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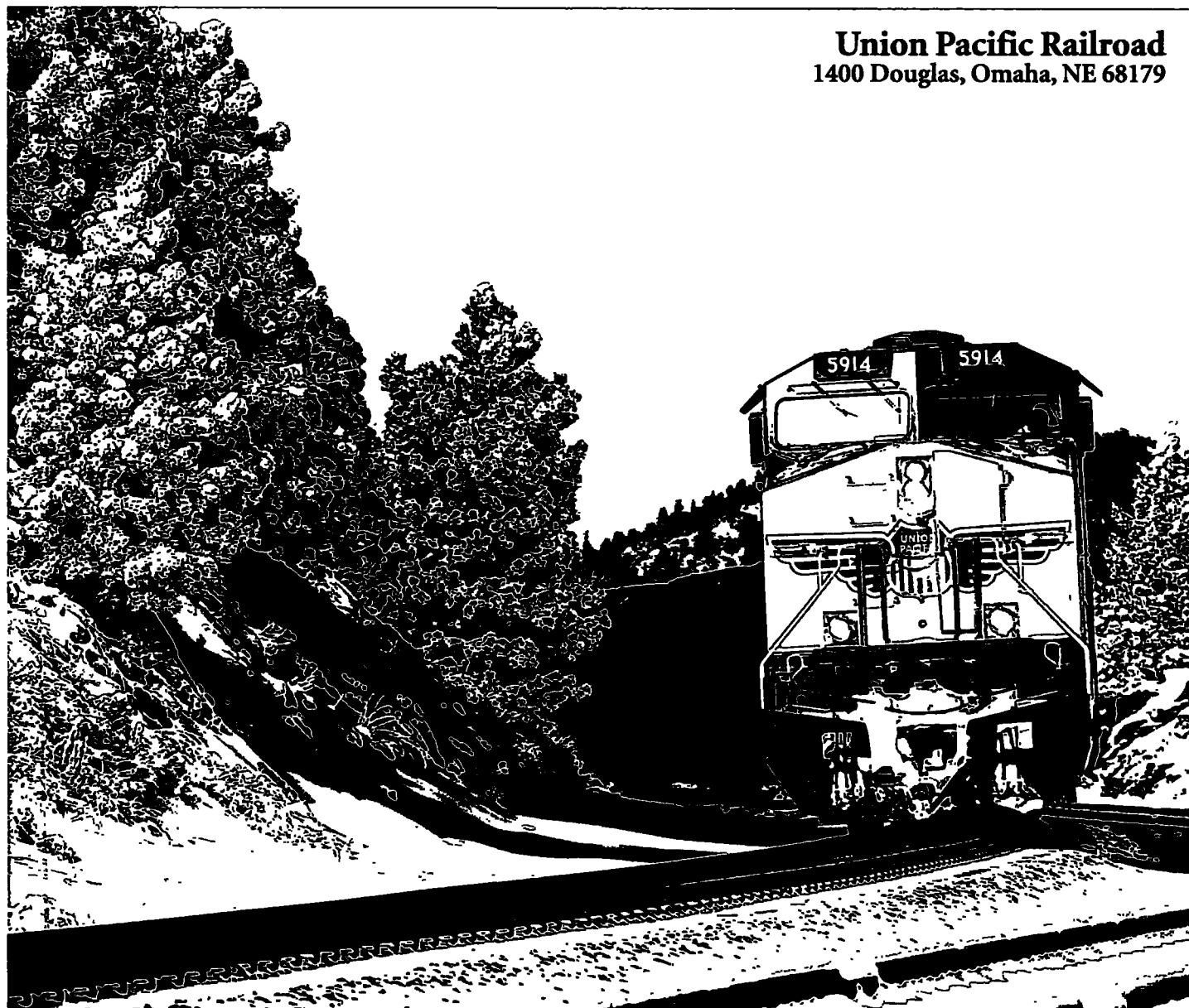
# CLASS I RAILROAD ANNUAL REPORT R-1

*to the Surface Transportation Board  
for the Year Ending Dec. 31, 2006*

**BUILDING AMERICA®**



**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.
9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).
10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year Of Rebuilding have been revised to reflect new five year periods.
11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

## Supplemental Information about the Annual Report (R-1)

This information collection is mandatory pursuant to 49 U.S.C. 11145.

The estimated hour burden for filing this report is less than 800 hours.

Information in the Annual Reports is used to monitor and assess railroad industry growth, financial stability, traffic, and operations and to identify industry changes that may affect national transportation policy. In addition, the Board uses data from these reports to more effectively carry out regulatory responsibilities, such as acting on railroad requests for authority to engage in Board regulated financial transactions (for example, mergers, acquisitions of control, consolidations, and abandonments); conducting investigations and rulemakings; conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and developing the URCS, which is a cost measurement methodology. URCS was developed by the Board pursuant to 49 U.S.C. 11161 and is used as a tool in rail rate proceedings to calculate the variable costs associated with providing a particular service in accordance with 49 U.S.C. 10707(d). The Board also uses URCS to analyze the information that it obtains through the annual railroad industry waybill sample, see 49 CFR 1244, and in railroad abandonment proceedings to measure off-branch costs, pursuant to 49 U.S.C. 10904(a) and in accordance with 49 CFR 1152.32(n).

The information in this report is ordinarily maintained by the agency in hard copy for 10 years, after which it is transferred to the National Archives, where it is maintained as a permanent record. These reports are also maintained by the agency indefinitely on microfiche. In addition, some of this information is posted on the Board's website, [www.stb.dot.gov](http://www.stb.dot.gov), where it may remain indefinitely. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0009. The display of a currently valid OMB control number is required by law.

#### **Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)**

This information collection is mandatory under 49 CFR 1243.2.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through specific regulation of railroad-rate and service issues and rail-restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies, and industry groups, including the Association of American Railroads, to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system.

Information from these reports is compiled by the Board and published on its website, [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. The compilation report is entitled Class I Railroads. Selected Earning Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

#### **Supplemental Information about the Quarterly Report of Revenues, Expenses, and Income (Form RE&I)**

This information collection is mandatory pursuant to 49 U.S.C. 11164 and 49 CFR 1243.1.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control and abandonments. Information from the reports is used by the Board, other Federal agencies and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Individual and aggregate carrier information is needed in our decision making process.

Information from these reports is compiled by the Board and published on its website [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. The compilation report is entitled Class I Railroads. Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

**Supplemental Information about the Report of Railroad Employees, Service, and Compensation (Wage Forms A & B)**

This information collection is mandatory pursuant to 49 D.S.C. 11145 and 49 CFR 1245.2.

The estimated hour burden for filing this report is 30 hours per quarterly report and 40 hours per annual report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees. These transactions include mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

Certain information from the reports is compiled and published on the Board's website [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0004. The display of a currently valid OMB control number is required by law.

**Supplemental Information about the Monthly Report of Number of Employees of Class I Railroads (Wage Form C)**

This information collection is mandatory pursuant to 49 D.S.C. 11145 and 49 CFR 1246.1.

The estimated hour burden for filing this report is 1.25 hours per monthly report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

The information in this report is compiled and published on the Board's website, [www.stb.dot.gov](http://www.stb.dot.gov), where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0007. The display of a currently valid OMB Control number is required by law.

#### **Supplemental Information about the Annual Report of Cars Loaded and Cars Terminated (Form STB-54)**

This information collection is mandatory pursuant to 49 U.S.C. 11162 and 49 CFR 1247.

The estimated hour burden for filing this report is four hours per report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. Information in this report is entered into the Board's URCS. In addition, many other Federal agencies and industry groups, including the Department of Transportation and the Association of American Railroads (AAR), depend on Form STB-54 for information regarding the number of cars loaded and terminated on the reporting carrier's line.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0011. The display of a currently valid OMB control number is required by law.

#### **Supplemental Information about the Quarterly Report of Freight Commodity Statistics (Form QCS)**

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1248.

The estimated hour burden for filing this report is 217 hours per report.

Information in this report is entered into the Board's URCS.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0001. The display of a currently valid OMB control number is required by law.

For Index, See Back of Form

**ANNUAL REPORT**

**OF**

**UNION PACIFIC RAILROAD COMPANY**

**To The**

**SURFACE TRANSPORTATION BOARD**

**For The**

**Year Ended December 31, 2006**

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

## TABLE OF CONTENTS

## SCHEDULE PAGE

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

### **SPECIAL NOTICE**

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

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

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



A. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
		<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: NOT APPLICABLE

### 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) March 31, 2007  
☐ 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
26							26

## 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 - May 4, 2006
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 Motor Trucking Company
American Refrigerator Transit Company	Southern Pacific Rail Corporation
Arkansas & Memphis Railway Bridge and Terminal Company	Southern Pacific Receivables, Inc.
Bay Pacific Financial, LLC.	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.	

## 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.
<b>CURRENT ASSETS</b>						
1		701	Cash	56,923	50,855	1
2		702	Temporary Cash Investments	341,463	350,653	2
3		703	Special Deposits	8,376	4,702	3
4		704	Accounts Receivable (A) - Loan and Notes	18,061	10,225	4
5		705	- Interline and Other Balances	74,382	67,569	5
6		706	- Customers	410,717	436,908	6
7		707	- Other	147,167	149,885	7
8		709,708	- Accrued Accounts Receivables	145,278	118,760	8
9		708.5	- Receivables from Affiliated Companies	88	0	9
10		709.5	- Less: Allowance for Uncollectible Accounts	0	0	10
11		710,711,714	Working Funds Prepayments Deferred Income Tax Debits	362,899	334,191	11
12		712	Materials and Supplies	394,811	330,954	12
13		713	Other Current Assets	45,916	9,879	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>2,006,081</b>	<b>1,864,581</b>	<b>14</b>
<b>OTHER ASSETS</b>						
15		715, 716, 717	Special Funds	4,685	4,676	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedules 310 and 310A)	867,679	791,279	16
17		722, 723	Other Investments and Advances	5,610	10,796	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 Carner Operation (Less Depreciation) 2006-\$21,262; 2005-\$20,913	140,168	160,983	19
20		739, 741	Other Assets	275,720	419,894	20
21		743	Other Deferred Debits	41,019	39,540	21
22		744	Accumulated Deferred Income Tax Debits	0	0	22
23			<b>TOTAL OTHER ASSETS</b>	<b>1,334,881</b>	<b>1,427,168</b>	<b>23</b>
<b>ROAD AND EQUIPMENT</b>						
24		731, 732	Road (Schedule 330) L-30 Cols. h & b	35,003,775	33,055,894	24
25		731, 732	Equipment (Schedule 330) L-39 Cols. h & b	7,562,093	7,614,635	25
26		731, 732	Unallocated Items	700,812	810,448	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(11,277,261)	(10,323,801)	27
28			<b>Net Road and Equipment</b>	<b>31,989,419</b>	<b>31,157,176</b>	<b>28</b>
29	*		<b>TOTAL ASSETS</b>	<b>35,330,381</b>	<b>34,448,925</b>	<b>29</b>

(A) See Sale of Receivables discussion on page 9 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	22,323	24,949	31
32		753	Audited Accounts and Wages	262,511	325,838	32
33		754	Other Accounts Payable	41,082	41,596	33
34		755, 756	Interest and Dividends Payable	56,104	66,065	34
35		757	Payables to Affiliated Companies	0	0	35
36		759	Accrued Accounts Payable	1,835,555	1,787,725	36
37		760, 761, 761.5, 762	Taxes Accrued	298,400	241,302	37
38		763	Other Current Liabilities	3,159	10,334	38
39		764	Equipment Obligations and Other Long-Term Debt due Within One Year	139,192	148,806	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>2,658,326</b>	<b>2,646,615</b>	<b>40</b>
<b>NON-CURRENT LIABILITIES</b>						
41		765, 767	Funded Debt Unmatured	272,065	286,983	41
42		766	Equipment Obligations	132,348	157,553	42
43		766.5	Capitalized Lease Obligations	1,143,385	1,222,809	43
44		768	Debt in Default	0	0	44
45		769	Accounts Payable, Affiliated Companies	4,880,031	5,085,831	45
46		770.1, 770.2	Unamortized Debt Premium	(73,416)	(70,243)	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	9,350,400	9,220,364	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	2,104,748	2,306,295	50
51			<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>17,809,561</b>	<b>18,209,592</b>	<b>51</b>
<b>SHAREHOLDERS' EQUITY</b>						
52		791, 792	Total Capital Stock:(Schedule 230) (L-10 Col. g, L-17 Col. e)	8,649	11,205	52
53			Common Stock	49	49	53
54			Preferred Stock	8,600	11,156	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	811	57
58		798	Unappropriated (Schedule 220) (L-17 Col. b)	10,213,266	9,028,473	58
59		798.1	Other Comprehensive Income	(142,138)	(229,677)	59
60		798.5	Less Treasury Stock	0	0	60
61			Net Shareholders' Equity	14,862,494	13,592,718	61
62	*		<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>35,330,381</b>	<b>34,448,925</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 None
  3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year \_\_\_\_\_  
See Explanatory Note 11 on page 10.
  - (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 beginning on page 10.
  - (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. July 11, 2005  
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 beginning Note 11 on page 10.
  - (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 15 on page 15B.
  5. (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ NONE.  
(b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ NONE.
  6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account. \$ NONE.

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

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

Disclose the nature and amount of contingency that is material.

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

SEE NOTE 13 ON PAGE 15.

(a) Changes in Valuation Accounts

8 Marketable Equity Securities

UP has no marketable equity securities.

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

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

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

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

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

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



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

## NOTES TO FINANCIAL STATEMENTS

For purposes of this report, unless the context otherwise requires, all references herein to the "Company", "we", "us", and "our" mean Union Pacific Railroad Company. For purposes of this report, unless the context otherwise requires, all references herein to the "UPC" and "Corporation" mean Union Pacific Corporation. All references herein to the "Consolidated Financial Statements" mean the Comparative Statement of Financial Position, Results of Operations, Retained Earnings, Statement of Cash Flows, and the supplement notes and schedules included in the Class 1 Railroad Annual Report R-1.

**9. Transactions with Affiliates**

At December 31, 2006 and 2005, we had \$693 million and \$782 million working capital deficit balances, respectively, relating to UPC's 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 that typically approximate the dividends 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. We treat these transactions as 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 that 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. We do not expect to be required by UPC to pay back the intercompany borrowings within the next 12 months. 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 our share of the costs as determined by an independent review. Billings for these services were \$69 million, \$54 million, and \$60 million for the years ended December 31, 2006, 2005, and 2004, respectively.

**10. Financial Instruments**

**Strategy and Risk** – We may use derivative financial instruments in limited instances for other than trading purposes to assist in managing our overall exposure to fluctuations in interest rates and fuel prices. We are not a party to leveraged derivatives and, by policy, do not use derivative financial instruments for speculative purposes. Derivative 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. Changes in the fair market value of derivative financial instruments that do not qualify for hedge accounting are charged to earnings. We may use swaps, collars, futures, and/or forward contracts to mitigate the risk of adverse movements in interest rates and fuel prices, however, the use of these derivative financial instruments may limit future benefits from favorable price movements.

**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, 2006 and 2005, we were not required to provide collateral, nor had we received collateral, relating to our hedging activities.

**Determination of Fair Value** – We determined the fair values of our derivative financial instrument positions at December 31, 2006 and 2005 based upon current fair values as quoted by recognized dealers or developed based upon the present value of expected future cash flows.

**Interest Rate Cash Flow Hedges** – We report changes in the fair value of cash flow hedges in accumulated other comprehensive loss until the hedged item affects earnings. At December 31, 2006, we had a reduction of \$5 million recorded as an accumulated other comprehensive loss that is being amortized on a straight-line basis through September 30, 2014. As of December 31, 2006 and 2005, 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 2006 and 2005, our primary means of mitigating the impact of adverse fuel price changes were our fuel surcharge programs. However, we may use swaps, collars, futures and/or forward contracts to further mitigate the impact of adverse fuel price changes. We did not have any fuel hedges in place during 2006 or 2005. We hedged 120 million gallons of fuel during 2004 using collars with average cap, floor, and ceiling prices of \$0.74, \$0.64, and \$0.86 per gallon, respectively. Our use of fuel hedges decreased fuel expense by \$14 million in 2004.

**Fuel Swaps** – We entered into two fuel basis swaps for the period August 2006 through July 2008, which cover a total of 151 million gallons of diesel fuel. These commodity basis swaps require us to make payments to, or receive payments from, the counterparty based on the difference between certain price indices. Changes in the fair value of these swaps are reflected in fuel expense. We reported a derivative asset of approximately \$2 million at December 31, 2006, which represents the fair value of the swaps. The swaps reduced fuel expense for 2006 by \$3 million, which included monthly net settlements with the counterparty and the fair value recognition at December 31, 2006.

**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, 2006 and 2005, the fair value of total debt exceeded the carrying value by approximately \$103 million and \$170 million, respectively. At December 31, 2006 and 2005, approximately \$165 million and \$169 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.

