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February 29, 2000

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BY HAND

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Ex Parte No. 582
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Public Views on Major Rail Consolidations (STB Ex Parte No. 582)

Dear Secretary Williams:

At the request of Salomon Smith Barney, we are forwarding to you the enclosed copies of the Written Statement of Fred Larsen, which Mr. Larsen intends to present to the Board on behalf of Salomon Smith Barney on March 7, 2000, at the oral hearing scheduled in the above-referenced proceeding. In accordance with the Board's decision served February 17, 2000, we have enclosed an original and 10 copies of the statement, along with a diskette containing the text of that statement in WordPerfect 6/7/8/9 format.

Respectfully submitted,

Paul A. Cunningham

Enclosures

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WRITTEN STATEMENT OF

FRED LARSEN

DIRECTOR, INVESTMENT BANKING

SALOMON SMITH BARNEY

BEFORE THE SURFACE TRANSPORTATION BOARD

IN

STB EX PARTE NO. 582

PUBLIC VIEWS ON MAJOR RAIL CONSOLIDATIONS

ENTERED
Office of the Secretary

FEB 29 2000

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Good morning. I am a Director in the Investment Banking Division of Salomon Smith Barney ("SSB"), responsible for covering surface and freight transportation companies, including North American railroads. My role is to deliver, supervise, and help execute the entire range of investment banking services SSB offers to my clients, including mergers and acquisitions, capital raising in the debt and equity markets, and other services. I have acted in this capacity for over three and one-half years, since I joined SSB predecessor company Salomon Brothers Inc in June of 1996. In total, I have worked in the investment banking industry for over nine and one-half years in various capacities.

Salomon Smith Barney is one of the leading investment banks in the world, with expertise and experience in all facets of investment banking. SSB (and its predecessor company Salomon Brothers Inc) has acted as one of the leading investment banks to the North American railroad industry for many years. SSB is the leading book-running manager of debt and equity offerings in the global rail industry over the past five years, raising over $9 billion since the beginning of 1995. Measured by proceeds raised, SSB has participated in or lead-managed almost one-half of the corporate debt offerings in the North American rail sector over the past five years. SSB's roles in these offerings have included lead managing the $2.5 billion investment grade debt offering by CSX Corporation in May of 1997 (used to help finance CSX's purchase of a portion of Conrail Inc) and co-managing the $1.5 billion convertible preferred stock offering by Union Pacific Capital Trust on behalf of Union Pacific Corporation in March of 1998. Most recently, SSB acted as advisor to Canadian National Railway Company ("CN") in its announced combination with Burlington Northern Santa Fe Corporation ("BNSF"), filed under STB Finance Docket No. 33842 (the "BNSF/CN transaction"). I personally have been directly and closely involved in all three of these transactions.

In connection with SSB's expertise and experience in strategic and capital raising matters for the North American rail industry, I have come before you today on behalf of Salomon Smith Barney to comment on a number of the issues the Board has identified as matters of concern in its notice dated January 24, 2000 scheduling these proceedings. In

particular, I would like to make my observations from the point of view of the public capital markets in North America.

FIRST, in its press release announcing the notice of proceedings, "the Board stated that it is aware that, in the wake of the filing of the BNSF/CN notice of intent, there has been a great deal of speculation that the strategic responses of the remaining North American rail carriers to the proposed BNSF/CN transaction will lead to a new round of major railroad consolidations, ultimately resulting in the formation of two North American transcontinental railroad systems."

I cannot comment on all the potential reasons that this speculation may or may not prove to be true in the future. However, I can observe that there is no evidence that the public capital markets—in particular, the equity market—are providing any meaningful pressure on the remaining North American railroads to enter into any further combinations in response to the proposed BNSF/CN transaction. Since the announcement of the BNSF/CN transaction, the stock prices of the large publicly traded North American railroads (including BNSF, CN, Canadian Pacific Limited, CSX, Norfolk Southern, and Union Pacific) have declined significantly, on average 26.3% (Exhibit A). This performance is in contrast to declines in the S&P 500 stock index, the S&P Industrials, and the S&P Transportation index of 6.2%, 5.1%, and 3.7%, respectively, over the same period.

