumulated translation adjustment (net of tax) .....	-	(9)
Total comprehensive income .....	\$ 471	\$1,132

#### 16. Union Pacific Fund for Effective Government

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

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

## NOTES TO FINANCIAL STATEMENTS

**17. Statement of Financial Accounting Standards No. 143**

STB accounting rules require that railroads accrue the cost of removing track structure over the expected useful life of these assets. Railroads historically used this prescribed accounting for reports filed with both the STB and SEC. In August 2001, the FASB issued Statement No. 143, *Accounting for Asset Retirement Obligations* (FAS 143). This statement was effective for us beginning January 1, 2003, and prohibits the accrual of removal costs unless there is a legal obligation to remove the track structure at the end of its life. We concluded that we did not have a legal obligation to remove the track structure, and therefore, under generally accepted accounting principles, we could not accrue the cost of removal in advance. As a result, reports filed with the SEC will reflect the expense of removing these assets in the period in which they are removed. For STB reporting requirements only, we will continue to follow the historical method of accruing in advance, as prescribed by the STB. FAS 143 also requires us to record a liability for legally obligated asset retirement costs associated with tangible long-lived assets. In the first quarter of 2003, we recorded income from a cumulative effect of accounting change, related to the adoption of FAS 143, of \$274 million, net of income tax expense of \$167 million. The accounting change had no effect on our liquidity. Had the change been retroactively applied, the change would not have had a material impact on net income.

**18. Change in Presentation**

Certain prior year amounts have been reclassified to conform to the 2004 financial statement presentation.

**19. Subsequent Event**

In early January 2005, a massive storm hit California and Nevada. Our rail system suffered significant damage, resulting in the temporary shutdown of five of six routes in and out of Los Angeles. Two of those routes required extensive reconstruction. Embargos were instituted to restrict traffic to and from Southern California and the Las Vegas area until service could be restored while a number of trains were rerouted onto other serviceable tracks.

**210. RESULTS OF OPERATIONS**  
(Dollars in Thousands)

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

Cross-checks

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

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

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

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

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

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

4 All contra entries should be shown in parenthesis

Line No	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue and expenses (d)	Passenger-related revenue and expenses (e)	Line No
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		<b>Railway Operating Income</b>					
1		(101) Freight	11,574,984	10,935,888	11,574,984		1
2		(102) Passenger	62,495	61,590		62,495	2
3		(103) Passenger-Related	397	438		397	3
4		(104) Switching	114,481	120,932	114,481		4
5		(105) Water Transfers					5
6		(106) Demurrage	77,184	77,572	77,184		6
7		(110) Incidental	280,364	250,884	280,364		7
8		(121) Joint Facility-Credit	6,999	6,435	6,999		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	12,116,904	11,453,739	12,054,012	62,892	10
11		(502) Railway operating revenues-transfers from government authorities	62,710	55,612		62,710	11
12		(503) Railway operating revenues-amortization of deferred transfers from government authorities					12
13		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	12,179,614	11,509,351	12,054,012	125,602	13
14	*	(531) Railway operating expenses	11,013,882	9,481,767	10,890,831	123,051	14
15	*	<b>Net revenue from railway operations</b>	1,165,732	2,027,584	1,163,181	2,551	15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	9,868	9,246			16
17		(510) Miscellaneous rent income	66,025	69,154			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	501	100			19
20		(514) Interest income	3,204	4,640			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt	7,255	9,234			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	77,072	91,929			24
		<b>Income from affiliated companies 519</b>					
25		a Dividends (equity method)	19,584	37,637			25
26		b Equity in undistributed earnings (losses)	56,686	22,362			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	240,195	244,302			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	1,405,927	2,271,886			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	10,038	10,313			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	73,688	44,736			34
35		(553) Uncollectible accounts					35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS</b>	83,726	55,049			36
37		<b>Income available for fixed charges</b>	1,322,201	2,216,837			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
<b>FIXED CHARGES</b>					
		(546) Interest on funded debt			
38		(a) Fixed interest not in default	146,946	155,461	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	341,641	332,600	40
41		(548) Amortization of discount on funded debt	2,870	5,929	41
42		<b>TOTAL FIXED CHARGES (lines 38-41)</b>	<b>491,457</b>	<b>493,990</b>	<b>42</b>
43		Income after fixed charges (line 37 minus line 42)	830,744	1,722,847	43
<b>OTHER DEDUCTIONS</b>					
		(546) Interest on funded debt.			
44		(c) Contingent interest	7,656	7,680	44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	823,088	1,715,167	46
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income			
47	*	(a) Federal income taxes	(78,461)	208,064	47
48	*	(b) State income taxes	2,031	43,321	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	315,751	357,704	50
51		<b>TOTAL PROVISIONS FOR INCOME TAXES (lines 47-52)</b>	<b>239,321</b>	<b>609,089</b>	<b>51</b>
52		Income from continuing operations (line 46 minus line 51)	583,767	1,106,078	52
<b>DISCONTINUED OPERATIONS</b>					
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)	583,767	1,106,078	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		<b>TOTAL EXTRAORDINARY ITEMS (lines 56-58)</b>			<b>59</b>
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ _____)			60
61	*	Net income (Loss) (Lines 55 + 59 + 60)	583,767	1,106,078	61
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
62	*	Net revenues from railway operations	1,165,732	2,027,584	62
63	*	(556) Income taxes on ordinary income (-)	76,430	(251,385)	63
64	*	(557) Provision for deferred income taxes (-)	(315,751)	(357,704)	64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)	3,509	3,873	66
67		Net railway operating income (loss)	929,920	1,422,368	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	7,651,516	425,834	1
2		(601 5) Prior period adjustments to beginning retained earnings			2
		CREDITS			
3		(602) Credit balance transferred from income	527,081	56,686	3
4		(603) Appropriations released	1,583		4
5		(606) Other credits to retained earnings	(2,069)	2,071	5
6		TOTAL CREDITS	526,595	58,757	6
		DEBITS			
7		(612) Debit balance transferred from income			7
8		(616) Other debits to retained earnings			8
9		(620) Appropriations for sinking and other funds	811		9
10		(621) Appropriations for other purposes			10
11		(623) Dividends Common stock	312,000		11
12		Preferred stock (1)			12
13		TOTAL DEBITS	312,811		13
14		Net increase (decrease) during year (line 6 minus line 13)	213,784	58,757	14
15		Balances at close of year (lines 1, 2, and 14)	7,865,300	484,591	15
16		Balances from line 15(c)	484,591	N/A	16
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	8,349,891	N/A	17
18		(797) Total appropriated retained earnings			18
19		Credits during year 811			19
20		Debits during year 1,583			20
21		Balance at Close of year 811			21
22		Amount of assigned Federal income tax consequences Account 606 \$ _____			22
23		Account 616 \$ _____			23

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

## 230 CAPITAL STOCK

PART I CAPITAL STOCK  
(Dollars in Thousands)

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

Line No	Class of Stock (a)	Par Value (b)	Number of Shares			Book Value at End of Year			Line No
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	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	13,590		6
7	FRA Preference Shares - Series B	10,000	500	436		436	0		7
8									8
9									9
10	TOTAL		15,500	10,118		10,118	13,639		10

1/ See note 12 on page 14

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	5,265	\$15,917	4,853	\$49			\$4,781,906	11
12									12
13	Payments of Preference Shares		(2,327)						13
14									14
15									15
16									16
17	Balance at close of year	5,265	\$13,590	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 known 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	583,767	1,106,078	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	(66,925)	(84,007)	11
12		Depreciation and amortization expenses	1,242,579	1,191,206	12
13		Increase (decrease) in provision for Deferred Income Taxes	315,751	357,704	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(56,686)	(22,362)	14
15		Decrease (increase) in accounts receivable	(44,267)	69,141	15
16		Decrease (increase) in material and supplies and other current assets	(158,858)	74,557	16
17		Increase (decrease) in current liabilities other than debt	106,753	74,022	17
18		Increase (decrease) in other - net	142,953	(631,791)	18
19		Net cash provided from continuing operations (Lines 10-18)	2,065,067	2,134,548	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20)	2,065,067	2,134,548	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	135,414	150,374	22
23		Capital expenditures	(1,875,455)	(1,748,860)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	0	0	24
25		Proceeds from sale/repayment of investment and advances	5,253	3,808	25
26		Purchase price of long-term investment and advances	(305)	(20,097)	26
27		Net decrease (increase) in sinking and other special funds	89	289	27
28		Other - net	13,667	141,486	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(1,721,337)	(1,473,000)	29

(Continued on next page)

## 240 STATEMENT OF CASH FLOWS - Concluded

(Dollars in Thousands)

## CASH FLOWS FROM OPERATING ACTIVITIES

Line No	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No
CASH FLOWS FROM FINANCING ACTIVITIES					
30		Proceeds from issuance of long-term debt	0	0	30
31		Principal payments of long-term debt	(269,018)	(279,012)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(312,000)	(251,000)	34
35		Other - net	316,349	(90,045)	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(264,669)	(620,057)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29 & 36)	79,061	41,491	37
38		Cash and cash equivalents at beginning of the year	142,967	101,476	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	222,028	142,967	39
		Footnotes to Schedule 240 Cash paid during the year for			
40		Interest (net of amount capitalized)*	(498,000)	(490,000)	40
41		Income taxes (net) *	14,000	(204,000)	41

\* Only applies if indirect method is adopted

NOTE Non-cash capital lease financings were \$0 million and \$188 million in 2004 and 2003, respectively

## 245 WORKING CAPITAL

(Dollars in Thousands)

1 This schedule should include only data pertaining to railway transportation services

2 Carry out calculation of lines 9, 10, 20 and 21 to the nearest whole number.

Line No	Item (a)	Source	Amount (b)	Line No
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	62,461	1
2	Customers (706)	Schedule 200, line 6, column b	297,247	2
3	Other (707)	Note A	142,014	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	501,722	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	12,179,614	5
6	Rent Income	Note B	167,579	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	12,347,193	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	34,298	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	15	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	30	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	24,640	11
12	Audited Accounts and Wages Payable (753)	Note A	202,467	12
13	Accounts Payable - Other (754)	Note A	43,087	13
14	Other Taxes Accrued (761 5)	Note A	207,951	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	478,145	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	11,013,882	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,242,579	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	9,938,882	18
19	Average Daily Expenditures	Line 18 divided by 360 days	27,608	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	17	20
21	Days of Working Capital Required	Line 10 - Line 20 (Note C)	13	21
22	Cash Working Capital Required	Line 21 x line 19	358,904	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	234,931	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	234,931	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	308,528	25
26	Scrap and Obsolete Material included in Acct 712	Note A	3,698	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	304,830	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	539,761	28

NOTES

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

## NOTES AND REMARKS

Note to Schedule 310 on pages 26 - 29Lien References

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

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

(C) Companies Under Joint Control

<u>Company (UPRR Ownership)</u>	<u>Other Parties</u>
Alameda Belt Line (50 0%)	BNSF (50 0%)
Bay Pacific Financial (50%)	Bay Cities Leasing (50%)
Belt Railway of Chicago (8.33%)	NS (25 00%) CSX (25 00%)
	BNSF (16 67%) CN (16 67%)
	CP (8 33%)
Brownsville & Matamoros Bridge Co (50 0%)	Gobierno de Estados Unidos Mexicanos (50.0%)
Grupo Ferroviano Mexicano (26%)	Mexican Consortium (74%)
Helm Pacific Leasing (50%)	Helm Pacific Corporation (50%)
Houston Belt & Terminal Ry (50 0%)	BNSF (50 0%)
Iowa Transfer Ry Co. (25.0%)	BNSF (25 0%) NS (25.0%)
	Heartland Rail (25.0%)
Kansas City Terminal Ry Co (41.67%)	BNSF (25 01%) NS (8 33%)
	IC&E (8.33%)
	KCS (16.66%)
Longview Switching Co (50 0%)	BNSF (50 0%)
MT Properties, Inc (42.1%)	BNSF (43 3%) CP (14 6%)
St Joseph Terminal RR Co (50.0%)	BNSF (50.0%)
Sunset Railway Co (50 0%)	BNSF (50 0%) and operated by each company alternately for 5-year periods
Terminal Railroad Association of St. Louis (42 88%)	BNSF (14.28%) CN (14.28%)
	CSX (14 28%) NS (14 28%)
TTX (36.68%)	BNSF (17 24%) CSX (19 59%)
	Boston & Maine (.63%) Florida East Coast ( 94%)
	CN (3 13%) KCS ( 63%)
	CP (1 57%) NS (19 59%)

Wholly-owned companies that have a joint interest in subsidiaries

NONE

## GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

- 1 Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definitions of affiliated companies, see the rules governing Account No. 721 "Investments and advances, affiliated companies," in the Uniform System of Accounts for Railroad Companies.
- 2 List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order.
 

(A)	Stocks
(1)	Carriers-active
(2)	Carriers-inactive
(3)	Noncarriers-active
(4)	Noncarriers-inactive
(B)	Bonds (including U S Government Bonds)
(C)	Other secured obligations
(D)	Unsecured notes
(E)	Investment advances
3. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).
- 4 The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows.
 