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

## NOTES TO FINANCIAL STATEMENTS

**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 both December 31, 2006 and 2005. The value of the outstanding undivided interest held by investors under the facility was \$600 million at both December 31, 2006 and 2005, respectively. 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 \$1,158 million and \$1,226 million of accounts receivable held by UPRI at December 31, 2006 and 2005, respectively. At December 31, 2006 and 2005, the value of the interest retained by UPRI was \$558 million and \$626 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 \$15.5 billion and \$13.4 billion during the years ended December 31, 2006 and 2005, respectively. UPRI used certain of these proceeds to purchase new receivables under the facility.

The costs of the sale of receivables program are included in other income and were \$33 million, \$23 million, and \$11 million for 2006, 2005, and 2004, 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. In August 2006, the sale of receivables program was renewed for an additional 364-day period without any significant changes in terms.

## 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.

### New Accounting Standard

We adopted FASB Statement No. 158, *Employers' Accounting for Defined Pension and Other Postretirement Plans (FAS 158)*, at the end of 2006, which required us to separately recognize the overfunded or underfunded status of the pension and OPEB plans as an asset or liability. The funded status is measured as the difference between the fair value of plan assets and our projected benefit obligations to current and retired employees.

The adoption of FAS 158 at December 31, 2006 decreased other assets and total assets by \$207 million, decreased retiree benefits obligation by \$34 million, decreased deferred income tax liabilities by \$94 million, decreased total liabilities by \$128 million, and resulted in an accumulated other comprehensive loss and reduction in total common shareholders' equity of \$79 million. These changes to our financial statements were non-cash and will have no impact on existing debt covenants, credit ratings, or financial flexibility.

The adoption of FAS 158 had no impact on years prior to 2006, as retrospective application was not allowed. This new standard does not change how pension or OPEB expense is computed, nor does it have any impact on cash funding requirements. The impact of the adoption of FAS 158 noted above does not include our equity method investees, which are not required to adopt FAS 158 until 2007.

### Funded Status

The funded status represents the difference between the projected benefit obligation (PBO) and the fair value of the plan assets. The PBO 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 the OPEB liabilities is not affected by salary increases. Plan assets are measured at fair value. We use a December 31 measurement date for plan assets and obligations for all our retirement plans.

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

## NOTES TO FINANCIAL STATEMENTS

Changes in our PBO and plan assets are as follows for the years ended December 31:

<i>Millions of Dollars</i>	<i>Pension</i>		<i>OPEB</i>	
	2006	2005	2006	2005
<b>Projected Benefit Obligation</b>				
Projected benefit obligation at beginning of year .....	\$2,065	\$2,058	\$ 476	\$ 453
Service cost.....	35	28	4	4
Interest cost.....	117	115	21	25
Plan amendments .....	-	-	(38)	(42)
Actuarial loss (gain).....	16	(18)	(58)	70
Gross benefits paid .....	(120)	(118)	(31)	(34)
Projected benefit obligation at end of year .....	\$2,113	\$2,065	\$ 374	\$ 476
<b>Plan Assets</b>				
Fair value of plan assets at beginning of year .....	\$1,707	\$1,693	\$ -	\$ -
Actual return on plan assets .....	243	123	-	-
Voluntary funded pension plan contributions .....	150	-	-	-
Non-qualified plan benefit payments .....	9	9	31	34
Gross benefits paid .....	(120)	(118)	(31)	(34)
Fair value of plan assets at end of year .....	\$1,989	\$1,707	\$ -	\$ -
Funded status at end of year .....	\$ (124)	\$ (358)	\$(374)	\$(476)
Unrecognized net actuarial losses .....	N/A	362	N/A	194
Unrecognized prior service cost (credit) .....	N/A	31	N/A	(156)
Net amounts recognized at end of year .....	\$ (124)	\$ 35	\$(374)	\$(438)

Amounts recognized in the statement of financial position as of December 31, 2006 and 2005 consist of.

<b>Amounts Recognized at December 31, 2006</b> <i>Millions of Dollars</i>	<i>Pension</i>		<i>OPEB</i>	
	2006	2005	2006	2005
Other assets .....	\$ 45	N/A	\$ -	N/A
Other current liabilities.....	(12)	N/A	(27)	N/A
Retiree benefits obligation.....	(157)	N/A	(347)	N/A
Net amounts recognized at end of year .....	\$(124)	N/A	\$(374)	N/A
<b>Amounts Recognized at December 31, 2005</b>				
Prepaid benefit cost .....	N/A	\$ 122	N/A	\$ -
Accrued benefit cost .....	N/A	(86)	N/A	(438)
Additional minimum liability .....	N/A	(369)	N/A	-
Intangible assets .....	N/A	31	N/A	-
Accumulated other comprehensive income .....	N/A	337	N/A	-
Net amounts recognized at end of year.....	N/A	\$ 35	N/A	\$(438)

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

## NOTES TO FINANCIAL STATEMENTS

After-tax amounts recognized in accumulated other comprehensive income (loss) as of December 31, 2006 consist of:

<i>Millions of Dollars</i>	<i>Pension</i>	<i>OPEB</i>	<i>Total</i>
Prior service (cost) credit .....	\$ (15)	\$ 99	\$ 84
Net actuarial (loss) .....	(154)	(50)	(204)
Total .....	\$(169)	\$ 49	\$(120)

**Underfunded Accumulated Benefit Obligation** – The accumulated benefit obligation (ABO) is the present value of benefits earned to date, assuming no future salary growth. The underfunded accumulated benefit obligation represents the difference between the ABO and the fair value of plan assets. At December 31, 2006, the only pension plan that was underfunded was the non-qualified (supplemental) plan, which is not funded by design. The non-qualified (supplemental) plan is funded with cash from operations as benefits are paid to plan participants. Each of our qualified plans was fully funded at December 31, 2006. The PBO, ABO, 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:

<i>Underfunded Accumulated Benefit Obligation</i> <i>Millions of Dollars</i>	<i>2006</i>	<i>2005</i>
Projected benefit obligation .....	\$(169)	\$(2,044)
Accumulated benefit obligation .....	\$(168)	\$(2,026)
Fair value of plan assets .....	-	1,685
Underfunded accumulated benefit obligation .....	\$(168)	\$ (341)

The ABO for all defined benefit pension plans was \$2.1 billion at December 31, 2006 and \$2.0 billion at December 31, 2005.

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

<i>Percentages</i>	<i>Pension</i>			<i>OPEB</i>		
	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
Discount rate .....	6.00%	5.75%	6.00%	6.00%	5.75%	6.00%
Salary increase .....	3.00	2.75	3.00	N/A	N/A	N/A

The following table presents assumed health care cost trend rates used to determine benefit obligations and OPEB expense:

<i>Percentages</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
Assumed health care cost trend rate for next year .....	8.0%	9.0%	10.0%
Rate to which health care cost trend rate is expected to decline and remain .....	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate trend rate .....	2010	2010	2010

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

The components of our net periodic pension and OPEB costs were as follows for the years ended December 31:

<i>Millions of Dollars</i>	<i>Pension</i>			<i>OPEB</i>		
	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
Net Periodic Benefit Cost						
Service cost .....	\$ 35	\$ 28	\$ 30	\$ 4	\$ 4	\$ 5
Interest cost .....	117	115	120	21	25	31
Expected return on plan assets .....	(134)	(134)	(137)	-	-	-
Amortization of:						
Transition obligation .....	-	-	(2)	-	-	-
Prior service cost (credit) .....	7	7	8	(33)	(30)	(24)
Actuarial loss .....	21	5	3	13	14	18
Net periodic benefit cost .....	\$ 46	\$ 21	\$ 22	\$ 5	\$ 13	\$ 30

The estimated actuarial loss and prior service cost for the pension plans that will be amortized, on a pre-tax basis, from accumulated other comprehensive loss into net periodic benefit cost during 2007 will be \$17 million and \$6 million, respectively. The estimated actuarial loss and prior

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

## NOTES TO FINANCIAL STATEMENTS

service credit for the OPEB plans that will be amortized, on a pre-tax basis, from accumulated other comprehensive loss into net periodic benefit cost during 2007 will be \$10 million and \$32 million, respectively.

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

Percentages	Pension			OPEB		
	2006	2005	2004	2006	2005	2004
Discount rate .....	5.75%	6.00%	6.50%	5.75%	6.00%	6.50%
Expected return on plan assets .....	8.00	8.00	8.00	N/A	N/A	N/A
Salary increase.....	2.75	3.00	3.50	N/A	N/A	N/A

The discount rate is based on a hypothetical portfolio of high quality corporate bonds with cash flows matching our plans' expected benefit payments. The expected return on plan assets is based on our asset allocation mix and our historical return, taking into account current and expected market conditions. The actual return on pension plan assets, net of fees, was approximately 14% in 2006, 7% in 2005, and 12% in 2004. The historical annualized ten-year rate of return on plan assets is approximately 9%.

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

Millions of Dollars	One % pt. Increase	One % pt. Decrease
Effect on total service and interest cost components .....	\$ 3	\$ (2)
Effect on accumulated benefit obligation .....	31	(26)

**Cash Contributions**

The following table details our cash contributions for the years ended December 31, 2006 and 2005, and the expected contributions for 2007:

Millions of Dollars	Pension		OPEB
	Qualified	Non-qualified	
2005 .....	\$ -	\$ 9	\$34
2006 .....	150	9	31
2007 .....	-	12	27

In 2006, the Pension Protection Act of 2006 (the Act) was signed into law. The Act changes the method of valuing assets and liabilities for funding purposes, as well as the timing of required contributions. Our pension plans continue to meet all funding requirements and we do not expect the Act to significantly impact our results of operations, financial condition, or liquidity.

The policy with respect to funding the qualified plans is to fund at least the minimum required by the Act and not more than the maximum amount deductible for tax purposes. All contributions made to the qualified pension plans in 2006 were voluntary and were made with cash generated from operations. In 2006, we voluntarily contributed \$50 million in January and \$100 million in December to the qualified pension plan. At December 31, 2006, our qualified pension plans were fully funded. No required contributions are expected in 2007.

The OPEB plans are not funded and are not subject to any minimum regulatory funding requirements. Benefit payments for each year represent claims paid for medical and life insurance, and we anticipate our 2007 OPEB payments will be made from cash generated from operations.

**Benefit Payments**

The following table details expected benefit payments for the years 2007 through 2016:

Millions of Dollars	Pension	OPEB
2007 .....	\$124	\$ 27
2008 .....	126	28
2009 .....	129	29
2010 .....	133	30
2011 .....	139	31
Years 2012 – 2016.....	776	152

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

## NOTES TO FINANCIAL STATEMENTS

**Asset Allocation Strategy**

The pension plan asset allocation at December 31, 2006 and 2005, and target allocation for 2007, are as follows:

	Target Allocation 2007	Percentage of Plan Assets December 31,	
		2006	2005
Equity securities .....	60% to 70%	70%	75%
Debt securities.....	20% to 30%	26	24
Real estate .....	4% to 6%	2	1
Commodities ....	4% to 6%	2	-
Total		100%	100%

The investment strategy for pension plan assets is to maintain a broadly diversified portfolio designed to achieve our target of an average long-term rate of return of 8%. While we believe we can achieve a long-term average rate of return of 8%, we cannot be certain that the portfolio will perform to our expectations. Assets are strategically allocated among equity, debt, and other instruments in order to achieve a diversification level that mitigates wide swings in investment returns. Asset allocation target ranges for equity, debt, and other portfolios are evaluated at least every three years with the assistance of an independent 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, 2006 and 2005. 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 6.4 years and 6.5 years at December 31, 2006 and 2005, respectively.

The investment of pension plan assets in our 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 makes 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. The thrift plan contributions were \$13 million in 2006, and \$12 million in both 2005 and 2004.

**Railroad Retirement System** – All of our employees are covered by the Railroad Retirement System (the System). Contributions made to the System are expensed as incurred and amounted to approximately \$615 million in 2006, \$595 million in 2005, and \$569 million in 2004.

**Collective Bargaining Agreements** – Under collective bargaining agreements, we provide certain postretirement healthcare and life insurance benefits for eligible union employees. Premiums under the plans are expensed as incurred and amounted to \$40 million in 2006, \$41 million in 2005, and \$30 million in 2004.

**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 certain 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 Mandatorily 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 Mandatorily Redeemable 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

**Asserted and 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 results of operations, financial condition, or liquidity; however, to the extent possible, where unasserted claims are considered probable and where such claims can be reasonably estimated, 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 results of operations, financial condition, 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 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.

Our personal injury liability activity was as follows:

Millions of Dollars	2006	2005	2004
Beginning balance.....	\$614	\$637	\$615
Accruals.....	243	245	288
Payments .....	(228)	(268)	(266)
Ending balance at December 31 .....	\$629	\$614	\$637
Current portion, ending balance at December 31 .....	\$232	\$272	\$272

Our personal injury liability is discounted to present value using applicable U.S. Treasury rates. Approximately 87% of the recorded liability related to asserted claims, and approximately 13% related to unasserted claims. Personal injury accruals were higher in 2004 due to a 1998 crossing accident verdict upheld in 2004 and a 2004 derailment near San Antonio.

**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.

During 2004, we engaged a third party 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 in 2004 for asbestos-related claims in the fourth quarter of 2004. The liability for resolving both asserted and unasserted claims was based on the following assumptions:

- The number of future claims received would be consistent with historical averages.
- The number of claims filed against us will decline each year.
- The average settlement values for asserted and unasserted claims will be equivalent to historical averages.
- The percentage of claims dismissed in the future will be equivalent to historical averages.

Our asbestos-related liability activity was as follows.

Millions of Dollars	2006	2005	2004
Beginning balance. ....	\$311	\$324	\$ 51
Accruals .....	-	-	287
Payments .....	(9)	(13)	(14)
Ending balance at December 31 .....	\$302	\$311	\$324
Current portion, ending balance at December 31 .....	\$ 13	\$ 16	\$ 17

Our liability for asbestos-related claims is not discounted to present value due to the uncertainty surrounding the timing of future payments. Approximately 16% of the recorded liability related to asserted claims, and approximately 84% related to unasserted claims. These claims are expected to be paid out over the next 28 years. During 2006 and 2005, our third-party consultants assisted us in reviewing our actual asbestos claim experience compared to the assumptions used in the 2004 estimate, and we determined that no adjustment to our estimate was necessary. We will continue to review actual experience and adjust our estimate as warranted.

We have insurance coverage for a portion of the costs incurred to resolve asbestos-related claims, and, as a result of the 2004 assessment, we increased our receivable for insurance recoveries related to asbestos during 2004. We have recognized an asset for estimated insurance recoveries at December 31, 2006 and 2005.

We believe that our liability estimates 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

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

## NOTES TO FINANCIAL STATEMENTS

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 367 sites at which we are or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. This includes 44 sites that are the subject of actions taken by the U.S. government, 25 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.

Our environmental liability activity was as follows:

<i>Millions of Dollars</i>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Beginning balance.....	<b>\$213</b>	<b>\$201</b>	<b>\$187</b>
Accruals.....	<b>39</b>	<b>45</b>	<b>46</b>
Payments .....	<b>(42)</b>	<b>(33)</b>	<b>(32)</b>
Ending balance at December 31 .....	<b>\$210</b>	<b>\$213</b>	<b>\$201</b>
Current portion, ending balance at December 31 .....	<b>\$ 54</b>	<b>\$ 46</b>	<b>\$ 50</b>

The environmental liability includes 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. Estimates may also vary due to changes in federal, state, and local laws governing environmental remediation. We do not expect current obligations to have a material adverse effect on our results of operations or financial condition.

**Guarantees** – At December 31, 2006, we were contingently liable for \$443 million in guarantees. We have recorded a liability of \$6 million for the fair value of these obligations as of December 31, 2006. We entered into these contingent guarantees in the normal course of business, and they include guaranteed obligations related to our headquarters building, equipment financings, and affiliated operations. The final guarantee expires in 2022. We are not aware of any existing event of default that would require us to satisfy these guarantees. We do not expect that these guarantees will have a material adverse effect on our consolidated financial condition, results of operations, or liquidity.

**Indemnities** – Our maximum potential exposure under indemnification arrangements, including certain tax indemnifications, can range from a specified dollar amount to an unlimited amount, depending on the nature of the transactions and the agreements. Due to uncertainty as to whether claims will be made or how they will be resolved, we cannot reasonably determine the probability of an adverse claim or reasonably estimate any adverse liability or the total maximum exposure under these indemnification arrangements. We do not have any reason to believe that we will be required to make any material payments under these indemnity provisions.

**Income Taxes** – As previously reported in our Form 10-Q for the quarter ended September 30, 2005, the IRS has completed its examinations and issued notices of deficiency for tax years 1995 through 2002. Among their proposed adjustments is the disallowance of tax deductions claimed in connection with certain donations of property. In the fourth quarter of 2005, the IRS National Office issued a Technical Advice Memorandum which left unresolved whether the deductions were proper, pending further factual development. We continue to dispute the donation issue, as well as many of the other proposed adjustments, and will contest the associated tax deficiencies through the IRS Appeals process, and, if necessary, litigation. In addition, the IRS is examining the Corporation's federal income tax returns for tax years 2003 and 2004 and should complete their exam in 2007. We do not expect that the ultimate resolution of these examinations will have a material adverse effect on our Consolidated Financial Statements.