This relative underperformance provides no evidence that equity investors are bidding up the stock prices of other railroads in anticipation of further consolidation in the sector, as has been a common occurrence in other industries subject to increased merger speculation. From the stock price performance of the industry, one cannot say that equity investors view further consolidation as inevitable. Furthermore, neither are other railroads being "punished" by equity investors because BNSF and CN have announced a combination and they have not, nor are BNSF and CN being "rewarded" because they have. Both BNSF and CN stock prices have declined in line with those of their peers since the December 20th announcement.

There are a great number of factors entering into the ongoing price weakness of railroad stocks, including specific performance factors at particular individual railroads, the disfavor in which investors currently hold transportation-related securities in general, and macro market issues that have resulted in a wholesale rotation out of capital-intensive, "old economy" stocks like railroads into the technology and telecommunications sectors. However, there is no evidence to indicate that the public equity markets are "requiring" further mergers in the North American railroad sector.

It should also be noted in this context that investors appear to have reacted negatively to the length, complexity, and uncertainty of the regulatory review process itself. There have been several market commentators who have remarked publicly that, notwithstanding the positive expected long-term benefits of the BNSF/CN combination on BNSF and CN, the lengthy regulatory review period required under present legislation potentially renders these stocks "dead money" for a considerable amount of time. These commentators have speculated that some investors have abandoned railroad stocks for the time being and are waiting to revisit their investment in the sector

until the regulatory environment becomes clearer.

SECOND, the Board "is seeking views on the effects of railroad consolidations on the financial condition of the railroad industry and the industry's ability to provide responsive service at reasonable prices." While there are a number of potential responses to this inquiry, I will focus on two principal related areas. First, how has past consolidation activity affected the financial health of the industry and how can future consolidation (including the BNSF/CN transaction, if approved) be expected to affect the future financial health of the industry? Second, how has past consolidation affected and how can future consolidation be expected to affect North American railroads' ability to invest in their business?

In connection with the first point of discussion, it is important to distinguish among the very different financial effects of different transaction structures on the financial health of individual railroads. Combinations that are funded with substantial amounts of debt, like the joint purchase of Conrail by Norfolk Southern and CSX, entail very different financial consequences than combinations funded mostly or entirely with equity, such as the BNSF/CN combination. The former impose greater debt service burdens on the operations of the combined companies and increase leverage ratios, thereby constraining future debt financing capacity, whereas the latter avoid many of these potentially negative effects.

It is also important to distinguish among the very different financial histories of individual railroads, as opposed to speaking of a financial construct like the health of the "industry." All of the major North American railroads have gone through substantial transformations over the past several decades, and this transformation has, if anything, accelerated in recent years. Each of the major railroads in North America has gone through one or more substantial combinations with other railroads, and the history of their financial performance has been inseparable from the history of these combinations. As the Board is intimately aware, of the four major industry mergers or combinations in the North American rail industry in the last several years, those of Burlington Northern and the Atchison Topeka & Santa Fe and Canadian National and Illinois Central were relatively trouble-free, and the financial results posted by BNSF and CN after these transactions show relatively little disruption and increasing financial health as measured by growth in revenue and operating results and reduced leverage (Exhibit B). In contrast, we have all seen the financial deterioration associated with the more troubled integrations of the Southern Pacific into Union Pacific and the split up of Conrail by NS and CSX.

As measured by Standard & Poors credit ratings histories of the major North American railroads and their predecessor companies over the past decade (Exhibit C), it is not clear that consolidation activity in the industry has measurably affected the credit quality of the industry. It is certainly true that in 1990 and in 1994 (before any of the recent major rail mergers), industry participants' senior unsecured credit ratings varied more widely than they do today, from a high of AA to a low of B+ (1990) or BB+ (1994). It is also true that certain companies' credit ratings have deteriorated since 1990. However, this industry consolidation has resulted in the absorption by stronger, more creditworthy railroads of a number of weaker, sub-investment grade companies (Illinois

Central, Southern Pacific, and CNW). As measured by credit rating, industry credit quality has been more characterized by a trending toward the now current mean of BBB than by any uniform downward trend. Furthermore, notwithstanding the active consolidation that has taken place in the industry and the financial distress a few railroads have experienced in connection with prior mergers, the major participants in it remain *investment grade* credits, firmly in the camp of those corporations most able to access the public capital markets on relatively favorable terms.