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



## 310 INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

(Dollars in Thousands)

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

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

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

Line No	Account No (a)	Class No (b)	Kind of Industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	A1	VII	<b>STOCKS - CARRIERS ACTIVE</b>		1
2						2
3				Belt Railway of Chicago (C)	8 3	3
4				Brownsville & Matamoros Bridge Co (A) (C)	50.0	4
5				Grupo Ferroviario Mexicano (C)	26 0	5
6				Houston Belt & Terminal Ry. (A) (B) (C)	50 0	6
7				Iowa Transfer Railway Co (C)	25 0	7
8				Kansas City Terminal Ry (A) (B) (C)	41 7	8
9				Longview Switching Co (C)	50 0	9
10				MT Properties, Inc (C)	42 1	10
11				Terminal Railroad Association of St. Louis (C)	42.9	11
12				TTX (C)	36 7	12
13						13
14						14
15	721	A3	VI	<b>STOCKS - NONCARRIERS - ACTIVE</b>		15
16						16
17				Bay Pacific Financial (C)	50 0	17
18				Helm Pacific Leasing (C)	50 0	18
19				Monument Place (C)	50 0	19
20						20
21						21
22				<b>TOTAL CLASS A</b>		22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36

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

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

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

## 310 INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued

(Dollars in Thousands)

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

Line No	Investments and Advances				Disposed of profit(loss)	Adjustments Acct 721 5	Dividends or interest credited to income	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3	260			260				3
4	325			325				4
5	81,688			81,688				5
6	13			13				6
7	55			55				7
8	917			917				8
9	1			1				9
10	672			672				10
11	6			6				11
12	138,231			138,231				12
13								13
14								14
15								15
16								16
17	150			150				17
18	498			498				18
19	3,505		3,505	0				19
20								20
21								21
22	226,321	0	3,505	222,816				22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36

## 310 INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued

(Dollars in Thousands)

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

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

## 310 INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Concluded

(Dollars in Thousands)

Line No.	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Acct 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
37								37
38								38
39	175		175	0				39
40								40
41	175	0	175	0				41
42								42
43								43
44								44
45								45
46	463			463				46
47	20,871		1,494	19,377				47
48	14,957	305		15,262				48
49	1,145			1,145				49
50	79		79	0				50
51	358			358				51
52	120			120				52
53								53
54	37,993	305	1,573	36,725				54
55								55
56								56
57								57
58								58
59								59
60								60
61								61
62								62
63								63
64								64
65								65
66								66
67								67
68								68
69								69
70								70
71								71
72								72
73								73
74								74
75								75
76								76
77								77
78								78
79								79
80								80
81								81
82								82
83								83
84								84
85	264,489	305	5,253	259,541				85

Activity in Line 47, Col (h) represents repayments of advances

## 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
1	<b>CARRIERS:</b> (List specifics for each company)							
1	Belt Ry. of Chicago	438		0			438	1
2	Brownsville & Matamoros Bridge Co	4,884		(292)			4,592	2
3	Grupo Ferrocarril Mexicano	20 401	940	16,682			38,023	3
4	Houston Belt & Terminal Rwy	11,294		22			11,316	4
5	Kansas City Terminal Rwy	(1,872)		(1,508)			(3,380)	5
6	MT Properties	(77)		72			(5)	6
7	Terminal RR Assn of St Louis	27,449		3,100			30,549	7
8	TTX	326,394	996	36,892			364,282	8
9								9
10	<b>TOTAL CARRIER</b>	<b>388,911</b>	<b>1,936</b>	<b>54,968</b>			<b>445,815</b>	<b>10</b>
11								11
12								12
13								13
14								14
15								15
16								16
17	<b>NONCARRIER</b> (List specifics for each company)							17
18	Bay Pacific Financial	22,194		(578)			21,616	18
19	Helix Pacific Leasing	14,848		2,312			17,160	19
20	Monument Place	(119)	135	(16)			0	20
21								21
22	<b>TOTAL NONCARRIER</b>	<b>36,923</b>	<b>135</b>	<b>1,718</b>			<b>38,776</b>	<b>22</b>
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40
41								41
42								42
43								43
44								44
45	<b>TOTAL EQUITY</b>	<b>425,834</b>	<b>2,071</b>	<b>56,686</b>			<b>484,591</b>	<b>45</b>

## 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	4,615,347			1
2		(3) Grading	2,639,701			2
3		(4) Other, right-of-way expenditures	61,848			3
4		(5) Tunnels and subways	347,480			4
5		(6) Bridges, trestles, and culverts	2,170,629			5
6		(7) Elevated structures	0			6
7		(8) Ties	4,646,503			7
8		(9) Rail and other track material	8 280.929			8
9		(11) Ballast	2,567,779			9
10		(13) Fences, snowsheds and signs	50,275			10
11		(16) Station and office buildings	422,211			11
12		(17) Roadway buildings	33,935			12
13		(18) Water stations	6,518			13
14		(19) Fuel stations	111 038			14
15		(20) Shops and enginehouses	302,684			15
16		(22) Storage warehouses	984			16
17		(23) Wharves and docks	22,104			17
18		(24) Coal and ore wharves	1,742			18
19		(25) TOFC/COFC terminals	456,950			19
20		(26) Communication systems	309,898			20
21		(27) Signals and interlockers	1,776,732			21
22		(29) Power plants	0			22
23		(31) Power-transmission systems	51,833			23
24		(35) Miscellaneous structures	14,214			24
25		(37) Roadway machines	385,152			25
26		(39) Public improvements-construction	506,432			26
27		(44) Shop machinery	148,532			27
28		(45) Power-plant machinery	0			28
29		Other lease/rentals	0			29
30		TOTAL EXPENDITURES FOR ROAD	29 931,450	0	0	30
31		(52) Locomotives	4,836,206			31
32		(53) Freight train cars	2,357,172			32
33		(54) Passenger train cars	15			33
34		(55) Highway revenue equipment	1 798			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	122,649			36
37		(58) Miscellaneous equipment	26,238			37
38		(59) Computer systems and word processing equipment	273,989			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	7,618,067	0	0	39
40		(76) Interest during construction	43,559			40
41		(80) Other elements of investment 1/	104			41
42		(90) Construction work in progress	483,453			42
43		GRAND TOTAL	38,076,633	0	0	43

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

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

Line No	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		36,634	49,951	(13,317)	4,602,030	1
2		29,535	25,392	4,143	2,643,844	2
3		4,246	16	4,230	66,078	3
4		1,254	2,726	(1,472)	346,008	4
5		72,230	34,786	37,444	2,208,073	5
6		0	0	0	0	6
7		389,162	(14,572)	403,734	5,050,237	7
8		632,955	133,202	499,753	8,780,682	8
9		170,393	11,904	158,489	2,726,268	9
10		1,596	(80)	1,676	51,951	10
11		24,735	(85)	24,820	447,031	11
12		0	(464)	464	34,399	12
13		0	(133)	133	6,651	13
14		3,719	(254)	3,973	115,011	14
15		7,467	(6,196)	13,663	316,347	15
16		0	0	0	984	16
17		105	0	105	22,209	17
18		0	69	(69)	1,673	18
19		11,932	(2,892)	14,824	471,774	19
20		10,139	150	9,989	319,887	20
21		118,282	8,770	109,512	1,886,244	21
22		0	0	0	0	22
23		2,454	(323)	2,777	54,610	23
24		240	(59)	299	14,513	24
25		30,320	3,221	27,099	412,251	25
26		53,751	9,822	43,929	550,361	26
27		1,802	(3,679)	5,481	154,013	27
28		0	0	0	0	28
29		0	0	0	0	29
30		1,602,951	251,269	1,351,679	31,283,129	30
31		74,478	12,122	62,356	4,898,562	31
32		11,180	33,277	(22,097)	2,335,075	32
33		0	15	(15)	0	33
34		0	23	(23)	1,775	34
35		0	0	0	0	35
36		7,244	(3,701)	10,945	133,594	36
37		0	1,103	(1,103)	25,135	37
38		62,323	44,023	18,300	292,289	38
39		155,225	86,862	68,363	7,686,430	39
40		0	(36)	36	43,595	40
41		0	104	(104)	0	41
42		178,012	0	178,012	661,465	42
43		1,936,188	338,197	1,597,986	39,674,619	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 therefor 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	2,639,701	2,637,191	1 14				1
2	(4) Other, right-of-way expenditures	61,848	65,842	2 94				2
3	(5) Tunnels and subways	347,480	345,342	0 86				3
4	(6) Bridges trestles, and culverts	2,170,629	2,201,462	1 39				4
5	(7) Elevated structures	0	0	0				5
6	(8) Ties	4,646,503	5,017,642	4 59				6
7	(9) Rail and other track material	8,280,929	8,712,392	3 99				7
8	(11) Ballast	2,567,779	2,710,367	2 94				8
9	(13) Fences, snow sheds, and signs	50,275	51,893	1 64				9
10	(16) Station and office buildings	422,211	430,877	3.30				10
11	(17) Roadway buildings	33,935	34,399	3 19				11
12	(18) Water stations	6,518	6,651	2 86				12
13	(19) Fuel Stations	111,038	114,883	3 23				13
14	(20) Shops and enginehouse	302,684	315,813	2.20				14
15	(22) Storage warehouses	984	984	3 33				15
16	(23) Wharves and docks	22,104	22,209	4 00				16
17	(24) Coal and ore wharves	1,742	1,673	2 50				17
18	(25) TOFC/COFC terminals	456,950	468,529	2 86				18
19	(26) Communication systems	309,898	313,259	3 00				19
20	(27) Signals and interlockers	1,776,732	1,881,424	2 27				20
21	(29) Power plants	0	0	0				21
22	(31) Power-transmission systems	51,833	54,179	2 17				22
23	(35) Miscellaneous structures	14,214	14,361	2 70				23
24	(37) Roadway machines	385,152	826,193	5 94				24
25	(39) Public improvements-Construction	506,432	543,401	2 86				25
26	(44) Shop machinery	148,532	153,133	3 71				26
27	(45) Power-plant machinery	0	0	0				27
28	All other road accounts	0	0					28
29	Amortization (other than def projects)	0	0					29
30	TOTAL ROAD	25,316,103	26,924 100	3 49				30
	EQUIPMENT							
31	(52) Locomotives	4,836,206	4,857,436	4 42				31
32	(53) Freight-train cars	2 357,172	2,329,703	3 45				32
33	(54) Passenger-train cars	15	0	6 43				33
34	(55) Highway revenue equipment	1,798	1,775	7 00				34
35	(56) Floating equipment	0	0	0				35
36	(57) Work equipment	122,649	133,433	3 17				36
37	(58) Miscellaneous equipment	26,238	25,134	7 07				37
38	(59) Computer systems and WP equipment	273 989	275,211	14 31				38
39	TOTAL EQUIPMENT	7,618,067	7,622,693	4 50				39
40	GRAND TOTAL	32,934,170	34,546,792	N/A			N/A	40

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

1 Disclose the required information in regard to credits and debits to Account No 735 "Accumulated Depreciation Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals-Credit-Equipment" accounts and "Other Rents-Credit-Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental-Debit-Equipment" accounts and "Other Rents-Debit-Equipment" accounts. (See Schedule 351 for the accumulated depreciation to road and equipment owned and leased to others.)