#### 14. Accounting Pronouncements

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109* (FIN 48). Under FIN 48, we will recognize tax benefits only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized will be measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The interpretation is effective for us beginning in the first quarter of 2007. The cumulative effect of adopting FIN 48 will be a one-time reduction in the January 1, 2007 balance of retained earnings. Future changes in uncertain tax positions will be included in income tax expense. We do not expect that the cumulative effect of adopting FIN 48 will have a material impact on our Consolidated Financial Statements.

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurement* (FAS 157). While this statement does not require new fair value measurements, it provides guidance on applying fair value and expands required disclosures. FAS 157 is effective for us beginning in the first quarter of 2008. We are currently assessing the impact FAS 157 may have on our Consolidated Financial Statements.

In September 2006, the FASB issued FAS 158. FAS 158 required us to recognize the funded status of our pension and postretirement plans in the balance sheet, along with a corresponding noncash, after-tax adjustment to shareholders' equity. Funded status is determined as the difference between the fair value of plan assets and the benefit obligation. Changes in the funded status will be recognized in other comprehensive loss. We adopted FAS 158 at the end of 2006 and have disclosed the impact of the adoption in note 11.



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

## NOTES TO FINANCIAL STATEMENTS

In September 2006, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* (SAB 108), which provides interpretive guidance on how the effects of prior-year uncorrected misstatements should be considered when quantifying misstatements in the current-year financial statements. SAB 108 requires registrants to quantify misstatements using both an income statement and balance sheet approach and then evaluate whether either approach results in a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. If prior-year errors that had been previously considered immaterial are now considered material based on either approach, no restatement is required so long as management properly applied its previous approach and all relevant facts and circumstances were considered. If prior-year's financial statements are not restated, the cumulative effect adjustment is recorded in opening accumulated earnings (deficit) as of the beginning of the fiscal year of adoption. SAB 108 was effective for us at the end of 2006. The adoption of SAB 108 did not have any impact on our Consolidated Financial Statements.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (FAS 159). This statement, which is expected to expand fair value measurement, permits entities to choose to measure many financial instruments and certain other items at fair value. FAS 159 is effective for us beginning in the first quarter of 2008. We are currently assessing the impact FAS 159 may have on our Consolidated Financial Statements.

**15. 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.

**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	14,790,931	12,856,131	14,790,931		1
2		(102) Passenger	69,461	64,296		69,461	2
3		(103) Passenger-Related	389	461		389	3
4		(104) Switching	142,018	124,662	142,018		4
5		(105) Water Transfers					5
6		(106) Demurrage	102,026	96,790	102,026		6
7		(110) Incidental	359,637	322,802	359,637		7
8		(121) Joint Facility-Credit	9,159	8,091	9,159		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	15,473,621	13,473,233	15,403,771	69,850	10
11		(502) Railway operating revenues-transfers from government authorities	72,752	72,116		72,752	11
12		(503) Railway operating revenues-amortization of deferred transfers from government authorities					12
13		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	<b>15,546,373</b>	<b>13,545,349</b>	<b>15,403,771</b>	<b>142,602</b>	13
14	*	(531) Railway operating expenses	12,855,142	11,894,909	12,713,925	141,217	14
15	*	<b>Net revenue from railway operations</b>	<b>2,691,231</b>	<b>1,650,440</b>	<b>2,689,846</b>	<b>1,385</b>	15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	14,675	10,436			16
17		(510) Miscellaneous rent income	88,323	69,804			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	288	312			19
20		(514) Interest income	4,584	5,550			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt	5,210	5,766			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	74,821	136,190			24
		<b>Income from affiliated companies 519</b>					
25		a Dividends (equity method)	13,951	11,404			25
26		b Equity in undistributed earnings (losses)	74,796	60,069			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	<b>276,648</b>	<b>299,531</b>			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	<b>2,967,879</b>	<b>1,949,971</b>			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	12,498	10,552			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	78,046	74,306			34
35		(553) Uncollectible accounts					35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS</b>	<b>90,544</b>	<b>84,858</b>			36
37		<b>Income available for fixed charges</b>	<b>2,877,335</b>	<b>1,865,113</b>			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	114,399	125,463	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	370,364	363,614	40
41		(548) Amortization of discount on funded debt	1,648	1,487	41
42		<b>TOTAL FIXED CHARGES (lines 38-41)</b>	<b>486,411</b>	<b>490,564</b>	<b>42</b>
43		<b>Income after fixed charges (line 37 minus line 42)</b>	<b>2,390,924</b>	<b>1,374,549</b>	<b>43</b>
<b>OTHER DEDUCTIONS</b>					
		(546) Interest on funded debt:			
44		(c) Contingent interest	7,608	7,618	44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit			45
46		<b>Income (Loss) from continuing operations (before income taxes)</b>	<b>2,383,316</b>	<b>1,366,931</b>	<b>46</b>
<b>PROVISIONS FOR INCOME TAXES</b>					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	659,738	313,447	47
48	*	(b) State income taxes	55,486	40,955	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	160,303	19,943	50
51		<b>TOTAL PROVISIONS FOR INCOME TAXES (lines 47-52)</b>	<b>875,527</b>	<b>374,345</b>	<b>51</b>
52		<b>Income from continuing operations (line 46 minus line 51)</b>	<b>1,507,789</b>	<b>992,586</b>	<b>52</b>
<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		<b>Income before extraordinary items (lines 52 - 54)</b>	<b>1,507,789</b>	<b>992,586</b>	<b>55</b>
<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	*	<b>Net income (Loss) (Lines 55 + 59 + 60)</b>	<b>1,507,789</b>	<b>992,586</b>	<b>61</b>
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
62	*	<b>Net revenues from railway operations</b>	<b>2,691,231</b>	<b>1,650,440</b>	<b>62</b>
63	*	(556) Income taxes on ordinary income (-)	(715,224)	(354,402)	63
64	*	(557) Provision for deferred income taxes (-)	(160,303)	(19,943)	64
65		<b>Income from lease of road and equipment (-)</b>			<b>65</b>
66		<b>Rent for leased roads and equipment (+)</b>	<b>3,270</b>	<b>3,219</b>	<b>66</b>
67		<b>Net railway operating income (loss)</b>	<b>1,818,974</b>	<b>1,279,314</b>	<b>67</b>

**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	8,498,776	529,697	1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	1,432,993	74,796	3
4	(603)	Appropriations released	811		4
5	(606)	Other credits to retained earnings			5
6		TOTAL CREDITS	1,433,804	74,796	6
		DEBITS			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	(4,747)	4,743	8
9	(620)	Appropriations for sinking and other funds	811		9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends: Common stock	323,000		11
12		Preferred stock (1)			12
13		TOTAL DEBITS	319,064	4,743	13
14		Net increase (decrease) during year (line 6 minus line 13)	1,114,740	70,053	14
15		Balances at close of year (lines 1, 2, and 14)	9,613,516	599,750	15
16		Balances from line 15(c)	599,750	N/A	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	10,213,266	N/A	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year 811			19
20		Debits during year 811			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)	Authorized (c)	Number of Shares			In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	Line No
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	8,600		6
7	FRA Preference Shares - Series B	10,000	500	0				0	0		7
8											8
9											9
10	TOTAL		15,500	9,682				9,682	8,649		10

1/ See note 12 on page 13

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

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

Line No	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No
		Number of Shares (b)	Amount \$ (c)	Number of Shares (d)	Amount \$ (e)	Number of Shares (f)	Amount \$ (g)		
11	Balance at beginning of year	4,829	\$11,156	4,853	\$49			\$4,781,906	11
12									12
13	Payments of Preference Shares	0	(2,556)						13
14									14
15									15
16									16
17	Balance at close of year	4,829	\$8,600	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	1,507,789	992,586	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	(79,061)	(135,286)	11
12		Depreciation and amortization expenses	1,399,101	1,316,481	12
13		Increase (decrease) in provision for Deferred Income Taxes	160,303	19,943	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(74,796)	(60,069)	14
15		Decrease (increase) in accounts receivable	(12,346)	(138,183)	15
16		Decrease (increase) in material and supplies and other current assets	(128,602)	23,087	16
17		Increase (decrease) in current liabilities other than debt	21,325	284,746	17
18		Increase (decrease) in other - net	(68,490)	(371,119)	18
19		Net cash provided from continuing operations (Lines 10-18)	2,725,223	1,932,186	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)	2,725,223	1,932,186	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	124,251	185,119	22
23		Capital expenditures	(2,241,211)	(2,167,708)	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	613	508	25
26		Purchase price of long-term investment and advances	(6,865)	(2,548)	26
27		Net decrease (increase) in sinking and other special funds	(9)	0	27
28		Other - net	74,184	(60,689)	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(2,049,037)	(2,045,318)	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		Principle payments of long-term debt	(147,699)	(145,411)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid	(323,000)	(314,000)	34
35		Other - net	(199,419)	401,370	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(670,118)	(58,041)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29 & 36)	6,068	(171,173)	37
38		Cash and cash equivalents at beginning of the year	50,855	222,028	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	56,923	50,855	39
		Footnotes to Schedule 240 Cash paid during the year for			
40		Interest (net of amount capitalized)*	(475,000)	(502,000)	40
41		Income taxes (net) *	(618,000)	(310,000)	41

\* Only applies if indirect method is adopted

NOTES AND REMARKS

Non-cash capital investments accrued but not yet paid were \$106,000 and \$103,000 in 2006 and 2005, 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	74,382	1
2	Customers (706)	Schedule 200, line 6, column b	410,717	2
3	Other (707)	Note A	147,167	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2+ 3	632,266	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	15,546,373	5
6	Rent Income	Note B	205,033	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	15,751,406	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	43,754	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	14	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	29	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	22,323	11
12	Audited Accounts and Wages Payable (753)	Note A	262,511	12
13	Accounts Payable - Other (754)	Note A	41,082	13
14	Other Taxes Accrued (761.5)	Note A	190,900	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	516,816	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	12,855,142	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,399,101	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	11,661,074	18
19	Average Daily Expenditures	Line 18 divided by 360 days	32,392	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	16	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	421,096	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	398,386	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	398,386	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	394,811	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	1,664	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	393,147	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	791,533	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%)	BNSF (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%)	Gobierno de Estados Unidos Mexicanos (50%)	
Grupo Ferroviario Mexicano (26%)	Mexican Consortium (74%)	
Helm Pacific Leasing (50%)	Helm Pacific Corporation (50%)	
Houston Belt & Terminal Ry (50%)	BNSF (50%)	
Iowa Transfer Ry Co. (25%)	BNSF (25%)	NS (25%)
	Heartland Rail (25%)	
Kansas City Terminal Ry Co. (41.67%)	BNSF (25.01%)	KCS (16.66%)
	IC&E (8.33%)	NS (8.33%)
Longview Switching Co (50%)	BNSF (50%)	
MT Properties, Inc. (42.1%)	BNSF (43.3%)	CP (14.6%)
Portland Terminal Railroad Company (60%)	BNSF (40%)	
Sunset Railway Co. (50%)	BNSF (50%)	
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%)
Wichita Union Terminal Railway Company (33.33%)	BNSF (66.67%)	

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 \_\_\_\_ to \_\_\_\_." 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	8.3	3
4				Brownsville & Matamoros Bridge Co. (A)	50.0	4
5				Grupo Ferroviano Mexicano	26.0	6
6				Houston's Belt & Terminal Ry. (A) (B)	50 0	5
7				Iowa Transfer Railway Co.	25.0	7
8				Kansas City Terminal Ry. (A) (B)	41.7	8
9				Longview Switching Co.	50.0	9
10				MT Properties, Inc.	42.1	10
11				Terminal Railroad Association of St. Louis	42.9	11
12				TTX	36.7	12
13						13
14						14
15	721	A3	VI	<b>STOCKS - NONCARRIERS - ACTIVE</b>		15
16						16
17				Helm Pacific Leasing	50.0	17
18						18
19						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.

Note. Companies under joint control are 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) (j)	Adjustments Acct. 721.5 (k)	Dividends or interest credited to income (l)	Line No
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3	260			260				3
4	325			325				4
5	81,688			81,688				5
6	13			13				6
7	55		55	0				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	498			498				17
18								18
19								19
20								20
21								21
22	222,666	0	55	222,611				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						37
38	721	E1		<b>INVESTMENT ADVANCES - CARRIERS - ACTIVE</b>		38
39						39
40				Alameda Belt Line		40
41				Houston Belt & Terminal Ry.		41
42				Kansas City Terminal Ry. Co.		42
43				Portland Terminal Railroad Company		43
44				Wichita Terminal		44
45						45
46				<b>TOTAL CLASS E</b>		46
47						47
48						48
49						49
50						50
51						51
52						52
53						53
54						54
55						55
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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								39
40	463		463	0				40
41	21,926	6,865		28,791				41
42	15,262			15,262				42
43	1,145			1,145				43
44	120			120				44
45								45
46	38,916	6,865	463	45,318				46
47								47
48								48
49								49
50								50
51								51
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77								77
78								78
79								79
80								80
81								81
82								82
83								83
84								84
85	261,582	6,865	518	267,929				85

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

**Undistributed Earnings From Certain Investments in Affiliated Companies**

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

Line No	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No
1	<b>CARRIERS:</b> (List specifics for each company)							
1	Belt Ry of Chicago	438		0			438	1
2	Brownsville & Matamoros Bridge Co	4,486		(137)			4,349	2
3	Grupo Ferrocarril Mexicano	65,740	(6,732)	27,872			86 880	3
4	Houston Belt & Terminal Rwy	11,363		65			11,428	4
5	Kansas City Terminal Rwy.	(5,221)		(1,047)			(6,268)	5
6	MT Properties	78		97			175	6
7	Terminal RR Assn of St Louis	33,314		2,003			35,317	7
8	TTX	397,913	2,001	40,129			440,043	8
9	Sunset Railway	252		(226)			26	9
10								10
11	<b>TOTAL CARRIER</b>	<b>508,363</b>	<b>(4,731)</b>	<b>68,756</b>			<b>572,388</b>	<b>11</b>
12								12
13								13
14								14
15								15
16								16
17	<b>NONCARRIER</b> (List specifics for each company)							17
18	Helm Pacific Leasing	21,334	(12)	6,040			27,362	18
19								19
20	<b>TOTAL NONCARRIER</b>	<b>21,334</b>	<b>(12)</b>	<b>6,040</b>	<b>0</b>	<b>0</b>	<b>27,362</b>	<b>20</b>
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								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>529 697</b>	<b>(4,743)</b>	<b>74,796</b>	<b>0</b>	<b>0</b>	<b>599,750</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	4,583,799			1
2		(3) Grading	2,695,401			2
3		(4) Other, right-of-way expenditures	68,794			3
4		(5) Tunnels and subways	344,014			4
5		(6) Bridges, trestles, and culverts	2,313,370			5
6		(7) Elevated structures	0			6
7		(8) Ties	5,480,226			7
8		(9) Rail and other track material	9,385,437			8
9		(11) Ballast	2,936,518			9
10		(13) Fences, snowsheds and signs	56,240			10
11		(16) Station and office buildings	449,017			11
12		(17) Roadway buildings	34,911			12
13		(18) Water stations	6,779			13
14		(19) Fuel stations	119,192			14
15		(20) Shops and enginehouses	337,698			15
16		(22) Storage warehouses	984			16
17		(23) Wharves and docks	22,789			17
18		(24) Coal and ore wharves	1,603			18
19		(25) TOFC/COFC terminals	550,166			19
20		(26) Communication systems	346,641			20
21		(27) Signals and interlockers	2,085,997			21
22		(29) Power plants	0			22
23		(31) Power-transmission systems	59,636			23
24		(35) Miscellaneous structures	14,949			24
25		(37) Roadway machines	426,746			25
26		(39) Public improvements-construction	575,515			26
27		(44) Shop machinery	159,472			27
28		(45) Power-plant machinery	0			28
29		Other lease/rentals	0			29
30		TOTAL EXPENDITURES FOR ROAD	33,055,894	0	0	30
31		(52) Locomotives	4,890,734			31
32		(53) Freight train cars	2,230,679			32
33		(54) Passenger train cars	0			33
34		(55) Highway revenue equipment	1,862			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	143,392			36
37		(58) Miscellaneous equipment	25,330			37
38		(59) Computer systems and word processing equipment	322,638			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	7,614,635	0	0	39
40		(76) Interest during construction	43,497			40
41		(80) Other elements of investment	0			41
42		(90) Construction work in progress	766,951			42
43		GRAND TOTAL	41,480,977	0	0	43

