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SERVICE DATE - OCTOBER 6, 1998

SURFACE TRANSPORTATION BOARD

DECISION

SUB-ORDER NO. R-327-M

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

Issued to

THE UNION PACIFIC RAILROAD COMPANY

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

Supporting life and salvage analyses were supplied by UP. We have given appropriate consideration to the submission and supporting information.

IT IS ORDERED:

- (1)** Union Pacific Railroad Company shall account for depreciation charges by applying to the ledger value of equipment property, owned and used in its operations, the annual component percentage rates shown herein.
- (2)** The rates shall be effective from July 1, 1998, to June 30, 2001, or until further order of the Board.
- (3)** Upon completion of the Board's review of UP's revised depreciation rates for road property, including track, UP will reallocate the book accumulated depreciation for equipment and road property (including track) as indicated by the calculated guidelines and, if the indicated variance between book accumulated depreciation and the calculated guidelines so warrants, initiate an amortization of the variance over average remaining life.

DEPRECIATION RATES UNION PACIFIC RAILROAD COMPANY		
A/C NO.	ACCOUNT TITLE	DEPN RATE
	LOCOMOTIVES	
52.01	Diesel - Yard	3.38
52.02	Diesel - Road	4.15
52.05	Spare Parts	4.15
	FREIGHT TRAIN CARS	
53.01	Box - Plain, 40'	4.82
53.02	Box - Plain, 50' and longer	4.71
53.03	Box - Equipped	4.00
53.04	Gondola - Plain	3.27
53.05	Gondola - Equipped	3.21
53.06	Hopper - Covered	2.74
53.07	Hopper - Open Top, General Service	3.38
53.08	Hopper - Open Top, Special Service	2.74
53.09	Refrigerator Cars - Mechanical	3.91
53.10	Refrigerator Cars - Nonmechanical	4.56
53.11	Flat Cars - TOFC/COFC	5.00
53.12	Flat Cars - Multilevel	5.29
53.13	Flat Cars - General Service	3.08
53.14	Flat Cars - Other	2.86
53.15	All Other Cars (excl. cabooses)	3.83
53.16	Cabooses	6.79
53.17	Other (Racks, etc.)	4.14
54	PASSENGER TRAIN CARS	6.43
55	HIGHWAY REVENUE EQUIPMENT	7.00
57	WORK EQUIPMENT	2.53

DEPRECIATION RATES UNION PACIFIC RAILROAD COMPANY		
A/C NO.	ACCOUNT TITLE	DEPN RATE
MISCELLANEOUS EQUIPMENT		
58.01	Airplanes	3.33
58.02	Automobiles	17.00
58.03	Trucks	8.64
58.04	Other	5.28
COMPUTER SYSTEMS & WORD PROCESSING		
59.01	General Computer Equipment	16.50
59.02	Communication Equipment	5.26

Decided September 29, 1998, by the Surface Transportation Board's Accounting Board Members Aguiar, Blistein, and Warren.

Vernon A. Williams
Secretary