2 If any data are included in columns (d) or (f), explain the entries in detail.

3 A debit balance in columns (b) or (g) for any primary account should be designated "Dr."

4 If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.

5 Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No
				During the year		During the year			
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	196,833	41,942	0	24,825	0	213,950	1
2		(4) Other, right-of-way expenditures	10,919	1,941	0	23	0	12,837	2
3		(5) Tunnels and subways	24,734	3,813	0	2,704	0	25,843	3
4		(6) Bridges, trestles, and culverts	130,674	48,311	0	33,082	0	145,903	4
5		(7) Elevated structures	0	0	0	0	0	0	5
6		(8) Ties	1,204,435	233,583	0	42,211	0	1,395,807	6
7		(9) Rail and other track material	3,077,407	357,216	0	156,841	0	3,277,782	7
8		(11) Ballast	412,331	78,895	0	12,293	0	478,933	8
9		(13) Fences, snow sheds and signs	5,560	918	0	(184)	0	6,662	9
10		(16) Station and office buildings	59,965	16,035	0	(360)	0	76,360	10
11		(17) Roadway buildings	10,809	1,171	0	(464)	0	12,444	11
12		(18) Water stations	3,978	192	0	(153)	0	4,323	12
13		(19) Fuel stations	39,982	3,722	0	(225)	0	43,929	13
14		(20) Shops and enginehouses 1/	92,355	4,120	0	(6,267)	0	102,742	14
15		(22) Storage warehouses	467	20	0	0	0	487	15
16		(23) Wharves and docks	10,244	674	0	0	0	10,918	16
17		(24) Coal and ore wharves	64	91	0	51	0	104	17
18		(25) TOFC/COFC terminals	81,615	13,696	0	(2,938)	0	98,249	18
19		(26) Communication systems	76,905	9,882	0	(442)	0	87,229	19
20		(27) Signals and interlockers	276,757	42,866	0	7,644	0	311,979	20
21		(29) Power plants	0	0	0	0	0	0	21
22		(31) Power-transmission systems	4,556	1,141	0	(389)	0	6,086	22
23		(35) Miscellaneous structures	5,511	425	0	(64)	0	6,000	23
24		(37) Roadway machines 1/	90,363	11,542	0	(10,276)	0	112,181	24
25		(39) Public improvements-Construction	91,309	16,327	0	9,943	0	97,693	25
26		(44) Shop machinery 1/	34,133	2,976	0	(3,857)	0	40,966	26
27		(45) Power-plant machinery	0	0	0	0	0	0	27
28		All other road accounts	0	0	0	0	0	0	28
29		Amortization (Adjustments)	0	0	0	0	0	0	29
30		TOTAL ROAD	5,941,908	891,499	0	263,998	0	6,569,409	30
		EQUIPMENT							
31		(52) Locomotives 1/	1,409,499	214,204	0	(880)	0	1,624,583	31
32		(53) Freight-train cars	1,024,648	92,425	0	19,413	0	1,097,660	32
33		(54) Passenger-train cars	0	15	0	15	0	0	33
34		(55) Highway revenue equipment	1,550	46	0	(89)	0	1,685	34
35		(56) Floating equipment	0	0	0	0	0	0	35
36		(57) Work equipment 1/	19,972	2,681	0	(5,560)	0	28,213	36
37		(58) Miscellaneous equipment	12,945	1,656	0	1,371	0	13,230	37
38		(59) Computer systems and WP equip	95,760	40,053	0	44,130	0	91,683	38
39		Amortization Adjustments	0	0	0	0	0	0	39
40		TOTAL EQUIPMENT	2,564,374	351,080	0	58,400	0	2,857,054	40
41		GRAND TOTAL	8,506,282	1,242,579	0	322,398	0	9,426,463	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)		
		<b>ROAD</b>							
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		<b>TOTAL ROAD</b>							30
		<b>EQUIPMENT</b>							
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		<b>TOTAL EQUIPMENT</b>							40
41		<b>GRAND TOTAL</b>							41

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

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

(Dollars in Thousands)

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

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

\* To be reported with equipment expense rather than W&amp;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)		
		<b>ROAD</b>							
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		<b>TOTAL ROAD</b>							29
		<b>EQUIPMENT</b>							
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		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>							39

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

## NOTES AND REMARKS

Notes Referring to Schedule 352A, page 42

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

Notes Referring to Schedule 352B, page 43

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

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

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

Line No	Account (a)	Depreciation base		Annual composite rate (percent) (d)	Line No
		At beginning of year (b)	At close of year (c)		
	<b>ROAD</b>				
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	<b>TOTAL ROAD</b>				29
	<b>EQUIPMENT</b>				
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	<b>TOTAL EQUIPMENT</b>				38
39	<b>GRAND TOTAL</b>				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)		
	<b>ROAD</b>							
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts		Not Applicable					4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel Stations							13
14	(20) Shops and enginehouse							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communication systems							19
20	(27) Signals and interlockers							20
21	(29) Power plants							21
22	(31) Power-transmission systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public improvements-Construction							25
26	(44) Shop machinery*							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	<b>TOTAL ROAD</b>							29
	<b>EQUIPMENT</b>							
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	<b>TOTAL EQUIPMENT</b>							38
39	<b>GRAND TOTAL</b>							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	26,761	\$39,674,619	\$9,426,463	1
2						2
3		<b>Add - Leased From Others</b>				3
4						4
5	O	U S Government - Sable to Bunell, CO used under contract	1/ 1			5
6	O	City of Kansas City, KS - Tracks		2/ 244	3/	6
7	O	General Motors		2/ 11	3/	7
8	O	Louisville & Nashville RR Co. -SCL		16	3/	8
9	O	New Orleans Public Belt Railroad Co		36	3/	9
10	O	Port of Corpus Christi		2/ 581	3/	10
11	O	Greater Baton Rouge Port Commission		2/ 2,960	3/	11
12	O	Lake Charles Harbor & Terminal District		2/ 104	3/	12
13	O	Port of Beaumont		2/ 419	3/	13
14	O	City and County of San Francisco (Formerly Ocean				14
15		Shore Railway) yard switching tracks		34	3/	15
16	O	Medford Corp, Medford, Oregon-Way switching tracks		40	3/	16
17	O	Nueces County Navigation Dist No 1 Terminal				17
18		Properties Corpus Christi, TX		582	3/	18
19	O	Moffat Tunnel Improvement District	9	4/ 11,435	5/	19
20						20
21						21
22						22
23		<b>Total Leased From Others</b>	10	16,462	0	23
24						24
25		<b>Deduct - Leased to Others:</b>				25
26						26
27	O	Houston Belt & Terminal Rwy Co	3	2/ 3,798	3/	27
28						28
29						29
30		<b>Net Additions</b>	7	12,664	0	30
31		<b>TOTAL</b>	26,768	39,687,283	\$9,426,463	31

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

## 352B INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Property Account)

(Dollars in Thousands)

1 In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties

2 The amounts for respondent and for each group or class of companies and properties on line 44 should correspond with the amounts for each class of company and property shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule.

3 Report on line 29 amounts representing capitalization of rentals for leased property based on 6% per year where property is not classified by accounts by noncarrier owners, or where the cost of property leased from other carriers is not ascertainable. Identify noncarrier owners, and briefly explain on page 39 the methods of estimating value of property of noncarriers or property of other carriers

4 Report on line 30 amounts not included in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board

Line No	Cross Check	Account (a)	Respondent (b)	2/ Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other Leased Properties (e)	Line No
1		(2) Land for transportation purposes	\$4,597,964	\$4,066		\$16	1
2		(3) Grading	2,637,271	6,573		108	2
3		(4) Other, right-of-way expenditures	65,850	228			3
4		(5) Tunnels and subways	346,008			8,593	4
5		(6) Bridges, trestles, and culverts	2,199,077	8,996		72	5
6		(7) Elevated structures	0				6
7		(8) Ties	5,039,420	10,817		793	7
8		(9) Rail and other track material	8,743,126	37,557		48	8
9		(11) Ballast	2,713,591	12,676		324	9
10		(13) Fences, snowsheds and signs	51,645	305		5	10
11		(16) Station and office buildings	446,347	684		19	11
12		(17) Roadway buildings	34,347	52		38	12
13		(18) Water stations	6,642	9			13
14		(19) Fuel stations	115,002	9			14
15		(20) Shops and enginehouses	316,293	55			15
16		(22) Storage warehouses	984				16
17		(23) Wharves and docks	22,209				17
18		(24) Coal and ore wharves	1,673				18
19		(25) TOFC/COFC terminals	469,855	1,919			19
20		(26) Communication systems	319,518	370			20
21		(27) Signals and interlockers	1,879,896	6,348		78	21
22		(29) Power plants	0				22
23		(31) Power transmission systems	54,590	19			23
24		(35) Miscellaneous structures	14,462	51			24
25		(37) Roadway machines	412,248	4			25
26		(39) Public improvements-construction	549,426	935		612	26
27		(44) Shop machinery	154,013				27
28		(45) Power-plant machinery	0				28
29		Leased property capitalized rentals (explain)	0			1/ 950	29
30		Other (specify and explain)	0				30
31		TOTAL ROAD	31,191,457	91,673		11,656	31
32		(52) Locomotives	4,898,562				32
33		(53) Freight-train cars	2,335,075				33
34		(54) Passenger-train cars	0				34
35		(55) Highway revenue equipment	1,775				35
36		(56) Floating equipment	0				36
37		(57) Work equipment	133,595				37
38		(58) Miscellaneous equipment	25,133	1			38
39		(59) Computer systems & WP equipment	292,289				39
40		TOTAL EQUIPMENT	7,686,429	1			40
41		(76) Interest during construction	42,963	632		1,008	41
42		(80) Other elements of investment	0				42
43		(90) Construction work in progress	661,464				43
44		GRAND TOTAL	\$39,582,313	\$92,306		\$12,664	44

1/ See note on page 39

2/ See note on page 39

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

## Cross-checks

**Schedule 410**

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

=  
 =  
 =

**Schedule 210**

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

**Schedule 412**

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

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

=  
 =

**Schedule 414**

Line 19, columns (b) thru (d)

Line 231, column (f)

=

Line 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)  
 Line 509, column (f)  
 Line 510, column (f)  
 Line 511, column (f)  
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**Schedule 450**

Line 4, column (b)