The fact that North American railroads remain investment grade credits after substantial industry consolidation has already occurred bears directly on my second point. North American railroads have had and should continue to have numerous sources of internally and externally generated capital available to them to invest in their business, notwithstanding past or future merger activity that is conducted on a prudent basis. Since the beginning of 1995, during the period when much of the recent consolidation in the industry took place, major North American railroads have tapped the investment grade debt capital markets for over $20 billion in new financing (Exhibit D). The markets and sources tapped have been extremely diverse, including Medium Term Notes, Equipment Trust Certificates, Pass-Through Certificates, unsecured notes and debentures, secured notes, floating notes, and others. In addition, major North American railroads have raised almost $5.4 billion in new equity capital since 1990 (Exhibit E). This latter figure includes $1.5 billion of convertible preferred securities raised by Union Pacific in March of 1998, at a time when its troubles with the integration of Southern Pacific were near their peak and it needed to shore up its balance sheet with additional equity capital.

It is an interesting and relevant feature of the debt capital markets that North American railroads' corporate debt has consistently been issued and trades at lower yields than those of otherwise comparably rated investment grade industrial corporations. This feature has persisted in the bond market for some time now, and is a marker of the eagerness of corporate bond investors to help finance railroads in the public debt markets (Exhibit F). This data, and the data concerning capital raising by the industry during the recent period of consolidation, strongly argue against the thesis that industry consolidation has somehow impaired North American railroads' ability to raise capital from public sources now or in the past. (That being said, it is important to note that bond investors would not be indifferent to increased regulation of the industry. Like equity investors, bond investors would likely react negatively to increased delays, complexity, or uncertainty surrounding the regulatory approval process, and this reaction would in itself contribute to reducing railroads' access to acceptably priced debt capital.)

Finally, railroads have traditionally been able to finance a substantial portion of the investment in their business through internally generated cash flow. An examination of the reported financial results of the major North American railroads in existence today (including their predecessor companies) shows that each of these companies has been able to fund all or a substantial majority of its capital expenditures with internally generated cash flow from operations in almost every year since the beginning of 1989 (Exhibit B). Over that period only one railroad, the Southern Pacific, was unable to fund more than half of its annual capital expenditures out of internally

generated cash flows from operations in more than one year.

In conclusion, there is no current evidence that the public equity markets view further consolidation as inevitable in the North American railroad industry. In addition, it appears clear that equity investors are sending no signals through their behavior that could be interpreted as encouraging the other major railroads to respond to the proposed BNSF/CN transaction with their own mergers. Finally, one may also interpret current depressed railroad stock prices as due, at least in part, to investors' concern over the length, complexity, and uncertainty surrounding the current regulatory review process for railroad combinations. This interpretation would argue against any initiatives to further increase the delays, complexity, or uncertainty surrounding this process.

I believe I have also shown that major North American railroads have had, and continue to have, substantial internal and external resources available to them to allow them to continue to invest in the capital assets required to deliver their services. Capital markets for North American railroads are deep and wide, and there is no evidence that past consolidation or the proposed BNSF/CN transaction has materially constrained these markets in any way. Furthermore, the end-to-end, all-stock nature of the proposed BNSF/CN combination should render that combination particularly robust in terms of its ability to invest in and improve its service network.