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		44,982	14,716	30,266	4,614,065	1
2		86,191	25,713	60,478	2,755,879	2
3		2,633	(22)	2,655	71,449	3
4		8	2,688	(2,680)	341,334	4
5		172,484	34,316	138,168	2,451,538	5
6		0	0	0	0	6
7		460,625	18,401	442,224	5,922,450	7
8		757,841	125,472	632,369	10,017,806	8
9		222,139	14,628	207,511	3,144,029	9
10		2,291	(38)	2,329	58,569	10
11		21,705	(2,068)	23,773	472,790	11
12		77	(480)	557	35,468	12
13		0	(128)	128	6,907	13
14		9,813	(423)	10,236	129,428	14
15		35,203	1,132	34,071	371,769	15
16		0	0	0	984	16
17		78	0	78	22,867	17
18		0	70	(70)	1,533	18
19		64,507	(814)	65,321	615,487	19
20		23,542	221	23,321	369,962	20
21		230,727	18,156	212,571	2,298,568	21
22		0	0	0	0	22
23		3,141	(216)	3,357	62,993	23
24		1,486	(64)	1,550	16,499	24
25		49,698	30,395	19,303	446,049	25
26		36,463	3,783	32,680	608,195	26
27		10,663	2,978	7,685	167,157	27
28		0	0	0	0	28
29		0	0	0	0	29
30		2,236,297	288,416	1,947,881	35,003,775	30
31		98,036	36,249	61,787	4,952,521	31
32		36,987	165,612	(128,625)	2,102,054	32
33		0	0	0	0	33
34		0	1,323	(1,323)	539	34
35		0	0	0	0	35
36		(4,440)	10,668	(15,108)	128,284	36
37		0	16,430	(16,430)	8,900	37
38		79,298	32,141	47,157	369,795	38
39		209,881	262,423	(52,542)	7,562,093	39
40		0	62	(62)	43,435	40
41		0	0	0	0	41
42		(109,574)	0	(109,574)	657,377	42
43		2,336,604	550,901	1,785,703	43,266,680	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	2,695,401	2,750,459	1.14				1
2	(4) Other, right-of-way expenditures	68,794	71,173	2.94				2
3	(5) Tunnels and subways	344,014	341,333	0.86				3
4	(6) Bridges, trestles and culverts	2,313,370	2,424,259	1.39				4
5	(7) Elevated structures	0	0	0				5
6	(8) Ties	5,475,467	5,893,861	4.26				6
7	(9) Rail and other track material	9,374,135	9,967,229	4.54				7
8	(11) Ballast	2,934,778	3,124,332	2.94				8
9	(13) Fences, snow sheds, and signs	56,240	58,282	1.64				9
10	(16) Station and office buildings	449,017	467,512	3.30				10
11	(17) Roadway buildings	34,911	35,468	3.19				11
12	(18) Water stations	6,779	6,908	2.86				12
13	(19) Fuel Stations	119,192	129,427	3.23				13
14	(20) Shops and enginehouse	337,698	371,687	2.20				14
15	(22) Storage warehouses	984	984	3.33				15
16	(23) Wharves and docks	22,789	22,868	4.00				16
17	(24) Coal and ore wharves	1,603	1,533	2.50				17
18	(25) TOFC/COFC terminals	550,166	597,588	2.86				18
19	(26) Communication systems	346,641	362,880	3.00				19
20	(27) Signals and interlockers	2,085,997	2,274,014	2.27				20
21	(29) Power plants	0	0	0				21
22	(31) Power-transmission systems	59,636	62,977	2.17				22
23	(35) Miscellaneous structures	14,949	16,474	2.70				23
24	(37) Roadway machines	426,746	876,630	5.94				24
25	(39) Public improvements-Construction	575,515	606,946	2.86				25
26	(44) Shop machinery	159,472	165,103	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	28,454,294	30,629,927	3.59				30
	EQUIPMENT							
31	(52) Locomotives	4,890,734	4,937,906	4.83				31
32	(53) Freight-train cars	2,230,679	2,097,877	3.65				32
33	(54) Passenger-train cars	0	0	0.00				33
34	(55) Highway revenue equipment	1,862	539	7.00				34
35	(56) Floating equipment	0	0	0				35
36	(57) Work equipment	143,392	126,204	3.17				36
37	(58) Miscellaneous equipment	25,330	8,901	6.93				37
38	(59) Computer systems and WP equipment	322,638	342,194	14.64				38
39	TOTAL EQUIPMENT	7,614,635	7,513,621	4.98				39
40	GRAND TOTAL	36,068,929	38,143,548	N/A			N/A	40

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading	235,785	43,511	0	(6,323)	0	285,619	1
2		(4) Other, right-of-way expenditures	14,474	2,105	0	(15)	0	16,594	2
3		(5) Tunnels and subways	26,942	3,815	0	2,666	0	28,091	3
4		(6) Bridges, trestles, and culverts	165,403	51,922	0	28,377	0	188,948	4
5		(7) Elevated structures	0	0	0	0	0	0	5
6		(8) Ties	1,600,735	246,606	0	52,490	0	1,794,851	6
7		(9) Rail and other track material	3,532,663	457,558	0	128,511	0	3,861,710	7
8		(11) Ballast	547,902	89,836	0	9,023	0	628,715	8
9		(13) Fences, snow sheds and signs	7,961	1,012	0	(634)	0	9,607	9
10		(16) Station and office buildings	88,465	16,501	0	1,375	0	103,591	10
11		(17) Roadway buildings	14,126	1,170	0	(443)	0	15,739	11
12		(18) Water stations	4,663	192	0	(149)	0	5,004	12
13		(19) Fuel stations	48,274	4,140	0	(394)	0	52,808	13
14		(20) Shops and enginehouses 1/	113,781	4,734	0	1,062	0	117,453	14
15		(22) Storage warehouses	505	20	0	0	0	525	15
16		(23) Wharves and docks	11,545	695	0	0	0	12,240	16
17		(24) Coal and ore wharves	145	91	0	51	0	185	17
18		(25) TOFC/COFC terminals	110,139	16,975	0	(859)	0	127,973	18
19		(26) Communication systems	94,056	10,703	0	(370)	0	105,129	19
20		(27) Signals and interlockers	349,803	50,687	0	9,448	0	391,042	20
21		(29) Power plants	0	0	0	0	0	0	21
22		(31) Power-transmission systems	7,653	1,325	0	(276)	0	9,254	22
23		(35) Miscellaneous structures	6,288	474	0	(69)	0	6,831	23
24		(37) Roadway machines 1/	125,008	11,424	0	14,970	0	121,462	24
25		(39) Public improvements-Construction	111,482	18,173	0	3,864	0	125,791	25
26		(44) Shop machinery 1/	45,688	5,266	0	2,795	0	48,159	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	7,263,488	1,038,935	0	245,100	0	8,057,323	30
EQUIPMENT									
31		(52) Locomotives 1/	1,802,081	226,276	0	12,390	0	2,015,967	31
32		(53) Freight-train cars	1,094,398	82,959	0	134,972	0	1,042,385	32
33		(54) Passenger-train cars	0	0	0	0	0	0	33
34		(55) Highway revenue equipment	1,820	107	0	1,730	0	197	34
35		(56) Floating equipment	0	0	0	0	0	0	35
36		(57) Work equipment 1/	30,548	1,264	0	6,651	0	25,161	36
37		(58) Miscellaneous equipment	14,711	989	0	12,662	0	3,038	37
38		(59) Computer systems and WP equipment	116,755	48,571	0	32,136	0	133,190	38
39		Amortization Adjustments	0	0	0	0	0	0	39
40		TOTAL EQUIPMENT	3,060,313	360,166	0	200,541	0	3,219,938	40
41		GRAND TOTAL	10,323,801	1,399,101	0	445,641	0	11,277,261	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							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		<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 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)		
	<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				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
	<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	TOTAL EQUIPMENT				40
41	GRAND TOTAL				41

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

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

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

Line No	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the Year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<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	26,465	\$43,266,680	\$11,277,261	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 Shore Railway) yard switching tracks		34	3/	14
15				40	3/	15
16	O	Medford Corp, Medford, Oregon-Way switching tracks				16
17	O	Nueces County Navigation Dist. No. 1 Terminal				17
18		Properties Corpus Christi, TX		581	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	16,461	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	12,663	0	30
31		<b>TOTAL</b>	26,472	43,279,343	\$11,277,261	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	\$4,609,999	\$4,066		\$16	1
2		(3) Grading	2,749,307	6,573		108	2
3		(4) Other, right-of-way expenditures	71,221	228			3
4		(5) Tunnels and subways	341,333	0		8,593	4
5		(6) Bridges, trestles, and culverts	2,442,541	8,996		72	5
6		(7) Elevated structures	0	0			6
7		(8) Ties	5,911,634	10,817		793	7
8		(9) Rail and other track material	9,980,249	37,557		48	8
9		(11) Ballast	3,131,353	12,676		324	9
10		(13) Fences, snowsheds and signs	58,264	305		5	10
11		(16) Station and office buildings	472,106	684		19	11
12		(17) Roadway buildings	35,416	52		38	12
13		(18) Water stations	6,899	9			13
14		(19) Fuel stations	129,419	9			14
15		(20) Shops and enginehouses	371,713	55			15
16		(22) Storage warehouses	984	0			16
17		(23) Wharves and docks	22,868	0			17
18		(24) Coal and ore wharves	1,533	0			18
19		(25) TOFC/COFC terminals	613,568	1,919			19
20		(26) Communication systems	369,591	370			20
21		(27) Signals and interlockers	2,292,220	6,348		78	21
22		(29) Power plants	0	0			22
23		(31) Power transmission systems	62,974	19			23
24		(35) Miscellaneous structures	16,447	51			24
25		(37) Roadway machines	446,045	4			25
26		(39) Public improvements-construction	607,260	935		612	26
27		(44) Shop machinery	167,157	0			27
28		(45) Power-plant machinery	0	0			28
29		Leased property capitalized rentals (explain)	0	0	1/	950	29
30		Other (specify and explain)	0	0			30
31		TOTAL ROAD	34,912,100	91,673		11,656	31
32		(52) Locomotives	4,952,521	0			32
33		(53) Freight-train cars	2,102,054	0			33
34		(54) Passenger-train cars	0	0			34
35		(55) Highway revenue equipment	539	0			35
36		(56) Floating equipment	0	0			36
37		(57) Work equipment	128,283	0			37
38		(58) Miscellaneous equipment	8,900	1			38
39		(59) Computer systems & WP equipment	369,795	0			39
40		TOTAL EQUIPMENT	7,562,093	1			40
41		(76) Interest during construction	42,803	632		1,008	41
42		(80) Other elements of investment	0	0			42
43		(90) Construction work in progress	657,377	0			43
44		GRAND TOTAL	\$43,174,373	\$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)

**Schedule 415**

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

Line 213, column (f)

=

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)  
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 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
		WAY AND STRUCTURES								
		ADMINISTRATION								
1		Track	21,202	6,245	3,005	4,752	35,204	1,024	36,228	1
2		Bridge & Building	3,426	1,309	975	602	6,312	726	7,038	2
3		Signal	9,632	3,284	1,059	1,390	15,365	791	16,156	3
4		Communication	2,820	41	855	268	3,984	68	4,052	4
5		Other	8,425	422	103	1,450	10,400	830	11,230	5
		REPAIR AND MAINTENANCE								
6		Roadway - Running	14,040	1,218	27,261	93	42,612	1,550	44,162	6
7		Roadway - Switching	4,537	322	8,128	23	13,010	0	13,010	7
8		Tunnels and Subways - Running	73	0	2,936	0	3,009	29	3,038	8
9		Tunnels and Subways - Switching	22	0	882	0	904	0	904	9
10		Bridges - Culverts - Running	17,760	4,460	77	3,706	26,003	1,080	27,083	10
11		Bridges - Culverts - Switching	5,569	1,725	23	1,192	8,509	0	8,509	11
12		Ties - Running	4,938	3,718	143	1,165	9,964	1,199	11,163	12
13		Ties - Switching	1,543	2,277	57	443	4,320	0	4,320	13
14		Rail & Other Track Material - Running	88,170	23,396	4,106	6,926	122,598	3,689	126,287	14
15		Rail & Other Track Material - Switching	26,737	9,282	1,930	2,231	40,180	10	40,190	15
16		Ballast - Running	59	61	61	0	181	53	234	16
17		Ballast - Switching	18	31	18	0	67	0	67	17
18		Road Property Damaged - Running	544	0	354	0	898	9	907	18
19		Road Property Damaged - Switching	154	0	103	0	257	4	261	19
20		Road Property Damaged - Other	46	0	31	0	77	0	77	20
21		Signal & Interlockers-Running	44,421	11,104	7,048	1,792	64,365	4,327	68,692	21
22		Signal & Interlockers-Switching	13,749	3,775	470	517	18,511	0	18,511	22
23		Communications Systems	23,172	10,838	2,533	1,131	37,674	91	37,765	23
24		Power Systems	1,903	0	0	0	1,903	367	2,270	24
25		Highway Grade Crossing - Running	10,616	168	2,836	0	13,620	775	14,395	25
26		Highway Grade Crossing - Switching	0	0	0	0	0	0	0	26
27		Station & Office Buildings	3,357	6,646	14,403	270	24,676	2,811	27,487	27
28		Shop Buildings - Locomotives	12,434	0	1,407	0	13,841	149	13,990	28
29		Shop Buildings - Freight Cars	155	0	671	0	826	0	826	29
30		Shop Buildings - Other Equipment	0	65	37	0	102	0	102	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	646	500	2,752	36	3,934	101	4,035	101
102		Miscellaneous Buildings & Structures	2,059	573	262	22	2,916	984	3,900	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	25,229	0	25,229	0	25,229	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	13,435	4,815	2,782	2,237	23,269	1,143	24,412	109
110		Small Tools and Supplies	0	0	0	0	0	0	0	110
111		Snow Removal	660	3,395	1,703	0	5,758	833	6,591	111
112		Fringe Benefits - Running	N/A	N/A	N/A	74,019	74,019	4,104	78,123	112
113		Fringe Benefits - Switching	N/A	N/A	N/A	16,480	16,480	270	16,750	113
114		Fringe Benefits - Other	N/A	N/A	N/A	47,936	47,936	520	48,456	114
115		Casualties & Insurance - Running	N/A	N/A	N/A	23,317	23,317	20	23,337	115
116		Casualties & Insurance - Switching	N/A	N/A	N/A	6,035	6,035	0	6,035	116
117		Casualties & Insurance - Other	N/A	N/A	N/A	8,727	8,727	0	8,727	117
118		Lease Rentals - Debit - Running	N/A	N/A	3,325	N/A	3,325	0	3,325	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	44,654	N/A	44,654	369	45,023	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	24,353	N/A	24,353	0	24,353	124
125		Joint Facility Rent - Debit - Switching	N/A	N/A	516	N/A	516	0	516	125
126		Joint Facility Rent - Debit - Other	N/A	N/A	83	N/A	83	0	83	126
127		Joint Facility Rent - (Credit) - Running	N/A	N/A	(9,418)	N/A	(9,418)	0	(9,418)	127
128		Joint Facility Rent - (Credit) - Switching	N/A	N/A	(109)	N/A	(109)	0	(109)	128
129		Joint Facility Rent - (Credit) - Other	N/A	N/A	(52)	N/A	(52)	0	(52)	129
130		Other Rents - Debit - Running	N/A	N/A	0	N/A	0	0	0	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	3	N/A	3	0	3	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
134		REPAIR AND MAINTENANCE - (Continued)								
135		Other Rents - (Credit) - Switching	N/A	N/A	0	N/A	0	0	0	134
136		Other Rents - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	135
137		Depreciation - Running	N/A	N/A	N/A	753,522	753,522	1,877	755,399	136
138		Depreciation - Switching	N/A	N/A	N/A	223,504	223,504	0	223,504	137
139		Depreciation - Other	N/A	N/A	N/A	54,766	54,766	0	54,766	138
140		Joint Facility - Debit - Running	N/A	N/A	73,622	N/A	73,622	117	73,739	139
141		Joint Facility - Debit - Switching	N/A	N/A	10,616	N/A	10,616	0	10,616	140
142		Joint Facility - Debit - Other	N/A	N/A	308	N/A	308	0	308	141
143		Joint Facility - (Credit) - Running	N/A	N/A	(30,393)	N/A	(30,393)	0	(30,393)	142
144		Joint Facility - (Credit) - Switching	N/A	N/A	(3)	N/A	(3)	0	(3)	143
145		Joint Facility - (Credit) - Other	N/A	N/A	0	N/A	0	0	0	144
146		Dismantling Retired Road Property - Running	0	0	0	0	0	0	0	145
147		Dismantling Retired Road Property - Switching	0	0	0	0	0	0	0	146
148		Dismantling Retired Road Property - Other	0	0	0	0	0	0	0	147
149		Other - Running	0	0	24	0	24	0	24	148
150		Other - Switching	0	0	0	0	0	0	0	149
151		Other - Other	357	374	3	934	1,668	0	1,668	150
		TOTAL WAY & STRUCTURE	336,679	100,044	231,772	1,239,486	1,907,981	29,920	1,937,901	151
		EQUIPMENT - LOCOMOTIVES								
201		Administration	9,385	611	6,947	2,159	19,102	347	19,449	201
202		Repair & Maintenance	165,487	276,155	168,682	3,766	614,090	4,058	618,148	202
203		Machinery Repair	0	2,283	2,193	0	4,476	0	4,476	203
204		Equipment Damaged	176	159	311	2	648	0	648	204
205		Fringe Benefits	N/A	N/A	N/A	73,131	73,131	1,636	74,767	205
206		Other Casualties and Insurance	N/A	N/A	N/A	19,994	19,994	4	19,998	206
207		Lease Rentals - Debit	N/A	N/A	365,984	N/A	365,984	0	365,984	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	34	N/A	34	0	34	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	1,321	N/A	1,321	0	1,321	211
212		Other Rents - (Credit)	N/A	N/A	(1,013)	N/A	(1,013)	0	(1,013)	212
213		Depreciation	N/A	N/A	N/A	230,034	230,034	31	230,065	213
214		Joint Facility - Debit	N/A	N/A	15	N/A	15	0	15	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	1,270	1	1,023	194	2,488	1	2,489	219
		TOTAL LOCOMOTIVES	176,318	279,209	545,497	329,280	1,330,304	6,077	1,336,381	219
220		FREIGHT CARS								220
221		Administration	5,691	175	2,565	651	9,082	N/A	9,082	221
222		Repair & Maintenance	144,530	250,116	116,344	4,875	515,865	N/A	515,865	222
223		Machinery Repair	0	2,728	2,662	0	5,390	N/A	5,390	223
224		Equipment Damaged	0	0	0	0	0	N/A	0	224
225		Fringe Benefits	N/A	N/A	N/A	62,274	62,274	N/A	62,274	225
226		Other Casualties & Insurance	N/A	N/A	N/A	41,950	41,950	N/A	41,950	226
227		Lease Rentals - Debit	N/A	N/A	241,740	N/A	241,740	N/A	241,740	227
228		Lease Rentals - (Credit)	N/A	N/A	(2,558)	N/A	(2,558)	N/A	(2,558)	228
229		Joint Facility Rent - Debit	N/A	N/A	0	N/A	0	N/A	0	229
230		Joint Facility Rent - (Credit)	N/A	N/A	0	N/A	0	N/A	0	230
231		Other Rents - Debit	N/A	N/A	840,020	N/A	840,020	N/A	840,020	231
232		Other Rents - (Credit)	N/A	N/A	(189,441)	N/A	(189,441)	N/A	(189,441)	232
233		Depreciation	N/A	N/A	N/A	84,348	84,348	N/A	84,348	233
234		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	234
235		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	235
236		Repairs Billed Other - (Credit)	N/A	N/A	(237,093)	N/A	(237,093)	N/A	(237,093)	236
237		Dismantling Retired Property	0	0	0	0	0	N/A	0	237
238		Others	0	0	9	0	9	N/A	9	238
		TOTAL FREIGHT CARS	150,221	253,019	774,248	194,098	1,371,586	N/A	1,371,586	238
301		OTHER EQUIPMENT								301
		Administration	0	0	0	0	0	165	165	301
		Repair and Maintenance								302
302		Truck, Trailers & Containers - Revenue Service	285	6,855	26,821	75	34,036	N/A	34,036	302
303		Floating Equipment - Revenue Services	0	0	0	0	0	N/A	0	303
304		Passenger & Other Revenue Equipment	1,277	0	0	0	1,277	13,007	14,284	304
305		Computers & Data Process Systems	0	6,434	27,866	0	34,300	57	34,357	305
306		Machinery	0	493	150	0	643	14	657	306
307		Work & Other Nonrevenue Equipment	0	2,693	30,319	0	33,012	729	33,741	307
308		Equipment Damaged	0	0	55	0	55	0	55	308
309		Fringe Benefits	N/A	N/A	N/A	725	725	4,380	5,105	309
310		Other Casualties & Insurance	N/A	N/A	N/A	316	316	5	321	310
311		Lease Rentals - Debit	N/A	N/A	108,353	N/A	108,353	1,191	109,544	311
312		Lease Rentals - (Credit)	N/A	N/A	(2,437)	N/A	(2,437)	0	(2,437)	312