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**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
		<b>WAY AND STRUCTURES</b>								
		<b>ADMINISTRATION</b>								
1		Track	10,319	3,508	6,482	158	20,467	873	21,340	1
2		Bridge & Building	2,235	273	1,179	184	3,871	853	4,724	2
3		Signal	2,955	670	1,067	359	5,051	694	5,745	3
4		Communication	956	23	1,313	96	2,388	63	2,451	4
5		Other	2,659	138	2,855	2,020	7,672	519	8,191	5
		<b>REPAIR AND MAINTENANCE</b>								
6		Roadway - Running	12,713	968	23,173	35	36,889	1,604	38,493	6
7		Roadway - Switching	3,703	240	6,204	15	10,162	0	10,162	7
8		Tunnels and Subways - Running	233	0	1,707	0	1,940	7	1,947	8
9		Tunnels and Subways - Switching	62	0	455	0	517	0	517	9
10		Bridges - Culverts - Running	15,459	2,775	137	3,050	21,421	868	22,289	10
11		Bridges - Culverts - Switching	4,316	1,167	36	882	6,401	0	6,401	11
12		Ties - Running	7,816	675	0	921	9,412	871	10,283	12
13		Ties - Switching	2,179	1,135	19	271	3,604	0	3,604	13
14		Rail & Other Track Material - Running	74,162	14,168	5,329	6,781	100,440	2,962	103,402	14
15		Rail & Other Track Material - Switching	20,211	5,756	1,460	1,847	29,274	8	29,282	15
16		Ballast - Running	136	30	86	0	252	133	385	16
17		Ballast - Switching	36	39	23	0	98	0	98	17
18		Road Property Damaged - Running	499	0	682	1	1,182	14	1,196	18
19		Road Property Damaged - Switching	126	0	169	0	295	3	298	19
20		Road Property Damaged - Other	43	0	59	0	102	0	102	20
21		Signal & Interlockers-Running	40,929	6,628	6,416	1,410	55,383	4,371	59,754	21
22		Signal & Interlockers-Switching	11,406	2,320	587	414	14,727	0	14,727	22
23		Communications Systems	20,646	11,520	1,859	930	34,955	57	35,012	23
24		Power Systems	1,601	0	0	0	1,601	313	1,914	24
25		Highway Grade Crossing - Running	11,212	115	2,775	0	14,102	506	14,608	25
26		Highway Grade Crossing - Switching	0	0	0	0	0	0	0	26
27		Station & Office Buildings	3,685	6,233	17,130	370	27,418	2,313	29,731	27
28		Shop Buildings - Locomotives	12,415	0	1,189	0	13,604	195	13,799	28
29		Shop Buildings - Freight Cars	286	0	646	0	932	70	1,002	29
30		Shop Buildings - Other Equipment	0	81	29	0	110	0	110	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	577	516	2,228	35	3,356	130	3,486	101
102		Miscellaneous Buildings & Structures	1,993	327	510	21	2,851	1,102	3,953	102
103		Coal Terminals	0	0	0	0	0	0	0	103
104		Ore Terminals	0	0	0	0	0	0	0	104
105		Other Marine Terminals	0	0	0	0	0	0	0	105
106		TOFC/COFC-Terminals	0	0	21,417	0	21,417	0	21,417	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	18,336	16,330	4,996	3,082	42,744	1,000	43,744	109
110		Small Tools and Supplies	0	0	0	0	0	0	0	110
111		Snow Removal	1,162	3,014	1,592	0	5,768	1,138	6,906	111
112		Fringe Benefits - Running	N/A	N/A	N/A	64,454	64,454	3,948	68,402	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	14,393	14,393	260	14,653	113
114		Fringe Benefits - Other	N/A	N/A	N/A	41,882	41,882	500	42,382	114
115		Casualties & Insurance - Running	N/A	N/A	N/A	60,540	60,540	19	60,559	115
116		Casualties & Insurance - Switching	N/A	N/A	N/A	13,899	13,899	0	13,899	116
117		Casualties & Insurance - Other	N/A	N/A	N/A	18,808	18,808	0	18,808	117
118		Lease Rentals - Debit - Running	N/A	N/A	3,538	N/A	3,538	0	3,538	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	45,225	N/A	45,225	285	45,510	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	23,428	N/A	23,428	0	23,428	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	635	N/A	635	0	635	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	119	N/A	119	0	119	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(9,464)	N/A	(9,464)	0	(9,464)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(106)	N/A	(106)	0	(106)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	(84)	N/A	(84)	0	(84)	129
130		Other Rents - Debit - Running	N/A	N/A	9	N/A	9	0	9	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	41	N/A	41	0	41	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
		<b>REPAIR AND MAINTENANCE - (Continued)</b>								
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	661,216	661,216	1,877	663,093	136
137		Depreciation - Switching	N/A	N/A	N/A	175,132	175,132	0	175,132	137
138		Depreciation - Other	N/A	N/A	N/A	50,298	50,298	0	50,298	138
139		Joint Facility - Debit - Running	N/A	N/A	92,074	N/A	92,074	124	92,198	139
140		Joint Facility - Debit - Switching	N/A	N/A	9,914	N/A	9,914	0	9,914	140
141		Joint Facility - Debit - Other	N/A	N/A	325	N/A	325	0	325	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(52,984)	N/A	(52,984)	0	(52,984)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(3)	N/A	(3)	0	(3)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	144
145		Dismantling Retired Road Property - Running	0	0	0	0	0	0	0	145
146		Dismantling Retired Road Property - Switching	0	0	0	0	0	0	0	146
147		Dismantling Retired Road Property - Other	0	0	0	0	0	0	0	147
148		Other - Running	0	0	0	0	0	0	0	148
149		Other - Switching	0	0	0	0	0	0	0	149
150		Other - Other	0	0	2	1,456	1,458	0	1,458	150
151		<b>TOTAL WAY &amp; STRUCTURE</b>	<b>285,066</b>	<b>78,649</b>	<b>226,478</b>	<b>1,124,960</b>	<b>1,715,153</b>	<b>27,680</b>	<b>1,742,833</b>	<b>151</b>
		<b>EQUIPMENT - LOCOMOTIVES</b>								
201		Administration	7,323	1,722	5,849	602	15,496	449	15,945	201
202		Repair & Maintenance	142,765	184,545	190,508	3,289	521,107	4,063	525,170	202
203		Machinery Repair	0	1,217	1,173	0	2,390	0	2,390	203
204		Equipment Damaged	246	0	256	3	505	0	505	204
205		Fringe Benefits	N/A	N/A	N/A	65,700	65,700	1,524	67,224	205
206		Other Casualties and Insurance	N/A	N/A	N/A	51,400	51,400	4	51,404	206
207		Lease Rentals - Debit	N/A	N/A	299,934	N/A	299,934	0	299,934	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	15	N/A	15	0	15	209
210		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	0	0	210
211		Other Rents - Debit	N/A	N/A	1,045	N/A	1,045	0	1,045	211
212		Other Rents - (Credit)	N/A	N/A	(1,077)	N/A	(1,077)	0	(1,077)	212
213		Depreciation	N/A	N/A	N/A	216,232	216,232	31	216,263	213
214		Joint Facility - Debit	N/A	N/A	29	N/A	29	0	29	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)								217
218		Dismantling Retired Property	0	0	0	0	0	0	0	218
219		Other	517	0	920	170	1,607	2	1,609	219
220		TOTAL LOCOMOTIVES	150,851	187,484	498,652	337,396	1,174,383	6,073	1,180,456	220
221		FREIGHT CARS								221
222		Administration	5,717	1,076	1,368	449	8,610	N/A	8,610	222
223		Repair & Maintenance	125,162	199,504	95,138	4,123	423,927	N/A	423,927	223
224		Machinery Repair	0	1,985	2,039	0	4,024	N/A	4,024	224
225		Equipment Damaged	0	0	0	0	0	N/A	0	225
226		Fringe Benefits	N/A	N/A	N/A	57,305	57,305	N/A	57,305	226
227		Other Casualties & Insurance	N/A	N/A	N/A	72,502	72,502	N/A	72,502	227
228		Other Rentals - Debit	N/A	N/A	205,415	N/A	205,415	N/A	205,415	228
229		Lease Rentals - (Credit)	N/A	N/A	(1,168)	N/A	(1,168)	N/A	(1,168)	229
230		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	N/A	0	230
231		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	N/A	0	231
232		Other Rents - Debit	N/A	N/A	841,381	N/A	841,381	N/A	841,381	232
233		Other Rents - (Credit)	N/A	N/A	(155,007)	N/A	(155,007)	N/A	(155,007)	233
234		Depreciation	N/A	N/A	N/A	93,340	93,340	N/A	93,340	234
235		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	235
236		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	236
237		Repairs Billed Other - (Credit)	N/A	N/A	(198,740)	N/A	(198,740)	N/A	(198,740)	237
238		Dismantling Retired Property	0	0	0	0	0	N/A	0	238
239		Others	660	0	1	0	661	N/A	661	239
240		TOTAL FREIGHT CARS	131,539	202,565	790,427	227,719	1,352,250	N/A	1,352,250	240
241		OTHER EQUIPMENT								241
242		Administration	0	0	0	0	0	152	152	242
243		Repair and Maintenance								243
244		Truck, Trailers & Containers - Revenue Service	318	8,478	28,332	80	37,208	N/A	37,208	244
245		Floating Equipment - Revenue Services	0	0	0	0	0	N/A	0	245
246		Passenger & Other Revenue Equipment	1,034	0	0	0	1,034	12,263	13,297	246
247		Computers & Data Process Systems	0	5,341	24,283	5	29,629	109	29,738	247
248		Machinery	0	398	303	0	701	0	701	248
249		Work & Other Nonrevenue Equipment	839	2,211	16,661	0	19,711	660	20,371	249
250		Equipment Damaged	0	0	79	0	79	0	79	250
251		Fringe Benefits	N/A	N/A	N/A	886	886	4,205	5,091	251
252		Other Casualties & Insurance	N/A	N/A	N/A	1,098	1,098	5	1,103	252
253		Lease Rentals - Debit	N/A	N/A	108,931	N/A	108,931	861	109,792	253
254		Lease Rentals - (Credit)	N/A	N/A	(672)	N/A	(672)	0	(672)	254

**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	0	N/A	0	0	0	313
314		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	0	0	314
315		Other Rents - Debit	N/A	N/A	14,860	N/A	14,860	0	14,860	315
316		Other Rents - (Credit)	N/A	N/A	(1)	N/A	(1)	0	(1)	316
317		Depreciation	N/A	N/A	0	44,319	44,319	134	44,453	317
318		Joint Facility - Debit	N/A	N/A	3,944	N/A	3,944	0	3,944	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	(13,021)	N/A	(13,021)	0	(13,021)	320
321		Dismantling Retired Equipment	0	0	0	0	0	0	0	321
322		Other	244	26	706	11	987	2	989	322
323		TOTAL OTHER EQUIPMENT	2,435	16,454	184,405	46,399	249,693	18,391	268,084	323
324		TOTAL EQUIPMENT	284,825	406,503	1,473,484	611,514	2,776,326	24,464	2,800,790	324
		TRANSPORTATION								
		TRAIN OPERATIONS								
401		Administration	39,855	4,173	11,761	2,901	58,690	2,946	61,636	401
402		Engine Crews	613,862	969	5,011	108,773	728,615	5,572	734,187	402
403		Train Crews	551,121	172	78	115	551,486	12,981	564,467	403
404		Dispatching Trains	33,749	10	2,450	338	36,547	480	37,027	404
405		Operating Signal & Interlockers	14	0	3,022	0	3,036	45	3,081	405
406		Operating Drawbridges	0	0	0	0	0	0	0	406
407		Highway Crossing Protection	0	0	1,571	0	1,571	0	1,571	407
408		Train Inspection & Lubricants	67,120	32,065	1,049	3,341	103,575	57	103,632	408
409		Locomotive Fuel	0	1,513,835	0	0	1,513,835	8,283	1,522,118	409
410		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	410
411		Servicing Locomotives	60,700	6,492	2,625	12	69,829	2,114	71,943	411
412		Freight Lost or Damaged	N/A	N/A	N/A	0	0	0	0	412
413		Clearing Wrecks	2,264	147	25,941	0	28,352	0	28,352	413
414		Fringe Benefits	N/A	N/A	N/A	503,556	503,556	7,325	510,881	414
415		Other Casualties & Insurance	N/A	N/A	N/A	251,314	251,314	3,803	255,117	415
416		Joint Facility - Debit	N/A	N/A	107,474	N/A	107,474	0	107,474	416
417		Joint Facility - (Credit)	N/A	N/A	(80,540)	N/A	(80,540)	0	(80,540)	417
418		Other	57,529	506	2,153	2,698	62,886	191	63,077	418
419		TOTAL TRAIN OPERATIONS	1,426,214	1,558,369	82,595	873,048	3,940,226	43,797	3,984,023	419
		YARD OPERATIONS								
420		Administration	17,487	2,618	7,209	1,109	28,423	0	28,423	420
421		Switch Crews	250,049	2,454	5,017	32,793	290,313	1,392	291,705	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.
		YARD OPERATIONS - (Continued)								
422		Controlling Operations	31,607	0	0	0	31,607	1,125	32,732	422
423		Yard & Terminal Clerical	19,327	327	55	106	19,815	600	20,415	423
424		Operating Switches, Signals, Retarders & Humps	82	1	1,909	0	1,992	62	2,054	424
425		Locomotive Fuel	0	167,097	0	0	167,097	0	167,097	425
426		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	426
427		Servicing Locomotives	0	0	0	0	0	0	0	427
428		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A	0	0	0	0	428
429		Clearing Wrecks	0	0	0	0	0	17	17	429
430		Fringe Benefits	N/A	N/A	N/A	112,472	112,472	1,094	113,566	430
431		Other Casualties & Insurance	N/A	N/A	N/A	60,339	60,339	0	60,339	431
432		Joint Facility - Debit	N/A	N/A	29,163	N/A	29,163	0	29,163	432
433		Joint Facility - (Credit)	N/A	N/A	(1,506)	N/A	(1,506)	0	(1,506)	433
434		Other	0	0	0	0	0	0	0	434
435		TOTAL YARD OPERATION	318,552	172,497	41,847	206,819	739,715	4,290	744,005	435
501		TRAIN & YARD OPERATIONS COMMON								501
502		Cleaning Car Interiors	297	0	6,160	N/A	6,457	4,172	10,629	501
503		Adjusting & Transferring Loads	38	0	13,767	N/A	13,805	N/A	13,805	502
504		Car Loading Devices & Grain Doors	103	32	33,105	N/A	33,240	N/A	33,240	503
505		Freight Loss or Damaged - All Other	N/A	N/A	N/A	43,009	43,009	0	43,009	504
506		Fringe Benefits	N/A	N/A	N/A	145	145	0	145	505
507		TOTAL TRAIN & YARD OPERATIONS COMMON	438	32	53,032	43,154	96,656	4,172	100,828	506
508		SPECIALIZED SERVICE OPERATIONS								507
509		Administration	6,184	236	1,303	397	8,120	N/A	8,120	507
510		Picking & Delivery & Marine Line Haul	0	0	32,505	0	32,505	N/A	32,505	508
511		Loading & Unloading Local Marine	11,985	651	129,421	5,328	147,385	N/A	147,385	509
512		Protective Services	0	0	240	0	240	N/A	240	510
513		Freight Loss or Damaged - Solely Related	N/A	N/A	N/A	0	0	N/A	0	511
514		Fringe Benefits	N/A	N/A	N/A	3,230	3,230	N/A	3,230	512
515		Casualties & Insurance	N/A	N/A	N/A	1,340	1,340	N/A	1,340	513
516		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	514
517		Joint Facility - (Credit)	N/A	N/A	(86)	N/A	(86)	N/A	(86)	515
518		Others	298	201	0	36	535	N/A	535	516
519		TOTAL SPECIALIZED SERVICES OPERATIONS	18,467	1,088	163,383	10,331	193,269	N/A	193,269	517