RESPECTFULLY SUBMITTED,

Fred Larsen
Director, Investment Banking

SALOMON SMITH BARNEY

Exhibit A. Stock Price Performance

	Stock Price		
	12/17/99	2/25/00	% Change
Burlington Northern Santa Fe	28.38	20.06	(29.3%)
Canadian National Railway	44.20	34.25	(22.5%)
Canadian Pacific Ltd	32.10	27.95	(12.9%)
CSX Corporation	35.00	21.25	(39.3%)
Norfolk Southern Corporation	22.38	13.75	(38.5%)
Union Pacific Corporation	44.31	37.44	(15.5%)
S&P 500	1421.05	1333.36	(6.2%)
S&P Industrials	1782.13	1690.42	(5.1%)
S&P Transportation Index	606.28	583.75	(3.7%)

Source: Bloomberg

Exhibit B. Selected Financial Data of North American Railroads, 1989 to September 1999

		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	LTM 9/30/99
Burlington Northern	Revenues	4606	4674	4559	4630	4699	4995	6163	8141	8370	8941	9024
	EBITDA	966	941	816	935	1013	1215	1781	2508	2630	2990	3160
	EBIT	657	595	469	597	661	853	1261	1748	1857	2158	2278
	Net Income	243	222	(306)	299	296	416	92	889	885	1155	1122
	Cash from Operations	955	647	368	680	578	789	1416	1871	1814	2218	2395
	Capex	390	401	509	487	676	698	402	2234	2182	2147	1977
	Debt/Total Capitalization	68.1%	63.0%	62.0%	47.4%	47.5%	44.8%	45.7%	44.1%	43.7%	41.3%	40.3%
Atchison Topeka and Santa Fe	Revenues	2202	2112	2154	2252	2409	2681					
	EBITDA	400	338	439	475	499	629					
	EBIT	228	158	255	296	317	429					
	Net Income	(99)	(162)	124	66	184	249					
	Cash from Operations	490	33	254	322	332	607					
	Capex	263	209	207	256	382	462					
	Debt/Total Capitalization	22.3%	28.9%	26.3%	21.1%	20.8%	20.1%					
Canadian National	Revenues	3630	3514	3481	3187	3172	3300	3001	3037	3046	2680	3374
	EBITDA	600	405	378	264	379	510	491	587	705	861	1227
	EBIT	371	173	146	43	175	324	322	445	565	656	919
	Net Income	144	7	(27)	(791)	(60)	174	(799)	91	295	146	491
	Cash from Operations	422	135	235	241	191	219	98	414	449	805	726
	Capex	300	261	200	261	330	409	239	362	404	484	619
	Debt/Total Capitalization	35.3%	35.8%	35.1%	45.0%	47.5%	47.6%	40.3%	39.1%	33.0%	45.0%	42.5%
Illinois Central	Revenues	547	544	550	547	565	594	644	617	623	651	
	EBITDA	116	155	165	180	200	217	253	247	261	271	
	EBIT	85	134	145	159	178	192	222	216	228	236	
	Net Income	10	46	65	73	92	113	131	127	136	121	
	Cash from Operations	(23)	61	61	124	122	196	168	165	184	150	
	Capex	65	39	42	52	53	88	71	7	99	71	
	Debt/Total Capitalization	88.8%	80.1%	63.8%	52.7%	48.7%	43.9%	45.3%	55.1%	50.8%	48.8%	

Source: Fact Set, Disclosure, Company Reports

Exhibit B. Selected Financial Data of North American Railroads, 1989 to September 1999

		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	LTM 9/30/99
Union Pacific	Revenues	6492	6964	7029	7294	7561	7798	7486	8786	11079	10553	11090
	EBITDA	1711	1853	1939	2199	2282	2501	1884	2194	2284	1446	2718
	EBIT	1168	1237	1248	1276	1390	1496	1242	1432	1241	376	1590
	Net Income	595	618	64	728	705	958	619	733	432	(633)	379
	Cash from Operations	1483	1467	1392	1660	1563	1909	1454	1657	1600	565	1823
	Capex	1074	1297	1231	1567	1574	1597	1058	2010	2010	2111	1663
	Debt/Total Capitalization	50.8%	48.8%	49.3%	46.9%	46.1%	47.1%	50.0%	49.4%	50.9%	58.0%	48.3%
Southern Pacific	Revenues	2702	2822	2786	2878	2919	3143	3151				
	EBITDA	218	253	241	247	247	486	375				
	EBIT	144	144	152	143	114	346	214				
	Net Income	15	17	(176)	33	(45)	248	(3)				
	Cash from Operations	270	58	(45)	107	(105)	228	124				
	Capex	432	593	674	493	314	194	529				
	Debt/Total Capitalization	84.1%	87.5%	91.0%	89.0%	82.5%	52.0%	62.4%				
Chicago and Northwestern	Revenues	955	961	979	985	1043						
	EBITDA	207	238	258	269	283						
	EBIT	146	164	191	204	214						
	Net Income	(21)	(59)	(44)	37	64						
	Cash from Operations	54	35	44	128	181						
	Capex	128	62	84	83	115						
	Debt/Total Capitalization	85.1%	88.2%	92.1%	89.9%	84.2%						