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

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313		OTHER EQUIPMENT - (Continued)								
		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	34,690	N/A	34,690	0	34,690	315
316		Other Rents - (Credit)	N/A	N/A	0	N/A	0	0	0	316
317		Depreciation	N/A	N/A	0	50,885	50,885	134	51,019	317
318		Joint Facility - Debit	N/A	N/A	4,385	N/A	4,385	0	4,385	318
319		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	319
320		Repairs Billed Other - (Credit)	N/A	N/A	(12,572)	N/A	(12,572)	0	(12,572)	320
321		Dismantling Retired Equipment	0	0	0	0	0	0	0	321
322		Other	162	8	6,666	6,050	12,886	7	12,893	322
323		TOTAL OTHER EQUIPMENT	1,724	16,483	224,296	58,051	300,554	19,689	320,243	323
324		TOTAL EQUIPMENT	328,263	548,711	1,544,041	581,428	3,002,443	25,766	3,028,209	324
		TRANSPORTATION								
		TRAIN OPERATIONS								
401		Administration	44,370	4,710	12,026	3,670	64,776	3,290	68,066	401
402		Engine Crews	711,866	1,219	6,656	122,837	842,578	6,073	848,651	402
403		Train Crews	611,067	236	65	129	611,497	14,188	625,685	403
404		Dispatching Trains	57,690	222	3,040	796	61,748	493	62,241	404
405		Operating Signal & Interlockers	1	0	3,545	0	3,546	24	3,570	405
406		Operating Drawbridges	0	0	0	0	0	0	0	406
407		Highway Crossing Protection	0	0	1,841	0	1,841	0	1,841	407
408		Train Inspection & Lubricants	65,796	47,572	708	3,884	117,960	56	118,016	408
409		Locomotive Fuel	0	2,507,294	0	0	2,507,294	19,795	2,527,089	409
410		Electric Power Purchased or Produced for Motive Power	0	0	0	0	0	0	0	410
411		Servicing Locomotives	72,453	7,055	4,841	27	84,376	2,188	86,564	411
412		Freight Lost or Damaged	N/A	N/A	N/A	0	0	0	0	412
413		Clearing Wrecks	1,867	123	25,155	0	27,145	0	27,145	413
414		Fringe Benefits	N/A	N/A	N/A	566,654	566,654	7,958	574,612	414
415		Other Casualties & Insurance	N/A	N/A	N/A	133,710	133,710	2,685	136,395	415
416		Joint Facility - Debit	N/A	N/A	90,724	N/A	90,724	0	90,724	416
417		Joint Facility - (Credit)	N/A	N/A	(96,957)	N/A	(96,957)	0	(96,957)	417
418		Other	40,547	366	5,511	6,417	52,841	192	53,033	418
419		TOTAL TRAIN OPERATIONS	1,605,657	2,568,797	57,155	838,124	5,069,733	56,942	5,126,675	419
		YARD OPERATIONS								
420		Administration	13,957	2,135	14,822	1,118	32,032	0	32,032	420
421		Switch Crews	274,270	2,809	4,901	51,082	333,062	1,478	334,540	421

410 RAILWAY OPERATING EXPENSES - Continued  
(Dollars in Thousands)

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422		YARD OPERATIONS - (Continued)								
		Controlling Operations	36,044	0	0	0	36,044	1,134	37,178	422
423		Yard & Terminal Clerical	16,856	588	29	189	17,662	611	18,273	423
424		Operating Switches, Signals, Retarders & Humps	100	1	2,762	0	2,863	121	2,984	424
425		Locomotive Fuel	0	306,531	0	0	306,531	0	306,531	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	35	35	429
430		Fringe Benefits	N/A	N/A	N/A	120,401	120,401	1,154	121,555	430
431		Other Casualties & Insurance	N/A	N/A	N/A	30,404	30,404	0	30,404	431
432		Joint Facility - Debit	N/A	N/A	30,520	N/A	30,520	0	30,520	432
433		Joint Facility - (Credit)	N/A	N/A	(1,497)	N/A	(1,497)	0	(1,497)	433
434		Other	0	0	0	0	0	0	0	434
435		TOTAL YARD OPERATION	341,227	312,064	51,537	203,194	908,022	4,533	912,555	435
501		TRAIN & YARD OPERATIONS COMMON								
		Cleaning Car Interiors	0	0	4,073	N/A	4,073	4,403	8,476	501
502		Adjusting & Transferring Loads	52	0	6,479	N/A	6,531	N/A	6,531	502
503		Car Loading Devices & Grain Doors	16	28	28,930	N/A	28,974	N/A	28,974	503
504		Freight Loss or Damaged - All Other	N/A	N/A	N/A	35,140	35,140	0	35,140	504
505		Fringe Benefits	N/A	N/A	N/A	32	32	0	32	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON	68	28	39,482	35,172	74,750	4,403	79,153	506
		SPECIALIZED SERVICE OPERATIONS								
507		Administration	7,041	411	1,467	248	9,167	N/A	9,167	507
508		Picking & Delivery & Marine Line Haul	0	0	36,918	0	36,918	N/A	36,918	508
509		Loading & Unloading Local Marine	17,714	881	150,610	1,134	170,339	N/A	170,339	509
510		Protective Services	0	0	11	0	11	N/A	11	510
511		Freight Loss or Damaged - Solely Related	N/A	N/A	N/A	0	0	N/A	0	511
512		Fringe Benefits	N/A	N/A	N/A	9,418	9,418	N/A	9,418	512
513		Casualties & Insurance	N/A	N/A	N/A	1,806	1,806	N/A	1,806	513
514		Joint Facility - Debit	N/A	N/A	0	N/A	0	N/A	0	514
515		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	N/A	0	515
516		Others	2,119	213	238	105	2,675	N/A	2,675	516
517		TOTAL SPECIALIZED SERVICES OPERATIONS	26,874	1,505	189,244	12,711	230,334	N/A	230,334	517

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

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		<b>ADMINISTRATIVE SUPPORT OPERATIONS</b>								
518		Administration	93,873	3,532	12,873	9,170	119,448	954	120,402	518
519		Employees Performing Clerical & Acctg Functions	44,214	5,082	2,030	741	52,067	5,833	57,900	519
520		Communication Systems Operations	4,575	747	2,096	282	7,700	479	8,179	520
521		Loss & Damage Claims Process	13,854	329	4,835	1,736	20,754	0	20,754	521
522		Fringe Benefits	N/A	N/A	N/A	56,147	56,147	1,729	57,876	522
523		Casualties & Insurance	N/A	N/A	N/A	13,361	13,361	0	13,361	523
524		Joint Facility - Debit	N/A	N/A	207	N/A	207	0	207	524
525		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	525
526		Other	2,380	2	331	87	2,800	0	2,800	526
527		TOTAL ADMINISTRATION SUPPORT OPERATIONS	158,896	9,692	22,372	81,524	272,484	8,995	281,479	527
528		TOTAL TRANSPORTATION	2,132,722	2,892,086	359,790	1,170,725	6,555,323	74,873	6,630,196	528
		<b>GENERAL &amp; ADMINISTRATIVE</b>								
601		Officers General & Administration	34,995	3,311	15,107	19,393	72,806	756	73,562	601
602		Accounting, Auditing & Finance	30,778	144	1,422	1,059	33,403	1,008	34,411	602
603		Management Services & Data Processing	38,411	518	24,961	4,125	68,015	2,331	70,346	603
604		Marketing	45,112	790	43,455	8,915	98,272	0	98,272	604
605		Sales	0	0	0	0	0	0	0	605
606		Industrial Development	1,162	24	42	203	1,431	N/A	1,431	606
607		Personnel & Labor Relations	31,952	387	8,788	19,911	61,038	1,197	62,235	607
608		Legal & Secretarial	14,170	189	73,863	2,213	90,435	1,543	91,978	608
609		Public Relations & Advertising	3,691	35	8,955	2,609	15,290	273	15,563	609
610		Research & Development	0	90	3	0	93	0	93	610
611		Fringe Benefits	N/A	N/A	N/A	112,569	112,569	1,450	114,019	611
612		Casualties & Insurance	N/A	N/A	N/A	51,738	51,738	8	51,746	612
613		Writedown of Uncollectible Accounts	N/A	N/A	N/A	(6,658)	(6,658)	42	(6,616)	613
614		Property Taxes	N/A	N/A	N/A	169,080	169,080	1,473	170,553	614
615		Other Taxes	N/A	N/A	N/A	78,492	78,492	132	78,624	615
616		Joint Facility - Debit	N/A	N/A	1,835	N/A	1,835	0	1,835	616
617		Joint Facility - (Credit)	N/A	N/A	0	N/A	0	0	0	617
618		Other	126,842	8,737	188,189	76,571	400,339	445	400,784	618
619		TOTAL GENERAL & ADMINISTRATIVE	327,113	14,225	366,620	540,220	1,248,178	10,658	1,258,836	619
620		TOTAL OPERATING EXPENSE	3,124,777	3,555,066	2,502,223	3,531,859	12,713,925	141,217	12,855,142	620

## 412. WAY AND STRUCTURES

(Dollars in Thousands)

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

Line No.	Cross Check	Property account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No
1		2	Land for transportation purposes	N/A			1
2		3	Grading	42,826			2
3		4	Other right-of-way expenditures	2,072			3
4		5	Tunnels and subways	3,755			4
5		6	Bridges, trestles and culverts	51,104			5
6		7	Elevated structures	0			6
7		8	Ties	242,721			7
8		9	Rail and other track material	450,350			8
9		11	Ballast	88,421			9
10		13	Fences, snowsheds and signs	996			10
11		16	Station and office buildings	16,241			11
12		17	Roadway buildings	1,152			12
13		18	Water stations	189			13
14		19	Fuel stations	4,075			14
15		20	Shops and enginehouses	4,659			15
16		22	Storage warehouses	20			16
17		23	Wharves and docks	684			17
18		24	Coal and ore wharves	90			18
19		25	TOFC/COFC terminals	16,708			19
20		26	Communications systems	10,534			20
21		27	Signals and interlockers	49,888			21
22		29	Power plants	0			22
23		31	Power transmission systems	1,304			23
24		35	Miscellaneous structures	467			24
25		37	Roadway machines	25,651			25
26		39	Public improvements; construction	17,887			26
27		45	Power plant machines	0			27
28			Other lease/rentals	N/A	47,982	N/A	28
29			TOTAL	1,031,792	47,982		29

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

(Dollars in Thousands)

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

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

Line No	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box - Plain 40 Foot		0	0	0	0	0	1
2		Box - Plain 50 Foot and Longer		9	32	21,756	2,287	5,993	2
3		Box - Equipped		5,354	24,248	19,915	36,887	87,573	3
4		Gondola - Plain		268	848	5,763	1,538	2,956	4
5		Gondola - Equipped		1,966	9,969	2	11,694	27,077	5
6		Hopper - Covered		7,115	33,808	70,361	12,977	32,038	6
7		Hopper - Open Top - General Service		2,523	10,211	16	367	881	7
8		Hopper - Open Top - Special Service		91	780	2	928	2,486	8
9		Refrigerator - Mechanical		4,826	16,054	203	52	327	9
10		Refrigerator - Non-Mechanical		1,487	4,813	36	1,375	2,355	10
11		Flat - TOFC/COFC		1,306	5,976	136,903	18,857	58,408	11
12		Flat - Multi-Level		1,558	5,307	89,952	8,040	18,767	12
13		Flat - General Service		1	14	0	175	231	13
14		Flat - Other		924	5,185	42,687	17,467	46,322	14
15		Tank - Under 22,000 Gallons		0	0	4,363	0	0	15
16		Tank - 22,000 Gallons and Over		0	0	7,756	0	0	16
17		All Other Freight Cars		0	0	91	112	275	17
18		Auto Racks		0	44,768	0	0	41,769	18
19		TOTAL FREIGHT TRAIN CARS	0	27,428	162,013	399,806	112,756	327,458	19
OTHER FREIGHT-CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers						5,949	21
22		Refrigerated Containers							22
23		Other Containers						28,741	23
24	*	TOTAL TRAILERS AND CONTAINERS	0	0	0	0	0	34,690	24
25		GRAND TOTAL (Lines 19 and 24)	0	27,428	162,013	399,806	112,756	362,148	25

**NOTES AND REMARKS**

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## GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

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

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

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

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

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

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

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

- (a) Locomotives, line 5 plus 38 compared to Schedule 410, line 213
- (b) Freight Cars, line 24 plus line 39 compared to Schedule 410, line 232
- (c) Sum of Highway Equipment (line 32), Floating Equipment (line 35), Passenger and Other Revenue Equipment (line 36), Computer and Data Processing Equipment (line 37), Machinery-Other Equipment (line 40), and Work and Other Non-Revenue Equipment (line 41) compared to Schedule 410, line 317.