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

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

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries and Wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased Services (d)	General (e)	Total Freight Expense (f)	Passenger (g)	Total (h)	Line No.
		ADMINISTRATIVE SUPPORT OPERATIONS								
518		Administration	72,695	4,572	7,619	7,649	92,535	1,098	93,633	518
519		Employees Performing Clerical & Acctg Functions	48,113	3,883	10,945	798	63,739	5,725	69,464	519
520		Communication Systems Operations	4,246	1,411	3,543	448	9,648	443	10,091	520
521		Loss & Damage Claims Process	11,869	240	1,118	1,401	14,628	0	14,628	521
522		Fringe Benefits	N/A	N/A	N/A	52,426	52,426	1,585	54,011	522
523		Casualties & Insurance	N/A	N/A	N/A	32,640	32,640	0	32,640	523
524		Joint Facility - Debit	N/A	N/A	155	N/A	155	0	155	524
525		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	525
526		Other	2,271	1	515	86	2,873	0	2,873	526
527		TOTAL ADMINISTRATION SUPPORT OPERATIONS	139,194	10,107	23,895	95,448	268,644	8,851	277,495	527
528		TOTAL TRANSPORTATION	1,902,865	1,742,093	364,752	1,228,800	5,238,510	61,110	5,299,620	528
		GENERAL & ADMINISTRATIVE								
601		Officers General & Administration	30,370	3,149	22,468	17,740	73,727	698	74,425	601
602		Accounting, Auditing & Finance	29,747	308	5,242	829	36,126	931	37,057	602
603		Management Services & Data Processing	32,101	1,402	31,247	3,666	68,416	2,152	70,568	603
604		Marketing	42,950	834	38,687	9,088	91,559	0	91,559	604
605		Sales	0	0	0	0	0	0	0	605
606		Industrial Development	1,029	9	2	228	1,268	N/A	1,268	606
607		Personnel & Labor Relations	14,912	807	11,888	20,176	47,783	1,105	48,888	607
608		Legal & Secretarial	12,410	183	39,664	1,848	54,105	1,417	55,522	608
609		Public Relations & Advertising	2,585	29	8,803	1,731	13,148	248	13,396	609
610		Research & Development	0	14	4	0	18	0	18	610
611		Fringe Benefits	N/A	N/A	N/A	107,757	107,757	1,339	109,096	611
612		Casualties & Insurance	N/A	N/A	N/A	47,369	47,369	8	47,377	612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A	10,484	10,484	27	10,511	613
614		Property Taxes	N/A	N/A	N/A	182,420	182,420	1,362	183,782	614
615		Other Taxes	N/A	N/A	N/A	39,028	39,028	109	39,137	615
616		Joint Facility - Debit	N/A	N/A	4,097	N/A	4,097	0	4,097	616
617		Joint Facility - (Credit)	N/A	N/A	(64)	N/A	(64)	0	(64)	617
618		Other	105,494	646	176,990	100,471	383,601	401	384,002	618
619		TOTAL GENERAL & ADMINISTRATIVE	271,598	7,381	339,028	542,835	1,160,842	9,797	1,170,639	619
620		TOTAL OPERATING EXPENSE	2,744,354	2,234,626	2,403,742	3,508,109	10,890,831	123,051	11,013,882	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 deprecation expense reported in Schedule 410, column (f), lines 136, 137 and 138
- 3 Report in column (c) the lease/rentals for the various property categories of way and structures. The total lease/rental reported in column (c), line 29 should balance the net amount reported in Schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property categories is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property.
- 4 Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29 shall equal the adjustment reported on line 29 of Schedule 335
- 5 Report on line 28 all other lease rentals not apportioned to any category listed on lines 1-27.
- 6 Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415

Line No	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No
1		2	Land for transportation purposes	N/A			1
2		3	Grading	41,943			2
3		4	Other right-of-way expenditures	1,941			3
4		5	Tunnels and subways	3,813			4
5		6	Bridges, trestles and culverts	48,311			5
6		7	Elevated structures	0			6
7		8	Ties	233,583			7
8		9	Rail and other track material	355,339			8
9		11	Ballast	78,895			9
10		13	Fences, snowsheds and signs	918			10
11		16	Station and office buildings	16,035			11
12		17	Roadway buildings	1,171			12
13		18	Water stations	192			13
14		19	Fuel stations	3,722			14
15		20	Shops and enginehouses	4,120			15
16		22	Storage warehouses	20			16
17		23	Wharves and docks	674			17
18		24	Coal and ore wharves	91			18
19		25	TOFC/COFC terminals	13,696			19
20		26	Communications systems	9,882			20
21		27	Signals and interlockers	42,866			21
22		29	Power plants	0			22
23		31	Power transmission systems	1,141			23
24		35	Miscellaneous structures	425			24
25		37	Roadway machines	11,541			25
26		39	Public improvements, construction	16,327			26
27		45	Power plant machines	0			27
28			Other lease/rentals	N/A	48,813	N/A	28
29			TOTAL	886,646	48,813		29

**414 RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT-CARRYING EQUIPMENT**  
(Dollars in Thousands)

- 1 Report freight expenses only
- 2 Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad-owned or leased equipment and privately-owned equipment. Reporting for leased equipment covers equipment with the carrier's own railroad markings
- 3 The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedules 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415
- 4 Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars
- 5 Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte No. 334 for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17
- NOTE Mechanical designations for each car type are shown in Schedule 710

Line No	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE			GROSS AMOUNTS PAYABLE				Line No
			Per diem basis			Per diem basis				
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)		
CAR TYPES										
1		Box - Plain 40 Foot		0	2	0	0			1
2		Box - Plain 50 Foot and Longer		11	12	30,275	1,770		5,739	2
3		Box - Equipped		7,448	21,147	9,363	37,825		94,271	3
4		Gondola - Plain		217	341	3,819	2,478		3,693	4
5		Gondola - Equipped		1,792	6,843	6	11,377		27,880	5
6		Hopper - Covered		6,942	24,735	74,897	14,499		37,703	6
7		Hopper - Open Top - General Service		1,576	3,499	85	1,072		1,579	7
8		Hopper - Open Top - Special Service		49	239	0	897		2,378	8
9		Refrigerator - Mechanical		5,134	9,350	181	65		706	9
10		Refrigerator - Non-Mechanical		1,266	3,268	696	1,843		4,306	10
11		Flat - TOFC/COFC		1,676	7,151	115,446	19,658		60,298	11
12		Flat - Multi-Level		2,103	3,241	101,309	6,706		10,651	12
13		Flat - General Service		2	6	0	179		231	13
14		Flat - Other		699	2,093	37,955	16,516		41,173	14
15		Tank - Under 22,000 Gallons		0	0	6,644	0		0	15
16		Tank - 22,000 Gallons and Over		0	1	12,898	0		4	16
17		All Other Freight Cars		1	1	93	85		296	17
18		Auto Racks		0	44,162	0	0		41,838	18
19		TOTAL FREIGHT TRAIN CARS	0	28,916	126,091	393,667	114,968		332,746	19
OTHER FREIGHT-CARRYING EQUIPMENT										
20		Refrigerated Trailers								20
21		Other Trailers							14,859	21
22		Refrigerated Containers								22
23		Other Containers								23
24	*	TOTAL TRAILERS AND CONTAINERS	0	0	0	0	0		14,859	24
25		GRAND TOTAL (Lines 19 and 24)	0	28,916	126,091	393,667	114,968		347,605	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)
				Owned (c)	Capital lease (d)	
		LOCOMOTIVES				
1		Diesel Locomotive - Yard	32,195	6,504	0	1
2		Diesel Locomotive - Road	488,912	118,780	88,889	2
3		Other Locomotive - Yard				3
4		Other Locomotive - Road				4
5	*	TOTAL LOCOMOTIVES	521,107	125,284	88,889	5
		FREIGHT TRAIN CARS				
6		Box - Plain-40 foot	36	3	0	6
7		Box - Plain-50 foot and Longer	622	6,060	135	7
8		Box - Equipped	44,971	10,908	1,135	8
9		Gondola - Plain	7,284	6,144	217	9
10		Gondola - Equipped	21,854	3,286	1,081	10
11		Hopper - Covered	59,597	13,665	159	11
12		Hopper - Open Top Gen Svc	26,554	9,111	5,050	12
13		Hopper - Open Top Spec Svc	6,053	1,289	0	13
14		Refrigerator - Mechanical	47,083	2,770	0	14
15		Refng - Non-mechanical	2,011	3,178	1,354	15
16		Flat - TOFC/COFC	72	23	865	16
17		Flat - Multi-level	0	1,931	0	17
18		Flat - General Service	159	170	0	18
19		Flat - Other	7,284	3,391	0	19
20		All Other Freight Cars	290	72	0	20
21		Cabooses	98	509	0	21
22		Auto Racks	1,220	18,946	0	22
23		Misc. Accessories	0	973	0	23
24	*	TOTAL FREIGHT TRAIN CARS	225,188	82,429	9,996	0 24
		OTHER EQUIPMENT-REVENUE FREIGHT				
25		Refrigerated Trailers				25
26		Other Trailers	37,208	46	0	26
27		Refrigerated Containers				27
28		Other Containers				28
29		Bogies				29
30		Chassis				30
31		Other Highway Equip (Freight)				31
32	*	TOTAL HIGHWAY EQUIPMENT	37,208	46	0	0 32
		FLOATING EQUIP-REVENUE SERVICE				
33		Manne Line-Haul				33
34		Local Marine				34
35	*	TOTAL FLOATING EQUIPMENT	0	0	0	0 35
		OTHER EQUIPMENT				
36	*	Pass and Other Revenue Equip (Freight Portion)	1,034	15		36
37	*	Comp Sys & Word Proc Equip	29,629	39,919		37
38	*	Machinery - Locomotives (1)	2,390	2,059		38
39	*	Machinery - Freight Cars (2)	4,023	915		39
40	*	Machinery - Other Equipment (3)	701	2		40
41	*	Work and Non-revenue Equip	19,711	4,321	16	41
42		TOTAL OTHER EQUIPMENT	57,488	47,231	16	0 42
43		TOTAL ALL EQUIPMENT (Freight Portion)	840,991	254,990	98,901	0 43

- (1) Data reported on line 38, column (b) is the amount reported in Schedule 410, column (f), line 203 reduced by the allocated portion of line 216.
- (2) Data reported on line 39, column (b) is the amount reported in Schedule 410, column (f), line 222, reduced by the allocable portion of line 235
- (3) Data reported on line 40, column (b) is the amount reported in Schedule 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320

## 415 SUPPORTING SCHEDULE -- EQUIPMENT - Concluded

(Dollars in Thousands)

Line No	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		0	138,472	0	38,017	0	1
2		299,902	2,793,002	1,967,088	952,228	634,338	2
3							3
4							4
5	*	299,902	2,931,474	1,967,088	990,245	634,338	5
6		0	23	0	16	0	6
7		4,289	122,409	0	56,739	0	7
8		3,676	247,157	16,435	114,410	8,864	8
9		7,149	182,386	0	92,446	0	9
10		9,191	91,219	18,368	30,438	12,878	10
11		42,892	435,424	1,941	173,014	862	11
12		408	280,127	80,216	173,079	45,240	12
13		12,663	38,270	0	14,772	0	13
14		6,332	72,996	0	21,246	0	14
15		2,042	62,225	25,783	17,239	14,825	15
16		99,673	371	16,023	33	9,518	16
17		0	37,057	0	32,031	0	17
18		1,225	5,083	0	2,397	0	18
19		1,838	104,005	0	41,532	0	19
20		408	1,459	0	130	0	20
21		0	7,383	0	3,625	0	21
22		12,461	465,480	0	228,455	0	22
23		0	23,235	0	3,871	0	23
24	*	204,247	2,176,309	158,766	1,005,473	92,187	24
25							25
26		52,067	1,775		1,685		26
27							27
28							28
29							29
30							30
31							31
32	*	52,067	1,775	0	1,685	0	32
33							33
34							34
35	*	0	0	0	0	0	35
36	*		0		0		36
37	*	7,359	292,289		91,683		37
38	*		102,122		24,086		38
39	*		48,680		16,274		39
40	*		3,211		606		40
41	*	48,833	158,729	0	48,833	0	41
42		56,192	605,031	0	174,092	0	42
43		612,408	5,714,589	2,125,854	2,171,495	726,525	43

- (1) Data reported on lines 38, 39, and 40 in columns (g) and (h) are investment recorded in property account 44, allocated to locomotives freight cars, and other equipment
- (2) Depreciation reported on lines 38, 39, and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for the property account 44. And then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335



416 SUPPORTING SCHEDULE - ROAD  
(Dollars in Thousands)

Line No	Density Category (Class) (a)	Account No. (b)	Owned and Used			Improvements to Leased Property			Capitalized leases			TOTAL		Line No
			Investment Base (c)	Accumulated Depreciation (d)	Depr rate % (e)	Investment Base (f)	Accumulated Depreciation (g)	Depr rate % (h)	Investment Base (i)	Current Year Amortization (j)	Accumulated Amortization (k)	Investment Base (l)	Accumulated Depreciation & Amortization (m)	
1	I	3	1,468,212	146,084	1.14							1,468,212	146,084	1
2		8	2,963,048	739,339	4.54							2,963,048	739,339	2
3		9	4,876,197	2,238,022	5.40							4,876,197	2,238,022	3
4		11	1,725,372	288,477	2.94							1,725,372	288,477	4
5	SUB-TOTAL		11,032,829	3,411,922					0	0	0	11,032,829	3,411,922	5
6	II	3	493,493	29,276	1.14							493,493	29,276	6
7		8	1,064,813	329,592	4.64							1,064,813	329,592	7
8		9	1,638,977	448,513	1.32							1,638,977	448,513	8
9		11	532,105	103,668	2.94							532,105	103,668	9
10	SUB-TOTAL		3,729,388	911,050					0	0	0	3,729,388	911,050	10
11	III	3	5,239	N/A	N/A		N/A	N/A		N/A	N/A	5,239	0	11
12		8	10,316	N/A	N/A		N/A	N/A		N/A	N/A	10,316	0	12
13		9	17,400	N/A	N/A		N/A	N/A		N/A	N/A	17,400	0	13
14		11	5,891	N/A	N/A		N/A	N/A		N/A	N/A	5,891	0	14
15	SUB-TOTAL		38,845	N/A	N/A		N/A	N/A		N/A	N/A	38,845	0	15
16	IV	3	649,425	34,760	1.14							649,425	34,760	16
17		8	960,433	300,757	4.67							960,433	300,757	17
18		9	2,156,857	532,531	3.44							2,156,857	532,531	18
19		11	434,991	79,190	2.94							434,991	79,190	19
20	SUB-TOTAL		4,201,705	947,238					0	0	0	4,201,705	947,238	20
21	V	3	27,476	3,428	1.14							27,476	3,428	21
22		8	51,627	21,799	4.69							51,627	21,799	22
23		9	91,252	52,516	3.44							91,252	52,516	23
24		11	27,909	6,277	2.94							27,909	6,277	24
25	SUB-TOTAL		198,264	84,020								198,264	84,020	25
26	GRAND TOTAL	N/A	19,201,031	5,354,230	N/A				0	0	0	19,201,031	5,354,230	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, such as administrative 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	8,120					0	0		8,120	1
2	*	Pick up and delivery, marine line haul	29,788					2,717	N/A		32,505	2
3	*	Loading and unloading and local marine	120,600					26,785	N/A		147,385	3
4	*	Protective services, total debit and credits	0					240	0		240	4
5	*	Freight lost or damaged-solely related	0					0	0		0	5
6	*	Fringe benefits	3,230					0	0		3,230	6
7	*	Casualty and insurance	1,096					244	0		1,340	7
8	*	Joint facility - Debit	0					0	0		0	8
9	*	Joint facility - Credit	(86)					0	0		(86)	9
10	*	Other	535					0	0		535	10
11	*	TOTAL	163,283					29,986	0		193,269	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	4,898,562	1,967,088	88,889	634,338
53 Freight-Train Cars	2,335,075	158,766	9,996	92,187
57 Work Equipment	133,594	0	16	0
TOTAL	7,367,231	2,125,854	98,901	726,525