Source: Fact Set, Disclosure, Company Reports

Exhibit B. Selected Financial Data of North American Railroads, 1989 to September 1999

		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	LTM 9/30/99
Norfolk Southern	Revenues	4582	4667	4501	4662	4516	4642	4727	4829	4281	4221	4752
	EBITDA	1211	1223	1214	1330	1360	1519	1577	1674	1703	1489	1307
	EBIT	864	850	833	934	955	1115	1163	1245	1271	1052	831
	Net Income	606	556	30	558	549	668	713	770	699	630	368
	Cash from Operations	1107	995	762	958	875	1144	1237	1205	1150	890	697
	Capex	677	697	494	686	662	580	584	672	(5051)	800	827
	Debt/Total Capitalization	13.3%	20.9%	29.5%	29.8%	27.4%	26.2%	25.9%	27.6%	57.9%	56.3%	60.5%
CSX	Revenues	7745	8205	8636	8734	8940	9608	10504	10536	10621	9898	10574
	EBITDA	1316	1341	1355	1492	1578	1809	2029	2133	2203	1739	1804
	EBIT	869	868	854	965	1006	1232	1429	1522	1583	1130	1159
	Net Income	427	365	(76)	20	359	652	618	855	799	537	135
	Cash from Operations	1007	889	866	939	962	1326	1567	1440	1558	1000	986
	Capex	1617	1043	1113	1048	653	740	1139	(650)	(1172)	2097	1960
	Debt/Total Capitalization	48.4%	48.9%	50.2%	53.8%	52.0%	45.6%	40.2%	48.8%	54.0%	53.3%	58.2%
Conrail	Revenues	3411	3372	3252	3345	3453	3733	3686	3714	3765	3863	
	EBITDA	714	729	765	829	875	968	1034	884	615	825	
	EBIT	432	427	458	534	591	690	741	601	322	515	
	Net Income	148	247	(207)	282	234	324	264	342	7	267	
	Cash from Operations	657	590	570	496	504	697	773	669	884	727	
	Capex	582	270	314	431	553	490	415	387	439	537	
	Debt/Total Capitalization	19.3%	37.9%	39.8%	41.0%	44.0%	42.7%	42.3%	40.4%	36.8%	32.0%	

Source: Fact Set, Disclosure, Company Reports

Exhibit C. Standard & Poors Senior Unsecured Credit Ratings, 1990 to Present

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Burlington Northern	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB+	BBB+
Atchison, Topeka and Santa Fe	BBB-	BBB-	BBB	BBB	BBB	BBB				
Canadian National	AA	AA	AA-	AA-	AA-	AA-	BBB	BBB	BBB	BBB
Illinois Central	BB-	BB-	BB+	BBB	BBB	BBB	BBB	BBB		
Union Pacific	A	A	A	A	A	A-	BBB	BBB	BBB-	BBB-
Southern Pacific	B+	B+	B+	BB	BB+	BB+				
Chicago & Northwestern	BB	B+	BB	BB+	BB+					
Norfolk Southern	AA	AA	AA	AA	AA	AA	AA	BBB+	BBB+	BBB+
CSX	BBB+	BBB	BBB	BBB	BBB	BBB+	BBB+	BBB	BBB	BBB
Conrail	A	A	A	A	A	A	A			
Kansas City Southern	BBB	BBB	BBB+	BBB+	BBB+	BBB+	BBB+	BBB-	BBB-	BBB-