5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item, the net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column c of Schedule 335

6. Lease/Rentals reported in column (f) should balance to column (f) of Schedule 410 as follows

- (a) Locomotives, line 5 plus 38 compared to Schedule 410, lines 207, 208, 211 and 212
- (b) Freight Cars, line 24 plus line 39 compared to Schedule 410, line 226 plus 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415)
- (c) Sum of Lease/Rentals for All Other Equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing Lease/Rentals Other Equipment to Schedule 410 Do not report in Schedule 415 the Trailer and Container rentals reported in Schedule 414

7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of Equipment Used But Not Owned when the rents therefore are included in the rent for equipment and Account Nos 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the Cost of Equipment Owned and Leased to Others when the rents are included in the rent for Equipment Account Nos 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00 and 36-23-00

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

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

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

**415 SUPPORTING SCHEDULE -- EQUIPMENT**  
(Dollars in Thousands)

Line No	Cross Check	Types of equipment (a)	Repairs (net expenses) (b)	Depreciation		Amortization adjustment net during year (e)	Line No.
				Owned (c)	Capital lease (d)		
1		LOCOMOTIVES					
		Diesel Locomotive - Yard	38,160	12,909	0		1
2		Diesel Locomotive - Road	575,930	129,454	83,882		2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL LOCOMOTIVES	614,090	142,363	83,882		5
6		FREIGHT TRAIN CARS					
		Box - Plain-40 foot	8	0	0		6
7		Box - Plain-50 foot and Longer	594	5,544	0		7
8		Box - Equipped	37,821	9,969	0		8
9		Gondola - Plain	18,809	6,353	0		9
10		Gondola - Equipped	28,665	2,946	0		10
11		Hopper - Covered	88,659	14,328	18		11
12		Hopper - Open Top Gen Svc	63,699	8,957	2,336		12
13		Hopper - Open Top Spec Svc	12,812	980	0		13
14		Refrigerator - Mechanical	19,040	1,952	0		14
15		Refrig - Non-mechanical	2,275	3,659	56		15
16		Flat - TOFC/COFC	161	22	865		16
17		Flat - Multi-level	0	1,779	0		17
18		Flat - General Service	161	127	0		18
19		Flat - Other	5,639	3,045	0		19
20		All Other Freight Cars	0	11	0		20
21		Cabooses	0	457	0		21
22		Auto Racks	0	18,734	0		22
23		Misc Accessories	429	821	0		23
24	*	TOTAL FREIGHT TRAIN CARS	278,772	79,684	3,275	0	24
25		OTHER EQUIPMENT-REVENUE FREIGHT					
		HIGHWAY EQUIPMENT					
		Refrigerated Trailers					25
26		Other Trailers	21,464	107	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	21,464	107	0	0	32
33		FLOATING EQUIP-REVENUE SERVICE					
		Marine Line-Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT	0	0	0	0	35
36	*	OTHER EQUIPMENT					
		Pass and Other Revenue Equip (Freight Portion)	1,277	0			36
37	*	Comp Sys & Word Proc Equip.	34,300	47,747	690		37
38	*	Machinery - Locomotives (1)	4,476	3,789			38
39	*	Machinery - Freight Cars (2)	5,390	1,389			39
40	*	Machinery - Other Equipment (3)	643	88			40
41	*	Work and Non-revenue Equip	33,012	2,253	0		41
42		TOTAL OTHER EQUIPMENT	79,098	55,266	690	0	42
43		TOTAL ALL EQUIPMENT (Freight Portion)	993,424	277,420	87,847	0	43

- (1) Data reported on line 38, column (b) is the amount reported in Schedule 410, column (f), line 203.  
 (2) Data reported on line 39, column (b) is the amount reported in Schedule 410, column (f), line 222  
 (3) Data reported on line 40, column (b) is the amount reported in Schedule 410, column (f), line 306

**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	170,352	13,261	44,410	0	1
2		366,292	2,871,647	1,897,261	1,210,963	760,594	2
3							3
4							4
5	*	366,292	3,041,999	1,910,522	1,255,373	760,594	5
6		0	0	0	0	0	6
7		0	89,221	0	42,544	0	7
8		24,003	212,630	0	95,102	0	8
9		18,424	176,909	0	102,828	0	9
10		12,197	76,642	0	18,163	0	10
11		108,851	425,151	0	175,741	0	11
12		16,172	273,720	51,974	182,788	27,048	12
13		11,940	29,810	0	10,263	0	13
14		23,960	42,129	0	19,443	0	14
15		5,141	68,133	0	13,393	0	15
16		1,890	388	16,023	159	11,248	16
17		5,022	35,857	0	20,142	0	17
18		14	3,939	0	1,803	0	18
19		10,454	93,369	0	38,194	0	19
20		52	279	0	205	0	20
21		1,000	6,973	0	3,091	0	21
22		62	480,093	0	279,289	0	22
23		0	18,814	0	941	0	23
24	*	239,182	2,034,057	67,997	1,004,089	38,296	24
25							25
26		46,400	539		197	0	26
27							27
28							28
29							29
30							30
31							31
32	*	46,400	539	0	197	0	32
33							33
34							34
35	*	0	0	0	0	0	35
36	*		0		0		36
37	*	7,066	366,688	3,107	132,500	690	37
38	*		114,633		31,253		38
39	*		48,655		16,160		39
40	*		3,869		746		40
41	*	52,450	137,184	0	28,199	0	41
42		59,516	671,029	3,107	208,858	690	42
43		711,390	5,747,624	1,981,626	2,468,517	799,580	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	1,518,772	196,381	1.14							1,518,772	196,381	1
2		8	3,573,282	983,630	4.20							3,573,282	983,630	2
3		9	5,520,835	2,655,175	5.91							5,520,835	2,655,175	3
4		11	2,039,384	394,591	2.94							2,039,384	394,591	4
5	SUB-TOTAL		12,652,273	4,229,777					0	0	0	12,652,273	4,229,777	5
6	II	3	460,233	35,017	1.14							460,233	35,017	6
7		8	1,135,106	393,760	4.35							1,135,106	393,760	7
8		9	1,672,979	473,451	1.42							1,672,979	473,451	8
9		11	558,959	120,830	2.94							558,959	120,830	9
10	SUB-TOTAL		3,827,277	1,023,059					0	0	0	3,827,277	1,023,059	10
11	III	3	4,877	N/A	N/A					N/A	N/A	4,877	N/A	11
12		8	10,717	N/A	N/A					N/A	N/A	10,717	N/A	12
13		9	17,729	N/A	N/A					N/A	N/A	17,729	N/A	13
14		11	5,971	N/A	N/A					N/A	N/A	5,971	N/A	14
15	SUB-TOTAL		39,293	N/A	N/A					N/A	N/A	39,293	N/A	15
16	IV	3	746,420	49,517	1.14							746,420	49,517	16
17		8	1,149,713	385,375	4.34							1,149,713	385,375	17
18		9	2,713,284	669,497	3.69							2,713,284	669,497	18
19		11	511,425	104,276	2.94							511,425	104,276	19
20	SUB-TOTAL		5,120,841	1,208,666					0	0	0	5,120,841	1,208,666	20
21	V	3	25,578	4,225	1.14							25,578	4,225	21
22		8	53,634	26,962	4.37							53,634	26,962	22
23		9	92,978	57,126	3.69							92,978	57,126	23
24		11	28,290	7,606	2.94							28,290	7,606	24
25	SUB-TOTAL		200,480	95,920								200,480	95,920	25
26	GRAND TOTAL	N/A	21,840,164	6,557,421	N/A				0	0	0	21,840,164	6,557,421	26

## Notes:

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

NOTES AND REMARKS

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## 417. SPECIALIZED SERVICE SUBSCHEDULE -- TRANSPORTATION

(Dollars in Thousands)

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

Line No.	Cross Check	Items (a)	TOFC/COFC Terminal (b)	Floating Equipment (c)	Coal Marine Terminal (d)	Ore Marine Terminal (e)	Other Marine Terminal (f)	Motor Vehicle Load and Distribution (g)	Protective Services Refrigerator Car (h)	Other Special Services (i)	Total Columns (b-i) (j)	Line No.
1	*	Administration	9,167					0	0		9,167	1
2	*	Pick up and delivery, marine line haul	32,933					3,985	N/A		36,918	2
3	*	Loading and unloading and local marine	142,806					27,533	N/A		170,339	3
4	*	Protective services, total debit and credits	0					11	0		11	4
5	*	Freight lost or damaged-solely related	0					0	0		0	5
6	*	Fringe benefits	9,418					0	0		9,418	6
7	*	Casualty and insurance	1,514					292	0		1,806	7
8	*	Joint facility - Debit	0					0	0		0	8
9	*	Joint facility - Credit	0					0	0		0	9
10	*	Other	2,675					0	0		2,675	10
11	*	TOTAL	198,513					31,821	0		230,334	11

**418. SUPPORTING SCHEDULE - CAPITAL LEASES**  
(Dollars in thousands)

**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

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	4,952,521	1,910,522	83,882	760,594
53 Freight-Train Cars	2,102,054	67,997	3,275	38,296
59 Computer Systems and Word Processing Equipment	369,794	3,107	690	690
<b>TOTAL</b>	<b>7,424,369</b>	<b>1,981,626</b>	<b>87,847</b>	<b>799,580</b>

**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	303,019	1
		U S Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	659,738	2
3		Excess Profits	0	3
4	*	Total - Income Taxes L 2 + 3	659,738	4
5		Railroad Retirement	641,927	5
6		Hospital Insurance	54,701	6
7		Supplemental Annuities	0	7
8		Unemployment Insurance	17,631	8
9		All Other United States Taxes	33,782	9
10		Total - U S Government Taxes	1,407,779	10
11		Total - Railway Taxes	1,710,798	11

**B. Adjustments to Federal Income Taxes**

- 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) "
- 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)
- 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.
- 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
- 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
- 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					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	Property	8,998,775	103,374		9,102,149	6
7	Deferred State Income Taxes - Net	548,516	13,911	(2,611)	559,816	7
8	Current Liabilities	(150,441)	(4,193)		(154,634)	8
9	Long-Term Liabilities	(92,259)	22,487		(69,772)	9
10	Retirement Benefits	(364,562)	(9,630)	10,444	(363,748)	10
11	Other Items	(8,019)	34,354	(70,080)	(43,745)	11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*				0	18
19	TOTALS	8,932,010	160,303	(62,247)	9,030,066	19

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

\* Footnotes:

1	If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit.	
	If deferral method for investment tax credit was elected:	
(1)	Indicate amount of credit utilized as a reduction of tax liability for current year.	
(2)	Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes.	
(3)	Balance of current year's credit used to reduce current year's tax accrual.	
(4)	Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual.	
(5)	Total decrease in current year's tax accrual resulting from use of investment tax credits.	
2.	Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made	0

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

(Dollars in Thousands)

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1					1
2	603	Appropriations Released			2
3		- General Mortgage Bond		688	3
4		- Income Debenture (CE&I)		123	4
5		TOTAL		811	5
6					6
7					7
8	616	Other Comprehensive Income and Other Debits Related to Equity Companies	4,747		8
9					9
10					10
11	620	Appropriations Established:			11
12		- General Mortgage Bond	688		12
13		- Income Debenture (CE&I)	123		13
14		TOTAL	811		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

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				5
6	Norfolk Southern Railway Co.				6
7					7
8					8
9	Union Pacific Railroad Company	Residual Value-aircraft lease	14,000	Sole	9
10					10
11					11
12	Southern Pacific Rail Corporation	Residual Value-aircraft lease	11,826	Sole	12
13					13
14					14
15					15
16	Kansas City Terminal Flyover				16
17	Union Pacific Railroad Company	6.8884% Railway Bridge System Bond	59,093	Joint	17
18	Burlington Northern Santa Fe Railway Co.				18
19					19
20					20
21	Union Pacific Railroad Company	Japanese Leverage Lease Yen Deposit	96,504	Sole	21
22					22
23					23
24	Union Pacific Railroad Company	Headquarters Building - Synthetic Lease	206,000	Sole	24
25					25
26					26
27	Union Pacific Railroad Company	Kansas and Missouri Highline Project	52,055	Sole	27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

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

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

## 502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in Thousands)

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

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

The Company has outstanding letters of credit in the amount of \$ 7.5 million with various banks under which no borrowings were outstanding at December 31, 2006.

**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	139,192	2
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	272,065	3
4	766	Equipment Obligations	Sch. 200, L. 42	132,348	4
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	1,143,385	5
6	768	Debt in Default	Sch. 200, L. 44	0	6
7	769	Accounts Payable: Affiliated Companies	Sch. 200, L. 45	4,880,031	7
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	(73,416)	8
9		Total Debt	Sum L. 1-8	6,493,605	9
10		Debt Directly Related to Road Property	Note 1	80,077	10
11		Debt Directly Related to Equipment	Note 1	1,468,229	11
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and L. 11	1,548,306	12
13		Percent Directly Related to Road	L. 10 divided by L. 12 Whole % plus 2 decimals	5.17%	13
14		Percent Directly Related to Equipment	L. 11 divided by L. 12 Whole % plus 2 decimals	94.83%	14
15		Debt Not Directly Related to Road or Equipment	L. 9 minus L. 12	4,945,299	15
16		Road Property Debt (Note 2)	(L. 13 x L. 15) plus L. 10	335,749	16
17		Equipment Debt (Note 2)	(L. 14 x L. 15) plus L. 11	6,157,856	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	486,411	18
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	7,608	19
20	517	Release of Premium on Funded Debt	Sch. 210, L. 22	5,210	20
21		Total Interest (Note 3)	(L. 18 + L. 19) minus L. 20	488,809	21
22		Interest Directly Related to Road Property Debt	Note 4	3,480	22
23		Interest Directly Related to Equipment Debt	Note 4	110,919	23
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 minus (L. 22 + L. 23)	374,410	24
25		Interest on Road Property Debt (Note 5)	L. 22 plus (L. 24 x L. 13)	22,837	25
26		Interest on Equipment Debt (Note 5)	L. 23 plus (L. 24 x L. 14)	465,972	26
27		Embedded Rate of Debt Capital - Road Property	L. 25 divided by L. 16	6.80%	27
28		Embedded Rate of Debt Capital - Equipment	L. 26 divided by L. 17	7.57%	28

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

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

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

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

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

**NOTES AND REMARKS**

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## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

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

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

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

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

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

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No.
1	Union Pacific Corporation		Controlled	Various (see below)	206,000	4,877,000 (P)	1
2	Wasatch Insurance Ltd.		Common	Insurance	32,691		2
3	Transcontinental Surety						3
4	of Vermont		Common	Insurance	15,964		4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

Balance 12-31-05	5,083,000
Interest Expense	370,000
Dividends	323,000
Financing & Other	(899,000)
Balance 12-31-06	<u>4,877,000</u>

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

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

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

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

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

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

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

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

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

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains. In the 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

Line No.	Class (a)	Proportion owned or leased by Respondent (b)	Running tracks, passing tracks, cross-overs, etc				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks cross-overs, and turnouts (f)				
1	1	100%	25,884	4,034	352	2,829	2,509	6,747	42,355	1
2										2
3	1J	12.5%	-	-	-	-	-	-	-	3
4	1J	23.0%	-	-	-	-	-	-	-	4
5	1J	25.0%	-	-	-	-	3	31	34	5
6	1J	33.3%	1	-	-	-	10	9	20	6
7	1J	37.5%	-	-	-	-	-	-	-	7
8	1J	40.0%	-	-	-	-	-	-	-	8
9	1J	44.0%	-	-	-	-	-	-	-	9
10	1J	50.0%	580	223	78	58	36	160	1,135	10
11	1J	62.5%	-	-	-	-	-	-	-	11
12	1J	66.7%	-	-	-	-	-	-	-	12
13		Total 1J	581	223	78	58	49	200	1,189	13
14										14
15		Total 1 and 1J	26,465	4,257	430	2,887	2,558	6,947	43,544	15
16										16
17	2	A&S	17	9	-	2	-	89	117	17
18	2	OUR&D	2	-	-	-	-	4	6	18
19		Total 2	19	9	-	2	-	93	123	19
20										20
21	3A		-	-	-	-	-	-	-	21
22	3B		344	-	-	16	16	48	424	22
23		Total 3	344	-	-	16	16	48	424	23
24										24
25										25
26										26
27	4B		-	-	-	-	-	-	-	27
28		Total 4	-	-	-	-	-	-	-	28
29										29
30										30
31										31
32	5		5,511	1,472	127	57	179	158	7,504	32
33	5J		-	-	-	-	-	-	-	33
34		Total 5	5,511	1,472	127	57	179	158	7,504	34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	32,339	5,738	557	2,962	2,753	7,246	51,595	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

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

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

Line No.	Cross Check	State or Territory (a)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No.
1		Arizona	686	-	-	-	-	686	51	-	1
2		Arkansas	1,324	-	6	-	2	1,332	149	-	2
3		California	2,835	-	-	-	523	3,358	708	-	3
4		Colorado	1,175	-	-	-	349	1,524	184	-	4
5		Idaho	845	-	-	-	4	849	42	-	5
6		Illinois	1,571	19	2	-	640	2,232	10	-	6
7		Indiana	-	-	-	-	4	4	-	-	7
8		Iowa	1,351	-	-	-	95	1,446	6	-	8
9		Kansas	1,567	-	-	-	642	2,209	355	-	9
10		Kentucky	-	-	-	-	12	12	0	-	10
11		Louisiana	1,083	-	-	-	58	1,141	22	-	11
12		Minnesota	447	-	-	-	221	668	16	-	12
13		Missouri	1,017	-	24	-	512	1,553	338	-	13
14		Montana	125	-	-	-	-	125	52	-	14
15		Nebraska	983	-	-	-	91	1,074	254	-	15
16		Nevada	1,199	-	-	-	-	1,199	-	-	16
17		New Mexico	560	-	-	-	83	643	-	-	17
18		Oklahoma	516	-	312	-	353	1,181	19	-	18
19		Oregon	859	-	-	-	205	1,064	437	-	19
20		Tennessee	13	-	-	-	5	18	0	-	20
21		Texas	5,229	-	-	-	1,122	6,351	304	-	21
22		Utah	1,329	-	-	-	-	1,329	6	-	22
23		Washington	274	-	-	-	259	533	90	-	23
24		Wisconsin	601	-	-	-	331	932	108	-	24
25		Wyoming	876	-	-	-	-	876	-	-	25
26											26
27											27
28											28
29											29
30											30
31		TOTAL MILEAGE	26,465	19	344	0	5,511	32,339	3,152	0	31
32		(single track)									32

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

1. Includes 10 GG20B Hybrid Locomotives, 1 Truck Engine Switcher, 103 Rebuilt Auto Parts Box Cars and 1 Rebuilt Snow Flanger financially complete this year.
2. Excludes 10 GG20B Hybrid Locomotives, 13 MP20B3 Switch Locomotives, 13 RP20BD/BH Switch Locomotives, 1 NRE3GS21B Switch Locomotive, 75 Rebuilt Four Axle Switch Locomotives, 225 Rebuilt Coal Cars, 1 Tamper/Stabilizer Machine, 1 Conveyer Hopper Car, 1 Scale Test Car, and 3 Tank Cars, not yet financially complete this year.