**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	230,440	1
		U.S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	(78,461)	2
3		Excess Profits	0	3
4	*	Total - Income Taxes L 2 + 3	(78,461)	4
5		Railroad Retirement	583,820	5
6		Hospital Insurance	50,028	6
7		Supplemental Annuities	0	7
8		Unemployment Insurance	19,474	8
9		All Other United States Taxes	60,165	9
10		Total - U S Government Taxes	635,026	10
11		Total - Railway Taxes	865,466	11

## B. Adjustments to Federal Income Taxes

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

Line No	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No
1	Accelerated depreciation, Sec 167 I R C Guideline lives pursuant to Rev Proc 62-21	8,505,882	361,913		8,867,795	1
2	Accelerated amortization of facilities, Sec 168 I R C					2
3	Accelerated amortization of rolling stock, Sec 184 I R C					3
4	Amortization of rights of way, Sec 185 I R C					4
5	Other (Specify)					5
6	Retirement Benefits	(247,221)	(24,517)	(58,295)	(330,033)	6
7	Deferred State Income Taxes - Net	608,714	(34,258)	(28,756)	545,700	7
8	Tax Loss Carryforwards	0	(14,950)		(14,950)	8
9	Alternative Minimum Tax Credit Carryforwards	(96,313)	21,035		(75,278)	9
10	Other Items	(45,261)	6,528	1,609	(37,124)	10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*				0	18
19	TOTALS	8,725,801	315,751	(85,442)	8,956,110	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.

42,715

## 460 ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR

(Dollars in Thousands)

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

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

Line No	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No
1					1
2	603	Appropriations Released			2
3		- First Mortgage		772	3
4		- General Mortgage Bond		688	4
5		- Income Debenture (CE&I)		123	5
6		TOTAL		1,583	6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14	620	Appropriations Established			14
15		- General Mortgage Bond	688		15
16		- Income Debenture (CE&I)	123		16
17					17
18		TOTAL	811		18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

## MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS



## 501. GUARANTEES AND SURETYSHIPS

(Dollars in Thousands)

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

Line No	Names of all parties principally and primary liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No
1	Terminal RR Association of St. Louis				1
2	Union Pacific Railroad Company	Sinking Fund & Int. on RFT & Mtge	3,339	Joint	2
3	Burlington Northern Santa Fe Railway Co	Bonds Series C due 7-1-2019			3
4	CSX Transportation, Inc	(FD 14553)			4
5	Canadian National/Illinois Central				5
6	Norfolk Southern Railway Co				6
7					7
8					8
9	Union Pacific Railroad Company	Helm - Pacific Leasing - various lease agreements	3,600	Sole	9
10					10
11					11
12	Union Pacific Railroad Company	Equipment Management Provider Venture	1,350	Sole	12
13		container and chassis rental			13
14					14
15					15
16	Union Pacific Railroad Company	Crow Lodging Facilities	19,023	Sole	16
17					17
18					18
19					19
20	Kansas City Terminal Flyover				20
21	Union Pacific Railroad Company	6.8884% Railway Bridge System Bond	65,115	Joint	21
22	Burlington Northern Santa Fe Railway Co				22
23					23
24					24
25	Union Pacific Railroad Company	Japanese Leverage Lease Yen Deposit	91,511	Sole	25
26					26
27					27
28	Union Pacific Railroad Company	Headquarters Building - Synthetic Lease	206,000	Sole	28
29					29
30					30
31	Union Pacific Railroad Company	Kansas and Missouri Highline Project	55,360	Sole	31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

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

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

## 502 COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in Thousands)

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

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

The Company has outstanding letters of credit in the amount of \$30.6 million with various banks under which no borrowings were outstanding at December 31, 2004.

**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	0	1
2	764	Equip. Obligations and Other Debt due within one year	Sch 200, L 39	152,743	2
3	765/767	Funded Debt Unmatured	Sch 200, L 41	305,778	3
4	766	Equipment Obligations	Sch 200, L 42	185,903	4
5	766 5	Capitalized Lease Obligations	Sch 200, L 43	1 317,684	5
6	768	Debt in Default	Sch 200, L 44	0	6
7	769	Accounts Payable, Affiliated Companies	Sch. 200, L. 45	4,689,590	7
8	770 1/770 2	Unamortized Debt Premium	Sch 200, L 46	(66,524)	8
9		Total Debt	Sum L 1-8	6,585,174	9
10		Debt Directly Related to Road Property	Note 1	84,334	10
11		Debt Directly Related to Equipment	Note 1	1,728,833	11
12		Total Debt Directly Related to Road & Equipment	Sum L 10 and L 11	1,813,167	12
13		Percent Directly Related to Road	L 10 divided by L 12 Whole % plus 2 decimals	4.65%	13
14		Percent Directly Related to Equipment	L 11 divided by L 12 Whole % plus 2 decimals	95.35%	14
15		Debt Not Directly Related to Road or Equipment	L 9 minus L 12	4 772,007	15
16		Road Property Debt (Note 2)	(L 13 x L 15) plus L 10	306,232	16
17		Equipment Debt (Note 2)	(L 14 x L 15) plus L 11	6,278,942	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	491,457	18
19	546	Contingent Interest on Funded Debt	Sch 210, L 44	7,656	19
20	517	Release of Premium on Funded Debt	Sch 210, L 22	7,255	20
21		Total Interest (Note 3)	(L 18 + L 19) minus L 20	491,858	21
22		Interest Directly Related to Road Property Debt	Note 4	4,528	22
23		Interest Directly Related to Equipment Debt	Note 4	142,011	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L 21 minus (L 22 + L 23)	345,319	24
25		Interest on Road Property Debt (Note 5)	L 22 plus (L 24 x L 13)	20,585	25
26		Interest on Equipment Debt (Note 5)	L 23 plus (L 24 x L 14)	471,273	26
27		Embedded Rate of Debt Capital - Road Property	L 25 divided by L 16	6.72%	27
28		Embedded Rate of Debt Capital - Equipment	L 26 divided by L 17	7.51%	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)
1	Union Pacific Corporation		Controlled	Various (see below)	(317,000)	4,690,000 (P)
2	Wasatch Insurance Ltd.		Common	Insurance	33,769	
3	Transcontinental Surety		Common	Insurance	10,575	
4	of Vermont					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

Balance 12-31-03	4,373,000
Interest Expense	344,000
Dividends	312,000
Financing & Other	(339,000)
Balance 12-31-04	<u>4,690,000</u>

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

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

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

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

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a cleaning 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 case 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

Owned Spendent	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)				
	26,178	3,912	334	2,956	3,684	7,595	44,659	1
								2
							-	3
							-	4
					3	32	35	5
	1				10	9	20	6
							-	7
							-	8
							-	9
	581	219	45	60	39	175	1,119	10
							-	11
	2						2	12
	584	219	45	60	52	216	1,176	13
								14
	26,762	4,131	379	3,016	3,736	7,811	45,835	15
								16
	17	9		2		87	115	17
	2					4	6	18
	19	9	-	2	-	91	121	19
								20
	23						23	21
	320			16	22	73	431	22
	343	-	-	16	22	73	454	23
								24
								25
							-	26
							-	27
	-	-	-	-	-	-	-	28
								29
								30
								31
	5,492	1,457	116	82	173	147	7,467	32
							-	33
	5,492	1,457	116	82	173	147	7,467	34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46
								47
								48
								49
								50
								51
								52
								53
								54
								55
								56
	32,616	5,597	495	3,116	3,931	8,122	53,877	57
Electrified road included in grand total	N/A							58

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

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

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

Line No	Cross Check	State or Territory (a)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No
1		Arizona	692					692	51		1
2		Arkansas	1,337		5		2	1,344	140		2
3		California	2,917				538	3,455	636		3
4		Colorado	1,157				349	1,506	207		4
5		Idaho	865				4	869	42		5
6		Illinois	1,583	19	2		643	2,247	8		6
7		Indiana					4	4			7
8		Iowa	1,400				95	1,495	6		8
9		Kansas	1,606				642	2,248	377		9
10		Louisiana	1,084				58	1,142	22		10
11		Minnesota	447				221	668	16		11
12		Missouri	1,017		24		489	1,530	338		12
13		Montana	125					125	52		13
14		Nebraska	984				91	1,075	254		14
15		Nevada	1,199					1,199			15
16		New Mexico	560				83	643			16
17		Oklahoma	516		312		353	1,181	19		17
18		Oregon	880				205	1,085	417		18
19		Tennessee	11				5	16	2		19
20		Texas	5,268				1,120	6,388	335		20
21		Utah	1,333					1,333	6		21
22		Washington	298				260	558	73		22
23		Wisconsin	601				331	932	112		23
24		Wyoming	881					881			24
25											25
26											26
27											27
28											28
29											29
30											30
31		TOTAL MILEAGE (single track)	26,761	19	343	0	5,493	32,616	3,113		31
32											32

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

1. Includes 346 flat cars and 82 locomotives rebuilt in previous years but financially complete this year.
2. Excludes 1 truck engine switcher, 1 production undercutter, and 1 track evaluation car purchased and 20 box equipped cars rebuilt but not financially complete this year.

## 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 at Close of Year					Line No
				Units installed				Units retired from service of respondent whether owned or leased including reclassification (g)	Units at Close of Year					
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h)+(i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)	Leased to others (l)	
1		LOCOMOTIVE UNITS Diesel-freight units										(H P )	1	
2		Diesel-passenger units	55					0	5	50		55	173,800	2
3		Diesel-multiple purpose units	6,664	17	376	0	54	59	3,344	3,708		7,052	26,390,735	3
4		Diesel-switching units	473			0	2	7	441	27		468	762,000	4
5	*	TOTAL (lines 1 to 4) units	7,192	17	376	0	56	66	3,790	3,785		7,575	27,326,535	0
6	*	Electric-locomotives												6
7	*	Other self-powered units (steam)	2						2			2	N/A	7
8	*	TOTAL (lines 5, 6 and 7)	7,194	17	376	0	56	66	3,792	3,785		7,577	27,326,535	0
9	*	Auxiliary units	57			48			105			105	N/A	9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	7,251	17	376	48	56	66	3,897	3,785		7,682	27,326,535	0

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

Line Cross No	Type of design of units  (a)	Before Jan 1, 1980  (b)	Between Jan 1 1980 and Dec 31, 1984  (c)	Between Jan 1, 1985 and Dec 31, 1989  (d)	Between Jan 1, 1990 and Dec 31, 1994  (e)	Between Jan 1, 1995 and Dec 31, 1999  (f)	During Calendar Year						TOTAL  (l)	Line No
							2000  (g)	2001  (h)	2002  (i)	2003  (j)	2004  (k)			
11	Diesel	1,912	699	650	857	1,317	451	500	527	269	393	7,575	11	
12	Electric												12	
13	Other self-powered units (steam)	2										2	13	
14	TOTAL (lines 11 to 13)	1,914	699	650	857	1,317	451	500	527	269	393	7,577	14	
15	Auxiliary units	40	58		3	4						105	15	
16	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	1,954	757	650	860	1,321	451	500	527	269	393	7,682	16	

# INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data

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

## 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)

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

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

710 INVENTORY OF EQUIPMENT - Continued														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT AND LEASED FROM OTHERS														
Line No	Cross Check	Type of design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year					Units retired from service of respondent whether owned or leased including reclassification (g)	Units at Close of Year				Line No
				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)	Now 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)	232							232		232		17
18		Combined cars (All class C except CSB)												18
19		Parlor cars (PBC,PT,PAS,PDS)												19
20		Sleeping cars (PS,PT,PAS,PDS)												20
21		Dining, grill and tavern cars (All class D, PD)												21
22		Non-passenger-carrying cars (All Class B,CSB,M,PSA,IA)												22
23		TOTAL (lines 17 to 22)	232	0	0	0	0	0	0	232	0	232		23
24		Self-Propelled Electric passenger cars (EP,ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED, EG)												26
27		Other self-propelled cars (Specify types)	79							79		79		27
28		TOTAL (lines 24 to 27)	79	0	0	0	0	0	0	79	0	79		28
29		TOTAL (lines 23 to 28)	311	0	0	0	0	0	0	311	0	311		29
30		COMPANY SERVICE CARS Business car (PV)	78							78		78		30
31		Board outfit cars (MWX)	140			0	2			142		142		31
32		Derrick and snow removal cars (MWU,MWV,MWW,MWK)	46				6		0	52		52		32
33		Dump and ballast cars (MWB,MWD)	2,765				262		0	3,027		3,027		33
34		Other maintenance and service equipment cars	3,248		0		579		0	3,827		3,827		34
35		TOTAL (lines 30 to 34)	6,277	0	0	0	849		0	7,126		7,126		35

## 710 INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

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

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

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No
			Time-mileage cars (b)	All others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS  Plain box cars - 40' (B1_, B2_)	2					0	36
37		Plain box cars - 50' longer (B3_0-7 B4_0-7 B5_, B6_, B7_, B8_)	84					0	37
38		Equipped box cars (All Code A, Except A_5_)	18 605					2 195	38
39		Plain gondola cars (All Codes G & J_1,J_2 J_3,J_4)	2,501					1,348	39
40		Equipped gondola cars (All Code E)	12,454			157		0	40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	29,374			290		7,840	41
42		Open top hopper cars--general service (All Code H)	13,441					3 166	42
43		Open top hopper cars--special service (J_0,J_5, J_6, J_7 J_8 J_9, and K)	48					2,776	43
44		Refrigerator cars -- mechanical (R_5_, R_6_, R_7_, R_8_ R_9_)	4 817			410		0	44
45		Refrigerator cars -- non-mechanical (R_0_, R_1_, R_2_)	19					12	45
46		Flat cars -- TOFC/COFC (All Code P, Q and S, Except Q8_)	538					0	46
47		Flat cars -- multi-level (All Code V)	1,792					0	47
48		Flat cars -- general service (F10_, F20_, F30_)	315					0	48
49		Flat cars -- other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6) (F_8_, F40_)	3,815					0	49
50		Tank cars -- under 22,000 gallons (T_0 T_1, T_2 T_3, T_4, T_5)	0					0	50
51		Tank cars -- 22,000 gallons and over (T_6, T_7 T_8, T_9)	0					0	51
52		All other freight cars (A_5_, F_7_, All Code L and Q8_)	0					20	52
53		TOTAL (lines 36 to 52)	87,805	0	0	857	0	17,357	53
54		Caboose (All Code M-930)	N/A	7					54
55		TOTAL (lines 53 and 54)	87,805	7	0	857	0	17,357	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	1	1	0	1		77		36
37	6	76	2	78		6,077		37
38	0	13,456	7,344	20,800		1 713,502		38
39	0	837	3 012	3 849		430,634		39
40	490	8 452	3,669	12,121		1,195,206		40
41	0	18 405	19,099	37,504		3,898 407		41
42	0	10 179	6 428	16 607		1,556 321		42
43	0	1,371	1,453	2,824		279 400		43
44	211	2,355	2,661	5,016		363,331		44
45	0	29	2	31		2,347		45
46	24	25	489	514		141 459		46
47	148	1 206	438	1,644		58,633		47
48	240	75	0	75		6,091		48
49	259	2 292	1 264	3,556		355,514		49
50	0	0	0	0		0		50
51	0	0	0	0		0		51
52	0	20	0	20		1,928		52
53	1 379	58 779	45,861	104,640	0	10,008,927	0	53
54	7	0	0	0	0	0		54
55	1 386	58,779	45,861	104,640	0	10,008,927	0	55



## 710 INVENTORY OF EQUIPMENT - Continued

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

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No
			Per diem (b)	All others (c)	Units installed				
					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)	
56		FLOATING EQUIPMENT Self-propelled vessels (Tugboats, car ferries, etc )							56
57		Non-self-propelled vessels (Car floats, lighters, etc )							57
58		TOTAL (lines 56 and 57)							58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __	20 410			4,391			59
60		Dry van U2 __, Z __, Z6 __, 1-6							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 Z0 __, U6 __ (See Note)							66
67		Other trailer and container (Special equipped dry van U9 __, Z8 __, Z9 __)	21 789			4,140			67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 and 69)	42,199		0	8,531	0	0	70

## NOTES AND REMARKS

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

## 710 INVENTORY OF EQUIPMENT - Concluded

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

Line No	Cross Check	Changes during the year (Concluded)	Units at Close of Year						Line No
		Units retired from service of respondent whether owned or leased, including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in cols (k) & (l) (see ins 4) (m)	Leased to others (n)	
					Per diem (k)	All other (l)			
56									56
57									57
58									58
59			0	24,801	24,801				59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67		1,147	128	24,654	24,782				67
68									68
69									69
70		1,147	128	49,455	49,583				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	<b>LOCOMOTIVES</b>					1
2	C44AC	11	2,283	19,562,833		2
3	SD70M	6	1,224	8,376,000		3
4						4
5	<b>FREIGHT CARS</b>					5
6	MECHANICAL REFRIGERATOR CARS	24	1,272	3,133,560		6
7						7
8	<b>WORK EQUIPMENT</b>					8
9	CONVEYOR HOPPER CARS	2	93	328,272		9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17	<b>1/ 2/ TOTAL</b>	<b>43</b>	<b>N/A</b>	<b>31,400,665</b>		<b>17</b>
<b>REBUILT UNITS</b>						
18	<b>LOCOMOTIVES</b>					18
19	GP38-2	49	6,738	10,424,962		19
20	MP15AC	33	4,321	7,020,893		20
21						21
22	<b>FREIGHT CARS</b>					22
23	FLAT CARS	376	16,300	17,709,177		23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40
41	<b>1/ 2/ TOTAL</b>	<b>458</b>	<b>N/A</b>	<b>\$35,155,032</b>		<b>41</b>
42						42
43	<b>1/ 2/ GRAND TOTAL</b>	<b>501</b>	<b>N/A</b>	<b>\$66,555,697</b>	<b>N/A</b>	<b>43</b>

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	21,111	67.01	N/A	1,164
2	B	8,365	11.03	N/A	415
3	C	2,867	2.42	N/A	116
4	D	2,334	0.25	N/A	33
5	E	11,733	XXXXXXX	XXXXXXX	XXXXXXX
6	TOTAL	46,410	32.30		1,728
7	F	6,219	XXXXXXX	XXXXXXX	XXXXXXX
8	Potential abandonments	447			

\* 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 crossties laid in replacement										Crossties switch and bridge ties Percent of spot maintenance (k)	Switch and bridge ties (board feed) (j)	Line No
		New ties				Second-hand ties								
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)						
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)							
1	A	2,100,965		366,180	27,735	2,541		1,005	2,498,426	2,420,672	N/A	1		
2	B	1,311,518		5,374	0			15,284	1,332,176	1,952,599		2		
3	C	14,256		58	0			166	14,480	21,224		3		
4	D	99,789		409	0			1,163	101,361	148,567		4		
5	E	584,437		2,421	1,005			24,547	612,410	3,181,765		5		
6	TOTAL	4,110,965		374,442	28,740	2,541		42,165	4,558,853	7,724,827		6		
7	F											7		
8	Potential abandonment											8		
9	Average cost per crossties \$36.13 and switches (MBM) \$819.87											9		

\*\* Concrete and steel switch ties are not included in column (j). In lieu of board measure, number of steel switch ties was 205 at an average cost of \$88.36  
 The number of concrete switch ties was 1134 at an average cost of \$266.27

N/A - Information is not available

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

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

In column (a) classify the ties as follows

U - Wooden ties untreated when applied

T - Wooden ties treated before application

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

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

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

Line No	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of new cross-ties laid during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	95,392	\$42.66	\$4,070	220,905	\$1,242.38	\$274	New	1
2	T	222	18.41	4				Secondhand	2
3	S	120,247	50.92	6,123				Concrete	3
4	S				1,133	295	334	Concrete - Reported per tie in lieu of board measure	4
5	S							Steel	5
6	S				123		10	Steel - Reported per tie in lieu of board measure	6
7	S							Plastic	7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20	TOTAL	215,861		\$10,196	N/M		\$619		20
21	Number of miles of new running tracks, crossovers, etc. in which ties were laid N/A								21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid N/A								22

## 723. RAILS LAID IN REPLACEMENT

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

Line No.	Track category (a)	Miles of rail laid in replacement (rail miles)					Total		Percent of spot maintenance (h)	Line No.
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)			
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)					
1	A	664.58	3.46	20.84	11.52	685.42	14.98	N/A	1	
2	B	475.33	2.21	277.19	34.28	752.52	36.49	N/A	2	
3	C	37.81	0.18	22.05	2.73	59.86	2.91	N/A	3	
4	D	27.01	0.13	15.75	1.95	42.76	2.08	N/A	4	
5	E	50.95	5.40	193.21	22.32	244.16	27.72	N/A	5	
6	TOTAL	1,255.68	11.38	529.04	72.80	1,784.72	84.18	N/A	6	
7	F							N/A	7	
8	Potential abandonment							N/A	8	
9	Average cost of new and relay rail laid in replacement per gross ton			New	\$556	Relay	\$301		9	

N/A - Information is not available.

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

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

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

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

2 Returns in columns (c) and (g) should be reported in WHOLE numbers. Fractions of less than one-half should be disregarded and fractions of one-half or more should be counted as one.

3 The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks, as well as train service in connection with the distribution of the rail should not be included in this schedule.

Line No	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No	
		Weight of rail		Total cost of rail applied in running tracks, passing tracks, cross-overs etc. during year (d)	Average cost per ton (2,000 lbs ) (e)	Weight of rail		Total cost of rail applied in yard station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lbs ) (i)		
		Pounds per yard of rail (b)	Number of tons (2,000 lbs ) (c)			Pounds per yard of rail (f)	Number of tons (2 000 lbs ) (g)				
1	2	115	0	\$0	\$0	115	5	\$2	\$485	1	
2	2	133	76	37	486	133	36	20	545	2	
3	2	136	860	526	612	136	2,217	1 255	566	3	
4	2	141	10,260	5 908	576	141	136	78	575	4	
5										5	
6										6	
7	4	90	0	0	0	90	137	35	259	7	
8	4	112	0	0	0	112	290	88	304	8	
9	4	115	20	5	252	115	997	315	316	9	
10	4	119	67	21	308	119	8	2	307	10	
11	4	131	155	49	315	131	623	196	315	11	
12	4	133	356	108	303	133	4,625	1,402	303	12	
13	4	136	0	0	0	136	717	221	309	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	11,794	\$6,654		N/A	9 790	\$3,616		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 <u>      </u> N/A <u>      </u> total to date <u>      </u> N/A <u>      </u>										36



## 725 WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	Pounds				
1					1
2	141	1,185			2
3	140	11			3
4	136	8,388			4
5	133	11,187			5
6	132	956			6
7	131	543			7
8	130	6			8
9	128	5			9
10	127	8			10
11	122	5			11
12	119	1,727			12
13	115	2,981			13
14	113	589			14
15	112	2,182			15
16	110	169			16
17	106	5			17
18	100	402			18
19	90	547			19
20	85	149			20
21	80	71			21
22	75	68			22
23	72	22			23
24	70	14			24
25	65	0			25
26	60	5			26
27	Under 60	0			27
28					28
29	TOTAL	31,224			29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46