Source: Bloomberg, Standard & Poors Global Sector Review, 1996, 1998

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

	Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
02/21/1995	Santa Fe Pacific Corp	50.0	Senior Notes	na	09/23/2001	NR	NR
03/09/1995	Burlington Northern Railroad	195.5	Pass-Thru Certs	7.97	01/01/2015	Aa3	A+
03/23/1995	CSX Transportation Inc(CSX)	58.5	Equip Tr Certs	Serial	1996-10	Aa2	A+
04/18/1995	Union Pacific Corp	425.0	Notes	7.600	05/01/2005	A3	A-
04/18/1995	Union Pacific Corp	275.0	Sink Fund Debs	8.350	05/01/2025	A3	A-
04/24/1995	Illinois Central Railroad	100.0	Notes	7.750	05/01/2005	Baa2	BBB
05/02/1995	Southern Pacific Rail Corp	5.3	Pass-Thru Certs	6.900	01/02/1997	Baa1	BBB+
05/02/1995	Southern Pacific Rail Corp	6.7	Pass-Thru Certs	7.210	01/02/1998	Baa1	BBB+
05/02/1995	Southern Pacific Rail Corp	34.7	Pass-Thru Certs	8.710	07/16/1905	Baa1	BBB+
05/02/1995	Southern Pacific Rail Corp	6.8	Pass-Thru Certs	7.270	01/02/1999	Baa1	BBB+
05/02/1995	Southern Pacific Rail Corp	8.1	Pass-Thru Certs	7.370	01/02/2000	Baa1	BBB+
05/02/1995	Southern Pacific Rail Corp	13.6	Pass-Thru Certs	7.450	01/02/2001	Baa1	BBB+
05/02/1995	Southern Pacific Rail Corp	226.4	Pass-Thru Certs	8.020	07/02/2012	Baa1	BBB+
05/02/1995	Union Pacific Corp	150.0	Notes	7.375	05/15/2001	A3	A-
06/01/1995	CSX Transportation Inc(CSX)	57.0	Equip Tr Certs	Serial	1996-10	Aa2	A+
06/16/1995	Southern Pacific Trans Co	93.0	Pass-Thru Certs	7.280	04/30/2016	Baa1	BBB+
06/22/1995	Burlington Northern Inc	147.4	Pass-Thru Certs	6.940	01/02/2014	Aa3	A+
06/22/1995	Burlington Northern Inc	21.9	Pass-Thru Certs	7.450	07/02/2016	Aa3	A+
06/22/1995	Conrail Inc	110.0	Equip Tr Certs	6.760	05/25/2015	Aa1	AA
12/01/1995	Canadian National Railway Co	19.2	Sr Secured Nts	na	06/24/1905	NR	NR
12/06/1995	Burlington Northern Santa Fe	350.0	Debentures	7.000	12/15/2025	Baa2	BBB
12/06/1995	Burlington Northern Santa Fe	300.0	Notes	6.375	12/15/2005	Baa2	BBB
12/07/1995	Union Pacific Corp	86.5	Equip Tr Certs	6.290	09/25/2007	Aa2	AA-
12/07/1995	Union Pacific Railroad Co	182.6	Equip Tr Certs	6.540	07/01/2015	Aa2	AA-
12/13/1995	Kansas City Southern Inds Inc	100.0	Debentures	7.000	12/15/2025	Baa2	BBB+
	Total 1995	**3023.2**					
01/23/1996	Union Pacific Corp	250.0	Notes	6.400	02/01/2006	A3	A-
01/23/1996	Union Pacific Corp	250.0	Debentures	7.000	02/01/2016	A3	A-
02/13/1996	Burlington Northern Inc	175.0	Debentures	6.875	02/15/2016	Baa2	BBB
03/13/1996	CSX Transportation Inc(CSX)	3.8	Notes	6.800	03/15/2007	Aa2	A+