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

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

<u>Schedule 710</u>	<u>Schedule 710</u>
Line 5, column (j)	= Line 11, column (l)
Line 6, column (j)	= Line 12, column (l)
Line 7, column (j)	= Line 13, column (l)
Line 8, column (j)	= Line 14, column (l)
Line 9, column (j)	= Line 15, column (l)
Line 10, column (j)	= Line 16, column (l)

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

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

## 710 INVENTORY OF EQUIPMENT - Continued

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

Line No.	Cross Check	Type of design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased or including reclassification (g)	Units at Close of Year					Line No.
				Units installed					Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h)&(i) (j))	Aggregate capacity of units reported in col (j) (see ins 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
1		LOCOMOTIVE UNITS										(H P )		1
2		Diesel-freight units												
2		Diesel-passenger units	62	0	0	0	0	2	5	55	60	31,400		2
3		Diesel-multiple purpose units	7,561	0	200	52	23	48	4,264	3,524	7,788	28,926,315		3
4		Diesel-switching units	496	37	0	27	2	42	484	36	520	860,900		4
5	*	TOTAL (lines 1 to 4) units	8,119	37	200	79	25	92	4,753	3,615	8,368	29,818,615	0	5
6	*	Electric-locomotives (steam)	0	0	0	0	0	0	0	0	0	N/A		6
7	*	Other self-powered units	2	0	0	0	0	0	2	0	2	N/A		7
8	*	TOTAL (lines 5, 6 and 7) units	8,121	37	200	79	25	92	4,755	3,615	8,370	29,818,615	0	8
9	*	Auxiliary units	105	0	0	0	0	0	105	0	105	N/A		9
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	8,226	37	200	79	25	92	4,860	3,615	8,475	29,818,615	0	10

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

Line No.	Cross Check	Type of design of units (a)	Before Jan 1, 1985 (b)	During Calendar Year				2005 (g)	2006 (h)	2007 (i)	2008 (j)	2009 (k)	TOTAL (l)
				Between Jan 1, 1985 and Dec 31, 1989 (c)	Between Jan 1, 1990 and Dec 31, 1994 (d)	Between Jan 1, 1995 and Dec 31, 1999 (e)	Between Jan 1, 2000 and Dec 31, 2004 (f)						
11	*	Diesel	2,505	651	848	1,318	2,482	332	232				8,368
12	*	Electric	0	0	0	0	0	0	0				0
13	*	Other self-powered units (steam)	2	0	0	0	0	0	0				2
14	*	TOTAL (lines 11 to 13)	2,507	651	848	1,318	2,482	332	232	0	0	0	8,370
15	*	Auxiliary units	98	0	3	4	0	0	0				105
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	2,605	651	851	1,322	2,482	332	232	0	0	0	8,475



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					Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h)&(i) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)		Leased to others (l)
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA,PB, PBO)											17	
18		Combined cars											18	
19		(All class C, except CSB)											19	
20		Parlor cars (PBC,PC,PL,PO)											20	
21		Sleeping cars (PS,PT,PAS,PDS)											21	
		Dining, grill and lavern cars												
		(All class D, PD)												
22		Non-passenger-carrying cars											22	
		(All Class B,CSB,M,PSA,IA)												
23		TOTAL (lines 17 to 22)	0	0	0	0	0	0	0	0	0		23	
24		Self-Propelled											24	
		Electric passenger cars (EP,ET)												
25		Electric combined cars (EC)											25	
		Internal combustion rail												
26		motorcars (ED, EG)											26	
		Other self-propelled cars												
27		(Specify types)											27	
28		TOTAL (lines 24 to 27)	0	0	0	0	0	0	0	0	0		28	
29		TOTAL (lines 23 to 28)	0	0	0	0	0	0	0	0	0		29	
		COMPANY SERVICE CARS												
30		Business car (PV)	78	0	0	0	0	2	76	0	76	N/A	30	
31		Board outfit cars (MWX)	37	0	0	0	0	18	19	0	19	N/A	31	
		Derrick and snow removal cars (MWU,MWV,MWW,MWK)	12	0	0	0		0	46	3	49	N/A	32	
33		Dump and ballast cars (MWB,MWD)	2,236	0	0	0		0	847	2,810	3,657	N/A	33	
34		Other maintenance and service equipment cars	2,756	0	0	0		1,228	1,322	216	1,538	N/A	34	
35		TOTAL (lines 30 to 34)	5,119	0	0	0	1,468	1,248	2,310	3,029	5,339	N/A	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							36
		Plain box cars - 40' (B1__, B2__)	0						
37		Plain box cars - 50' longer (B3_0-7, B4_0-7, B5__, B6__, B7__, B8__)	51						37
38		Equipped box cars (All Code A, Except A_5_)	16,454					289	38
39		Plain gondola cars (All Codes, G & J__1,J__2,J__3,J__4)	4,537					1,860	39
40		Equipped gondola cars (All Code E)	10,500			280		99	40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	38,553			1,100		92	41
42		Open top hopper cars--general service (All Code H)	16,291				170	72	42
43		Open top hopper cars--special service (J__0,J__5, J__6, J__7, J__8, J__9 and K)	3,659						43
44		Refrigerator cars -- mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	5 939			547			44
45		Refrigerator cars -- non-mechanical (R_0_, R_1_, R_2_)	4,326					689	45
46		Flat cars -- TOFC/COFC (All Code P, Q and S, Except Q8__)	526						46
47		Flat cars -- multi-level (All Code V)	1,164			719		336	47
48		Flat cars -- general service (F10_, F20_, F30__)	55						48
49		Flat cars -- other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6) (F_8_, F40__)	4 687					50	49
50		Tank cars -- under 22,000 gallons (T__0, T__1, T__2, T__3, T__4, T__5)	0					11	50
51		Tank cars -- 22,000 gallons and over (T__6, T__7, T__8, T__9)	0					210	51
52		All other freight cars (A_5_, F_7_, All Code L and Q8__)	1					16	52
53		TOTAL (lines 36 to 52)	106,743	0	0	2,646	170	3,724	53
54		Caboose (All Code M-930)	N/A	0					54
55		TOTAL (lines 53 and 54)	106,743	0	0	2,646	170	3 724	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								36
	0	0	0	0		0		
37								37
	0	51	0	51		4,321		
38								38
	2,401	9,300	5,042	14,342		1,190,576		
39								39
	1,588	939	3 870	4,809		564,303		
40								40
	804	7,513	2,562	10,075		995 488		
41								41
	960	15,920	22,865	38,785		4,095,414		
42								42
	950	12,186	3,397	15,583		1,816 416		
43								43
	230	921	2,508	3,429		376,289		
44								44
	541	912	5,033	5,945		463,063		
45								45
	1,011	2 924	1,080	4,004		307,122		
46								46
	21	108	397	505		161,216		
47								47
	45	1,119	1,055	2,174		82,395		
48								48
	4	48	3	51		4,106		
49								49
	3	2,538	2,196	4,734		481,886		
50								50
	0	0	11	11		1,116		
51								51
	0	0	210	210		20,887		
52								52
	0	4	13	17		1,672		
53								53
	8,558	54,483	50,242	104,725	0	10,566,270	0	
54								54
	0	0	0	0		0		
55								55
	8,558	54,483	50,242	104,725	0	10,566,270	0	

## 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 __	24,348						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 __)	23 804						67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 and 69)	48,152						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		3,580		20,768	20,768		N/A		59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67		2,548		21,256	21,256		N/A		67
68									68
69									69
70		6,128		42,024	42,024		N/A		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	GS14B	1	133	\$990,503		2
3	GG20B	10	1,349	3,386,117		3
4						4
5	<b>WORK EQUIPMENT</b>					5
6	BOARDING FLAT CAR	1	48	88,011		6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17	1/ 2/ TOTAL	12	N/A	4,464,631		17
<b>REBUILT UNITS</b>						
18	<b>LOCOMOTIVES</b>					18
19	MP15	14	535	815,064		19
20	MP15AC	2	261	407,532		20
21	GP38-2	27	3,631	7,539,312		21
22	GP40-2	15	2,078	3,056,490		22
23	GP15-1	19	2,480	3,871,554		23
24	SW1500	2	259	407,532		24
25	GP39-2	1	132	203,766		25
26						26
27	<b>FREIGHT CARS</b>					27
28	AUTO PARTS BOX CARS	103	5,750	4,840,756		28
29						29
30	<b>WORK EQUIPMENT</b>					30
31	SNOW FLANGER	3	28	256,665		31
32	SNOW FLANGER	1	27	44,241		32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40
41	1/ 2/ TOTAL	187	N/A	21,442,912		41
42						42
43	1/ 2/ GRAND TOTAL	199	N/A	\$25,907,543	N/A	43

1/ 2/ See note on page 76

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

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

## Track category (1)

A - Freight density of 20 million or more gross ton miles per track mile per year (include passing tracks, turnouts and crossovers).

B - Freight density of less than 20 million gross ton miles per track mile per year, but at least 5 million (include passing tracks, turnouts and crossovers)

C - Freight density of less 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 1 million gross ton miles per track mile per year (include passing tracks, turnouts and crossovers)

E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in category A, B, C, D, F, and Potential abandonments, as appropriate.)

F - Track over which any passenger service is provided (other than potential abandonments) Mileage should be included within track categories A through E unless it is dedicated entirely to passenger service, category F.

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

- 2 This schedule should include all class 1, 2, 3, or 4 track from Schedule 700 that is maintained by the respondent (class 5 is assumed to be maintained by others)

- 3 If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year

4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment

## 720. TRACK AND TRAFFIC CONDITIONS

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

Line No	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)
1	A	20,258	54.42	N/A	1,146
2	B	6,684	11.63	N/A	581
3	C	2,454	2.92	N/A	55
4	D	5,033	0.23	N/A	11
5	E	9,662	N/A	N/A	N/A
6	TOTAL	44,091	27.19	N/A	1,793
7	F	6,219	N/A	N/A	N/A
8	Potential abandonments	699	N/A	N/A	N/A

- \* 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.

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.

\*\*\* Concrete and steel switch ties are not included in column (j). In lieu of board measure, number of steel switch ties was 35 at an average cost of \$80.13. The number of concrete switch ties was 126 at an average cost of \$331.37.

**N/A - Information is not available.**



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

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

In column (a) classify the ties as follows:

U - Wooden ties untreated when applied

T - Wooden ties treated before application.

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

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

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

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)		
1	T	157,496	\$41.60	\$6,552	267,546	\$1,284.78	\$344	New	1
2	T	8,960	\$11.72	105				Secondhand	2
3	S	182,594	\$63.80	11,650				Concrete	3
4	S							Concrete -Reported per tie in lieu of board measure	4
5	S							Steel	5
6	S				160	\$89.62	\$14	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	349,050		\$18,307	N/M		\$358		20
21	Number of miles of new running tracks, crossovers, etc., in which ties were laid								
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid								
	N/A								
	N/A								

## 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	917.68	10.72	485.96	33.51	1,403.64	44.23	N/A	1
2	B	164.66	1.92	87.19	6.01	251.85	7.93	N/A	2
3	C	3.29	0.04	1.74	0.12	5.03	0.16	N/A	3
4	D	0.00	0.00	0.00	0.00	0.00	0.00	N/A	4
5	E	12.07	0.14	6.39	0.44	18.46	0.58	N/A	5
6	TOTAL	1,097.70	12.82	581.28	40.08	1,678.98	52.90	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	\$754	Relay	\$297		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 dunnng 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	17	\$12	\$722	1	
2	2	133	0	0	0	133	0	0	0	2	
3	2	136	895	612	684	136	1,356	1,008	744	3	
4	2	141	9,246	7,238	783	141	7,397	5,694	770	4	
5										5	
6										6	
7	4	90	0	0	0	90	19	5	276	7	
8	4	112	0	0	0	112	31	9	284	8	
9	4	115	0	0	0	115	891	267	299	9	
10	4	119	0	0	0	119	0	0	0	10	
11	4	131	0	0	0	131	488	144	295	11	
12	4	133	792	233	294	133	2,437	721	296	12	
13	4	136	0	0	0	136	6,702	2,110	315	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	10,933	\$8,082		N/A	19,338	\$9,969		33	
34	Number of miles new running tracks, passing tracks, cross-over, etc , in which rails were laid.										34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid										35
36	Track-miles of welded rail installed on system this year N/A , total to date N/A										36

## 725. WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	Pounds				
1					1
2	141	1,671			2
3	140	11			3
4	136	8,649			4
5	133	10,905			5
6	132	894			6
7	131	529			7
8	130	6			8
9	128	5			9
10	119	1,649			10
11	115	2,834			11
12	113	521			12
13	112	2,018			13
14	110	152			14
15	106	5			15
16	100	368			16
17	90	497			17
18	85	122			18
19	80	66			19
20	75	54			20
21	72	23			21
22	70	14			22
23	65	0			23
24	60	5			24
25	Under 60	0			25
26					26
27	TOTAL	30,996			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					45
46					46

## 726. SUMMARY OF TRACK REPLACEMENTS

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

Line No	Track category (a)	Ties				Rail		Ballast	Track surfacing		Line No	
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)		Cubic yards of ballast placed (h)	Miles surfaced (i)		Percent surfaced (j)
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)							
1	A	3,412,812	5,136,774	6.2%	N/A	1,447.87	3.5%	3,038,709	6,895	33.3%	1	
2	B	704,162	1,059,866	3.9%	N/A	259.78	1.9%	458,698	902	13.2%	2	
3	C	164,161	247,085	2.5%	N/A	5.09	0.1%	142,519	320	12.7%	3	
4	D	0	0	0.0%	N/A	0.00	0.0%	30,710	77	1.5%	4	
5	E	38,880	58,520	0.2%	N/A	19.04	0.1%	94,790	45	0.5%	5	
6	TOTAL	4,320,015	6,502,245	3.7%	N/A	1,731.78	2.0%	3,765,426	8,239	18.7%	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	1,219,382,622		1
2	Passenger	10,297,626		2
3	Yard switching	153,098,221		3
4	TOTAL	1,382,778,469		4
5	COST OF FUEL \$(000) *	\$2,833,620		5
6	Work Train	7,140,845		6

\* Show cost of fuel charged to train and yard service (function 67-Loco Fuels) The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses Fuel consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service of mixed special trains predominantly passenger, the fuel should be included in passenger service.

## 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) A car-mile is a movement of a unit of car equipment a distance of 1 mile. Use car designations shown in Schedule 710. Under Railroad Owned and Leased Cars, Items 4-01 and 4-11, report both foreign cars and respondent's own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report private-line cars and shipper-owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty miles basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars.

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

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

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

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

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - Concluded

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

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

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

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

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

(R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroad's expense. (Performed at railroad's 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.

(U) Flat-TOFC/COFC Car-miles reported in lines 25 (4-020), 41 (\$-120), 57 (4-140), and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, and not five car-miles.

(V) The Intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123 (13 TOFC/COFC-No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units or cars.