## 726 SUMMARY OF TRACK REPLACEMENTS

- 1 Furnish the requested information concerning the summary of track replacements  
 2 In columns (d), (e), (g), and (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)		Cubic yards of ballast placed (h)	Miles surfaced (i)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)						
1	A	2,498,426	2,420,672	4 5%	N/A	700 40	1 7%	3,698,692	7,324	34 7%	1
2	B	1,332,176	1,952,599	6 0%	N/A	789 01	4 7%	794,237	1,270	15 2%	2
3	C	14,480	21,224	0 2%	N/A	62 77	1 1%	63,455	125	4 4%	3
4	D	101,361	148,567	1 6%	N/A	44 84	1 0%	104,581	187	8 0%	4
5	E	612,410	3,181,765	2 0%	N/A	271 88	1 2%	74,190	37	0 3%	5
6	TOTAL	4,558,853	7,724,827	3 7%	N/A	1,868 90	2 0%	4,735,155	8,943	19 3%	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	1,233,065,704		1
2	Passenger	10,366,459		2
3	Yard switching	144,245,710		3
4	TOTAL	1,387,677,873		4
5	COST OF FUEL \$(000)	\$1,689,215		5
6	Work Train	7,475,368		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 locomotive 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 lien 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)	32,616		1
2		2 Train Miles - Running (B)			2
		2-01 Unit Trains	43,410,438	XXXXXX	
3		2-02 Way Trains	7,168,097	XXXXXX	3
4		2-03 Through Trains	112,597,979	0	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	163,176,514	0	5
6		2-05 Motorcars (C)	0	0	6
7		2-07 TOTAL ALL TRAINS (lines 5 and 6)	163,176,514	0	7
		3 Locomotive Unit Miles (D)			
8		Road Service (E)			
		3-01 Unit Trains	121,965,434	XXXXXX	8
9		3-02 Way Trains	16,083,059	XXXXXX	9
10		3-03 Through Trains	294,021,771	0	10
11		3-04 TOTAL (lines 8-10)	432,070,264	0	11
12		3-11 Train Switching (F)	28,186,488	XXXXXX	12
13		3-21 Yard Switching (G)	32,516,292	0	13
14		3-31 TOTAL ALL SERVICES (line 11-13)	492,773,044	0	14
		4 Freight Car-Miles (thousands) (H)			
15		4-01 RR Owned and Leased Cars - Loaded			
		4-010 Box-Plain 40-Foot	0	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	14,028	XXXXXX	16
17		4-012 Box-Equipped	416,154	XXXXXX	17
18		4-013 Gondola-Plain	127,258	XXXXXX	18
19		4-014 Gondola-Equipped	150,544	XXXXXX	19
20		4-015 Hopper-Covered	414,829	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	267,792	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	92,508	XXXXXX	22
23		4-018 Refrigerator-Mechanical	79,307	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	60,060	XXXXXX	24
25		4-020 Flat-TOFC/COFC	952,469	XXXXXX	25
26		4-021 Flat-Multi-Level	76,301	XXXXXX	26
27		4-022 Flat-General Service	975	XXXXXX	27
28		4-023 Flat-All Other	150,256	XXXXXX	28
29		4-024 All Other Car Types-Total	5,162	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	2 807,643	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	0	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	11,429	XXXXXX	32
33		4-112 Box-Equipped	326,721	XXXXXX	33
34		4-113 Gondola-Plain	126,366	XXXXXX	34
35		4-114 Gondola-Equipped	121,097	XXXXXX	35
36		4-115 Hopper-Covered	417,220	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	280,152	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	93,649	XXXXXX	38
39		4-118 Refrigerator-Mechanical	53,436	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	46,410	XXXXXX	40
41		4-120 Flat-TOFC/COFC	74,896	XXXXXX	41
42		4-121 Flat-Multi-Level	39,619	XXXXXX	42
43		4-122 Flat-General Service	1,010	XXXXXX	43
44		4-123 Flat-All Other	132,736	XXXXXX	44
45		4-124 All Other Car Types	1,090	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,725,831	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	94,552	XXXXXX	48
49		4-132 Box-Equipped	34,435	XXXXXX	49
50		4-133 Gondola-Plain	787,231	XXXXXX	50
51		4-134 Gondola-Equipped	20,052	XXXXXX	51
52		4-135 Hopper-Covered	691,672	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	14,344	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	447,137	XXXXXX	54
55		4-138 Refrigerator-Mechanical	9,257	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	6,939	XXXXXX	56
57		4-140 Flat-TOFC/COFC	337,600	XXXXXX	57
58		4-141 Flat-Multi-Level	626,664	XXXXXX	58
59		4-142 Flat-General Service	83	XXXXXX	59
60		4-143 Flat-All Other	118,187	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	165,423	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	320,693	XXXXXX	62
63		4-146 All Other Car Types	4,915	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	3,679,184	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	65
		4-150 Box-Plain 40-Foot	0	XXXXXX	
66		4-151 Box-Plain 50-Foot and Longer	32,437	XXXXXX	66
67		4-152 Box-Equipped	23,545	XXXXXX	67
68		4-153 Gondola-Plain	1,099,956	XXXXXX	68
69		4-154 Gondola-Equipped	23,474	XXXXXX	69
70		4-155 Hopper-Covered	687,749	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	32,872	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	511,682	XXXXXX	72
73		4-158 Refrigerator-Mechanical	8,793	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	5,900	XXXXXX	74
75		4-160 Flat-TOFC/COFC	146,925	XXXXXX	75
76		4-161 Flat-Multi-Level	277,804	XXXXXX	76
77		4-162 Flat-General Service	128	XXXXXX	77
78		4-163 Flat-All Other	93,889	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	176,590	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	334,140	XXXXXX	80
81		4-166 All Other Car Types	3,475	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	3,459,359	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	41,937	XXXXXX	83
84		4-18 No Payment Car-Miles (I) (1)	2,196,652	XXXXXX	84
85		4-19 Total Car-Miles by Train Type (Note)			
		4-191 Unit Trains	5,003,810	XXXXXX	85
86		4-192 Way Trains	253,406	XXXXXX	86
87		4-193 Through Trains	8,653,390	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	13,910,606	XXXXXX	88
89		4-20 Caboose Miles	45	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	85,960,113	XXXXXX	98
		6-02 Freight Trains, Cars, Cnts., and Caboose			
99		6-020 Unit Trains	412,193,414	XXXXXX	99
100		6-021 Way Trains	15,959,162	XXXXXX	100
101		6-022 Through Trains	609,366,943	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts.		0	102
103		6-04 Non-Revenue	6,108,562	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	1,129,588,194	0	104
		7. Tons of Freight (thousands)			
105		7-01 Revenue	597,169	XXXXXX	105
106		7-02 Non-Revenue	8,787	XXXXXX	106
107		7-03 TOTAL (lines 105 and 106)	605,956	XXXXXX	107
		8. Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	546,321,004	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	546,321,004	XXXXXX	110
111		8-04 Non-Revenue-Road Service	5,592,541	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	0	XXXXXX	112
113		8-06 TOTAL (lines 111 and 112)	5,592,541	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110 and 113)	551,913,545	XXXXXX	114
		9. Train Hours (M)			
115		9-01 Road Service	8,267,378	XXXXXX	115
116		9-02 Train Switching	2,019,966	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	2,459,615	XXXXXX	117
		11. Train-Miles Work Trains (O)			
118		11-01 Locomotives	1,613,399	XXXXXX	118
119		11-02 Motorcars	0	XXXXXX	119
		12. Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	2,922,930	XXXXXX	120
121		12-02 Way Trains	3,296,817	XXXXXX	121
122		12-03 Through Trains	10,447,590	XXXXXX	122
123		13. TOFC/COFC-No. of Rev. Trailers and Containers Loaded and Unloaded (Q)	5,795,787	XXXXXX	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded and Unloaded (Q)	5,033,795	XXXXXX	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	207,383	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	62,143	XXXXXX	130
131		17-02 Unserviceable	0	XXXXXX	131
132		17-03 Surplus	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	62,143	XXXXXX	133



## VERIFICATION

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

## OATH

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

State of Nebraska  
County of Douglas

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

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

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

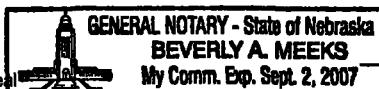
January 1, 2004 to and including December 31, 2004

Robert M. Knight, Jr.  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 22<sup>nd</sup> day of March, 2005

My commission expires 9-2-07

Use an  
L.S.  
impression seal



Beverly A. Meeks  
(Signature of officer authorized to administer oaths)

## SUPPLEMENTAL OATH

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

State of Nebraska  
County of Douglas

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

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

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

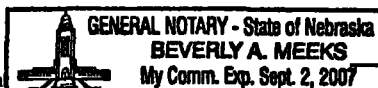
January 1, 2004, to and including December 31, 2004

Richard K. Davidson  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 22<sup>nd</sup> day of March, 2005

My commission expires 9-2-07

Use an  
L.S.  
impression seal



Beverly A. Meeks  
(Signature of officer authorized to administer oaths)

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250 CONSOLIDATED INFORMATION  
FOR REVENUE ADEQUACY DETERMINATION  
(Dollars in Thousands)

Line No	Item (a)	Beginning of year (b)	End year (c)
1	Adjusted Net Railway Operating Income for Reporting Entity Combined/Consolidated Net Railway Operating Income for Reporting Entity	N/A	929,920
2	Add Interest Income from Working Capital Allowance -- Cash Portion	-	0
3	Income Taxes Associated with Non-Rail Income and Deductions	-	(6,688)
4	Gain or (Loss) from transfer/reclassification to nonrail-status (net of income taxes)	-	41,544
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3 & 4)	-	964,776
6	Adjusted Investment in Railroad Property for Reporting Entity Combined Investment in Railroad Property Used in Transportation Service	29,587,814	30,260,820
7	Less: Interest During Construction	(43,559)	(43,595)
8	Other Elements of Investment (if debit balance)	(104)	0
9	Add: Net Rail Assets of Rail-Related Affiliates	0	0
10	Working Capital Allowance	381,931	539,761
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 - 10)	29,926,082	30,756,986
12	Less Accumulated Deferred Income Tax Credits	(8,909,548)	(9,240,282)
13	Net Investment Base (Lines 11 and 12)	21,016,534	21,516,704

In the space provided, please list all railroads and rail-related affiliated companies which are being reported in this consolidation, along with the nature of the business for each company

Name of Affiliate

Union Pacific Railroad Company and Consolidated Subs as shown  
on page 4 of the 2004 Form R-1

Nature of Business

Railroad

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**SCHEDULE 250 - PART B****Determination of Nonrail Taxes**

This table is designed to facilitate the calculation of taxes that are not rail-related. The amount to be reported on Schedule 250, Line 3.

**PART I - DETERMINE TAXES ON NONRAILROAD INCOME FOR ALL COMBINED/  
CONSOLIDATED RAILROADS  
(EXCLUDES ALL RAIL-RELATED AFFILIATES)**

(1) Determine Combined/Consolidated Adjusted income from continuing operations (before taxes) for all affiliated railroads (all classes) Do not include rail-related affiliates that are not railroads in this part. This represents the total combined/consolidated amounts for all items listed below for all railroads in the reporting entity.	823,088
Income from continuing operations (before taxes) should be the equivalent of the numbers contained in the R-1 Schedule 210, Line 46 adjusted to include all railroads in the reporting entity.	823,088
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity.	56,686
- Dividends in affiliated companies. (If the affiliate is 80% or more controlled by the parent railroad, then deduct 100% of the affiliate's dividend If the affiliate is less than 80% controlled by the parent railroad, then deduct 80% of the affiliate's dividend).	<u>15,667</u>
= Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below.	750,735
(2) Determine Combined/Consolidated Adjusted Pre-Tax NROI for all railroads in the reporting entity Combined/Consolidated Pre-Tax NROI for the entire entity, which equals the amount shown on Schedule 250, Line 1.	929,920
+ Current Provision for taxes, which represents the consolidated amounts of Schedule 210, Line 51 for all railroads in the reporting entity. This figure includes both Account 556, Income Taxes on Ordinary Income and Account 557, Provision for Deferred Taxes.	239,321
+ Interest income on working capital allowance, which represents the total consolidated interest income relative to the working capital component of the net investment base and should equal the amount shown in Schedule 250, Line 2 for all railroads in the reporting entity	0
+ Release of premiums on funded debt, which represents the consolidated total of release of premium on funded debt as shown on Schedule 210, Line 22 for all railroads in the reporting entity.	7,255
- Total fixed charges, which represents the consolidated total of fixed charges as shown on Schedule 210, Line 42 for all railroads in the reporting entity.	491,457

**SCHEDULE 250 - PART B****Determination of Nonrail Taxes**

- Railroad-related income from affiliates (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1)	<u>0</u>
= Combined/Consolidated Pre-Tax Adjusted NROI for all railroads. This represents "B" in Item (3) below.	685,039
(3) Calculate the railroad-related tax ratio: "B/A"	91.25
(4) Compute the nonrailroad-related complement: (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio.	8.75
(5) Compute the nonrailroad portion of the total provisions for taxes. This equals:  The Nonrailroad-related tax ratio (Item (4) above) times the total current taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Lines 47, 48, and 49 for all railroads in the reporting entity.	  (6,688)
<b>PART II - DETERMINE NONRAILROAD-RELATED TAXES FOR RAIL-RELATED AFFILIATES (EXCLUDES ALL AFFILIATED RAILROADS)</b>	
(6) This is calculated by dividing the nonrailroad-related income for combined rail-related affiliates by the total pre-tax net income for all combined rail-related affiliates and multiplying this result by the total taxes (current provision plus deferred). This equals the taxes on nonrailroad income for all affiliated companies.	<u><u>0</u></u>
<b>PART III - DETERMINE TOTAL NONRAILROAD-RELATED TAXES</b>	
(7) This is determined as follows:	
Total income taxes on nonrailroad-related income for all railroads in the reporting entity (Item 5 above)	(6,688)
+ Total Nonrailroad-related taxes for rail-related affiliates (Item 6 above)	<u>0</u>
Equals total nonrailroad-related taxes. (This amount should be transferred to Schedule 250, Part A, Line 3).	<u><u>(6,688)</u></u>