## 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)	32,339		1
2		2. Train Miles - Running (B)			
		2-01 Unit Trains	46,514,974	XXXXXX	2
3		2-02 Way Trains	7,730,504	XXXXXX	3
4		2-03 Through Trains	118,135,128	0	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	172,380,606	0	5
6		2-05 Motorcars (C)	0	0	6
7		2-07 TOTAL ALL TRAINS (lines 5 and 6)	172,380,606	0	7
		3. Locomotive Unit Miles (D)			
8		Road Service (E)			
		3-01 Unit Trains	134,837,648	XXXXXX	8
9		3-02 Way Trains	17,535,120	XXXXXX	9
10		3-03 Through Trains	329,105,922	0	10
11		3-04 TOTAL (lines 8-10)	481,478,690	0	11
12		3-11 Train Switching (F)	26,944,794	XXXXXX	12
13		3-21 Yard Switching (G)	32,911,343	0	13
14		3-31 TOTAL ALL SERVICES (line 11-13)	541,334,827	0	14
		4. Freight Car-Miles (thousands) (H)			
15		4-01 RR Owned and Leased Cars - Loaded			
		4-010 Box-Plain 40-Foot	1	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	16,114	XXXXXX	16
17		4-012 Box-Equipped	368,887	XXXXXX	17
18		4-013 Gondola-Plain	187,175	XXXXXX	18
19		4-014 Gondola-Equipped	140,933	XXXXXX	19
20		4-015 Hopper-Covered	436,360	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	247,422	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	104,127	XXXXXX	22
23		4-018 Refrigerator-Mechanical	82,833	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	53,683	XXXXXX	24
25		4-020 Flat-TQFC/COFC	885,439	XXXXXX	25
26		4-021 Flat-Multi-Level	73,299	XXXXXX	26
27		4-022 Flat-General Service	816	XXXXXX	27
28		4-023 Flat-All Other	149,280	XXXXXX	28
29		4-024 All Other Car Types-Total	16,261	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	2,762,630	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	1	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	13,208	XXXXXX	32
33		4-112 Box-Equipped	306,176	XXXXXX	33
34		4-113 Gondola-Plain	186,550	XXXXXX	34
35		4-114 Gondola-Equipped	126,905	XXXXXX	35
36		4-115 Hopper-Covered	448,901	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	256,501	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	106,782	XXXXXX	38
39		4-118 Refrigerator-Mechanical	63,165	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	50,800	XXXXXX	40
41		4-120 Flat-TOFC/COFC	51,901	XXXXXX	41
42		4-121 Flat-Multi-Level	28,435	XXXXXX	42
43		4-122 Flat-General Service	814	XXXXXX	43
44		4-123 Flat-All Other	153,834	XXXXXX	44
45		4-124 All Other Car Types	1,962	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,795,935	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	79,207	XXXXXX	48
49		4-132 Box-Equipped	62,376	XXXXXX	49
50		4-133 Gondola-Plain	882,525	XXXXXX	50
51		4-134 Gondola-Equipped	27,260	XXXXXX	51
52		4-135 Hopper-Covered	716,358	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	21,513	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	415,530	XXXXXX	54
55		4-138 Refrigerator-Mechanical	9,222	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	4,441	XXXXXX	56
57		4-140 Flat-TOFC/COFC	333,736	XXXXXX	57
58		4-141 Flat-Multi-Level	618,332	XXXXXX	58
59		4-142 Flat-General Service	159	XXXXXX	59
60		4-143 Flat-All Other	115,332	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	154,540	XXXXXX	61
62		4-145 Tank-22,000 Gallons and Over	347,301	XXXXXX	62
63		4-146 All Other Car Types	3,666	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	3,791,498	XXXXXX	64

## 755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	(2) Passenger train (c)	Line No.
65		4-15 Private Line Cars - Empty (H)	XXXXXX	XXXXXX	
		4-150 Box-Plain 40-Foot	0	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	28,262	XXXXXX	66
67		4-152 Box-Equipped	46,286	XXXXXX	67
68		4-153 Gondola-Plain	1,232,874	XXXXXX	68
69		4-154 Gondola-Equipped	26,498	XXXXXX	69
70		4-155 Hopper-Covered	725,437	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	38,257	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	477,948	XXXXXX	72
73		4-158 Refrigerator-Mechanical	9,794	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	4,557	XXXXXX	74
75		4-160 Flat-TOFC/COFC	152,723	XXXXXX	75
76		4-161 Flat-Multi-Level	228,876	XXXXXX	76
77		4-162 Flat-General Service	156	XXXXXX	77
78		4-163 Flat-All Other	110,556	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	166,105	XXXXXX	79
80		4-165 Tank-22,000 Gallons and Over	363,178	XXXXXX	80
81		4-166 All Other Car Types	3,972	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	3,615,479	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	27,262	XXXXXX	83
84		4-18 No Payment Car-Miles (I) (1)	2,605,976	XXXXXX	84
85		4-19 Total Car-Miles by Train Type (Note)			
		4-191 Unit Trains	5,383,943	XXXXXX	85
86		4-192 Way Trains	245,016	XXXXXX	86
87		4-193 Through Trains	8,969,821	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	14,598,780	XXXXXX	88
89		4-20 Caboose Miles	35	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	96,685,704	XXXXXX	98
99		6-02 Freight Trains, Cars, Cnts , and Caboose			
		6-020 Unit Trains	439,783,401	XXXXXX	99
100		6-021 Way Trains	16,266,113	XXXXXX	100
101		6-022 Through Trains	616,480,090	XXXXXX	101
102		6-03 Passenger-Trains, Cars, and Cnts.		0	102
103		6-04 Non-Revenue	6,089,485	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	1,175,304,793	0	104
		7. Tons of Freight (thousands)			
105		7-01 Revenue	612,276	XXXXXX	105
106		7-02 Non-Revenue	9,254	XXXXXX	106
107		7-03 TOTAL (lines 105 and 106)	621,530	XXXXXX	107
		8 Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	565,228,126	XXXXXX	108
109		8-02 Revenue-Lake Transfer Service	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	565,228,126	XXXXXX	110
111		8-04 Non-Revenue-Road Service	4,251,339	XXXXXX	111
112		8-05 Non-Revenue-Lake Transfer Service	0	XXXXXX	112
113		8-06 TOTAL (lines 111 and 112)	4,251,339	XXXXXX	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110 and 113)	569,479,465	XXXXXX	114
		9. Train Hours (M)			
115		9-01 Road Service	8,724,701	XXXXXX	115
116		9-02 Train Switching	2,116,822	XXXXXX	116
117		10. TOTAL YARD-SWITCHING HOURS (N)	2,873,418	XXXXXX	117
		11. Train-Miles Work Trains (O)			
118		11-01 Locomotives	1,794,852	XXXXXX	118
119		11-02 Motorcars	0	XXXXXX	119
		12 Number of Loaded Freight Cars (P)			
120		12-01 Unit Trains	3,064,145	XXXXXX	120
121		12-02 Way Trains	3,431,615	XXXXXX	121
122		12-03 Through Trains	10,311,325	XXXXXX	122
123		13. TOFC/COFC-No. of Rev Trailers and Containers Loaded and Unloaded (Q)	6,390,335	XXXXXX	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded and Unloaded (Q)	4,456,757	XXXXXX	124
125		15. TOFC/COFC-No of Rev Trailers Picked Up and Delivered (R)	156,693	XXXXXX	125
		16 Revenue Tons-Marine Terminal (S)			
126		16-01 Manne 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	53,580	XXXXXX	130
131		17-02 Unserviceable	0	XXXXXX	131
132		17-03 Surplus	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	53,580	XXXXXX	133
134		TOFC/COFC - Average No of Units Loaded Per Car	4 80	XXXXXX	134

## 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)

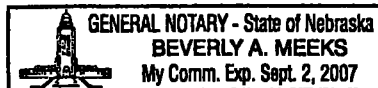
that it is his or her duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he or she knows that such books have been kept in good faith during the period covered by this report, that he or she knows that the entries contained 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, 2006 to and including December 31, 2006

[Signature]  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 26<sup>th</sup> day of March 2007

My commission expires 9-2-07



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

## SUPPLEMENTAL OATH

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

State of Nebraska  
County of Douglas

James R. Young makes oath and says that he (she) is Chairman, President 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)

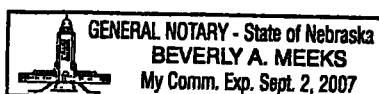
that he or she has carefully examined the foregoing report, that he or she believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property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

January 1, 2006, to and including December 31, 2006

[Signature]  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 26<sup>th</sup> day of March 2007.

My commission expires 9-2-07



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

MEMORANDA  
(FOR USE OF BOARD ONLY)  
CORRESPONDENCE

Office Addressed		Date of Letter, Fax or Telegram of			Subject						Answer Needed	Answer			
												Date of Letter, Fax, or Telegram			File number of Letter, Fax or Telegram
												Month	Day	Year	
Name	Title	Month	Day	Year	Page							Month	Day	Year	

CORRECTIONS

Date Correction			Page						Date of Letter, Fax or Telegram of			Authority				Clerk Making Correction Name
												Officer sending letter, fax or telegram		Board File Number		
Month	Day	Year								Month	Day	Year	Name	Title		

EXPLANATORY REMARKS

# INDEX

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

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

Line No.	Item (a)	Beginning of year (b)	End of year (c)
1	Adjusted Net Railway Operating Income for Reporting Entity Combined/Consolidated Net Railway Operating Income for Reporting Entity	N/A	1,818,974
2	Add Interest Income from Working Capital Allowance -- Cash Portion	-	0
3	Income Taxes Associated with Non-Rail Income and Deductions	-	26,177
4	Gain or (Loss) from transfer/reclassification to nonrail-status (net of income taxes)	-	44,389
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3 & 4)	-	1,889,540
6	Adjusted Investment in Railroad Property for Reporting Entity Combined Investment in Railroad Property Used in Transportation Service	31,169,839	32,002,082
7	Less Interest During Construction	(43,497)	(43,435)
8	Other Elements of Investment (if debit balance)	0	0
9	Add: Net Rail Assets of Rail-Related Affiliates	0	0
10	Working Capital Allowance	717,423	791,533
11	Net Investment Base Before Adjustment for Deferred Taxes (Lines 6 - 10)	31,843,765	32,750,180
12	Less Accumulated Deferred Income Tax Credits	(9,220,364)	(9,350,400)
13	Net Investment Base (Lines 11 and 12)	22,623,401	23,399,780

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 2006 Form R-1

Nature of Business

Railroad

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

Line No	Item (a)	Beginning of year (b)	End of year (c)
1	Adjusted Net Railway Operating Income for Reporting Entity <i>Combined/Consolidated Net Railway Operating Income for Reporting Entity</i>	N/A	1,818,974
2	Add: Interest Income from Working Capital Allowance -- Cash Portion	-	0
3	Income Taxes Associated with Non-Rail Income and Deductions	-	26,177
4	Gain or (Loss) from transfer/reclassification to nonrail-status (net of income taxes)	-	44,389
5	Adjusted Net Railway Operating Income (Lines 1, 2, 3 & 4)	-	1,889,540
6	Adjusted Investment in Railroad Property for Reporting Entity <i>Combined Investment in Railroad Property Used in Transportation Service</i>	31,169,839	32,002,082
7	Less: Interest During Construction	(43,497)	(43,435)
8	Other Elements of Investment (if debit balance)	0	0
9	Add: Net Rail Assets of Rail-Related Affiliates	0	0
10	Working Capital Allowance	717,423	791,533
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12	Less Accumulated Deferred Income Tax Credits	(9,220,364)	(9,350,400)
13	Net Investment Base (Lines 11 and 12)	22,623,401	23,399,780

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 2006 Form R-1

Nature of Business

Railroad



**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. |               |
|     | 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.  | 2,383,316     |
|     | - Equity in undistributed earnings, which represents the total of Schedule 210, Line 26 for all railroads in the reporting entity.  | 74,796        |
|     | - 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>11,161</u> |
|     | = Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below.   | 2,297,359     |
| (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.  | 1,818,974     |
|     | + 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.  | 875,527       |
|     | + 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.   | 5,210         |
|     | - 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.  | 486,411       |

### Determination of Nonrail Taxes

- PART II - DETERMINE NONRAILROAD-RELATED TAXES FOR RAIL-RELATED AFFILIATES (EXCLUDES ALL AFFILIATED RAILROADS)**

- (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.

### PART III - DETERMINE TOTAL NONRAILROAD-RELATED TAXES

- (7) This is determined as follows:

Total income taxes on nonrailroad-related income for all railroads in the reporting entity (Item 5 above).	26.177
--	--------

+ Total Nonrailroad-related tax for rail-related affiliates (Item 6 above).	0
---	---

Equals total nonrailroad-1. taxes. (This amount should be transferred to Schedule 250, Part A, Line 3).

**\*\* REVISED \*\***  
**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	74,382	1
2	Customers (706)	Schedule 200, line 6, column b	410,717	2
3	Other (707)	Note A	147,167	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	632,266	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	15,546,373	5
6	Rent Income	Note B	205,028	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	15,751,401	7
8	Average Daily Operating Revenues	Line 7 divided by 360 days	43,754	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 divided by line 8	14	9
10	Revenue Delay Days Plus Buffer	Line 9 + 15 days	29	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	22,323	11
12	Audited Accounts and Wages Payable (753)	Note A	262,511	12
13	Accounts Payable - Other (754)	Note A	41,082	13
14	Other Taxes Accrued (761.5)	Note A	190,900	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	516,816	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	12,855,142	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,399,101	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	11,661,069	18
19	Average Daily Expenditures	Line 18 divided by 360 days	32,392	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 divided by line 19	16	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	421,096	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	398,386	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	398,386	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	394,811	25
26	Scrap and Obsolete Material included in Acct. 712	Note A	1,664	26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	393,147	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	791,533	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

\*\*\* REVISED \*\*\*

## 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 whether owned or leased including reclassification (g)	Units at Close of Year				Line No
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h)&(i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	
1		LOCOMOTIVE UNITS									(H.P.)		1
2		Diesel-freight units	62	0	0	0	0	2	5	55	60	189,800	2
3		Diesel-passenger units	7,561	0	200	52	23	48	4,264	3,524	7,788	28,926,315	3
4		Diesel-multiple purpose units	496	37	0	27	2	42	484	36	520	860,900	4
5	*	Diesel-switching units	8,119	37	200	79	25	92	4,753	3,615	8,368	29,977,015	5
6	*	TOTAL (lines 1 to 4)	0	0	0	0	0	0	0	0	0	N/A	6
7	*	Electric-locomotives (steam)	2	0	0	0	0	0	2	0	2	N/A	7
8	*	Other self-powered units	8,121	37	200	79	25	92	4,755	3,615	8,370	29,977,015	8
9	*	TOTAL (lines 5, 6 and 7)	105	0	0	0	0	0	105	0	105	N/A	9
10	*	Auxiliary units											
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	8,226	37	200	79	25	92	4,860	3,615	8,475	29,977,015	10

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

Line No	Cross Check	Type of design of units (a)	Before Jan. 1, 1985 (b)	During Calendar Year				2005 (g)	2006 (h)	2007 (i)	2008 (j)	2009 (k)	TOTAL (l)	Line No.
				Between Jan. 1, 1985 and Dec. 31, 1989 (c)	Between Jan. 1, 1990 and Dec. 31, 1994 (d)	Between Jan. 1, 1995 and Dec. 31, 1999 (e)	Between Jan. 1, 2000 and Dec. 31, 2004 (f)							
11	*	Diesel	2,505	651	848	1,318	2,482	332	232				8,368	11
12	*	Electric	0	0	0	0	0	0	0				0	12
13	*	Other self-powered units (steam)	2	0	0	0	0	0	0				2	13
14	*	TOTAL (lines 11 to 13)	2,507	651	848	1,318	2,482	332	232	0	0	0	8,370	14
15	*	Auxiliary units	98	0	3	4	0	0	0				105	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	2,605	651	851	1,322	2,482	332	232	0	0	0	8,475	16

## 726. SUMMARY OF TRACK REPLACEMENTS \*\*\*\*\*REVISED\*\*\*\*\*

1. Furnish the requested information concerning the summary of track replacements.

2. In columns (d), (e), (g), and (i) give the percentage of replacements to units of property in each track category at year end.

Line No	Track category (a)	Ties			Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced	Miles of rail replaced (rail-miles) (f)	Percent replaced (g)		Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)					
1	A	3,412,812	5,136,774	6.2%	N/A	1,447.87	3,038,709	6,895	33.3%	1
2	B	704,162	1,059,866	3.9%	N/A	259.78	458,698	902	13.2%	2
3	C	184,161	247,085	2.5%	N/A	5.19	142,519	320	12.7%	3
4	D	0	0	0.0%	N/A	0.00	30,710	77	1.5%	4
5	E	38,880	58,520	0.2%	N/A	19.04	94,790	45	0.5%	5
6	TOTAL	4,320,015	6,502,245	3.7%	N/A	1,731.88	3,765,426	8,239	18.7%	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	1,219,382,622		1
2	Passenger	10,297,626		2
3	Yard switching	153,098,221		3
4	TOTAL	1,382,778,469		4
5	COST OF FUEL \$(000) *	\$2,833,620		5
6	Work Train	7,140,845		6

\* Show cost of fuel charged to train and yard service (function 67-Loco. Fuels) The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses Fuel consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service of mixed special trains predominantly passenger, the fuel should be included in passenger service