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

	Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
03/13/1996	CSX Transportation Inc(CSX)	3.8	Notes	6.350	03/15/2000	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	5.550	03/15/1997	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.650	03/15/2004	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.630	03/15/2003	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.200	03/15/1999	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.750	03/15/2006	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	5.950	03/15/1998	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.550	03/15/2002	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.840	03/15/2008	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.960	03/15/2011	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.920	03/15/2010	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.450	03/15/2001	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.880	03/15/2009	Aa2	A+
03/13/1996	CSX Transportation Inc(CSX)	3.8	Equip Tr Notes	6.7	03/15/2005	Aa2	A+
04/01/1996	Canadian National Railway Co	32.0	Sr Secured Nts	na	06/25/1905	NR	NR
04/23/1996	Conrail Inc	50.3	Medium-Term Nts	6.96	03/25/2010	A3	A
05/01/1996	Union Pacific Corp	103.0	Pass-Thru Certs	7.060	05/15/2003	Aa2	AA-
05/01/1996	Union Pacific Corp	69.3	Pass-Thru Certs	6.870	11/15/2002	Aa2	AA-
05/01/1996	Union Pacific Railroad Co	103.0	Equip Tr Certs	7.060	05/15/2003	Aa3	A
05/01/1996	Union Pacific Railroad Co	69.2	Equip Tr Certs	6.870	11/15/2002	Aa3	A
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.010	06/01/2004	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.090	06/01/2006	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.120	06/01/2007	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.160	06/01/2008	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.200	06/01/2009	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.240	06/01/2010	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.280	06/01/2011	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	5.730	06/01/1997	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	6.190	06/01/1998	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	6.580	06/01/2000	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	6.690	06/01/2001	Aa2	AA-

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

	Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	6.410	06/01/1999	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	7.070	06/01/2005	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	6.790	06/01/2002	Aa2	AA-
05/22/1996	Union Pacific Corp	5.4	Equip Tr Certs	6.93	06/01/2003	Aa2	AA-
05/22/1996	Union Pacific Railroad Co	81.5	Equip Tr Certs	Serial	1997-11	A3	A-
05/29/1996	Burlington Northern Santa Fe	200.0	Debentures	7.29	PUT08/36	Baa2	BBB
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	6.950	06/01/2000	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.050	06/01/2001	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.140	06/01/2002	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.220	06/01/2003	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.500	06/01/2010	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.320	06/01/2004	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	6.730	06/01/1999	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.330	06/01/2005	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.350	06/01/2006	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	6.470	06/01/1998	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.380	06/01/2007	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.540	06/01/2011	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.420	06/01/2008	Aa2	A+
06/12/1996	CSX Transportation Inc(CSX)	4.0	Equip Tr Certs	7.460	06/01/2009	Aa2	A+
06/25/1996	Union Pacific Corp	135.1	Pass-Thru Certs	7.62	01/16/2016	Aa2	AA
07/01/1996	Union Pacific Corp	185.0	Secured Notes	na		NR	NR
07/16/1996	Burlington Northern Railroad	104.6	Pass-Thru Certs	7.330	06/23/2010	Aa3	A
07/30/1996	Illinois Central Railroad	10.0	Medium-Term Nts	7.120	08/02/2001	Baa2	BBB
07/30/1996	Illinois Central Railroad	10.0	Medium-Term Nts	7.120	08/02/2001	Baa2	BBB
07/30/1996	Illinois Central Railroad	10.0	Medium-Term Nts	7.120	08/02/2001	Baa2	BBB
08/09/1996	Illinois Central Railroad	50.0	Medium-Term Nts	6.720	08/14/2001	Baa2	BBB
08/09/1996	Illinois Central Railroad	10.0	Medium-Term Nts	6.720	08/14/2001	Baa2	BBB
09/11/1996	Norfolk Southern Corp	33.0	Medium-Term Nts	7.400	09/15/2006	Aa3	AA
09/11/1996	Norfolk Southern Corp	33.0	Medium-Term Nts	7.400	09/15/2006	Aa3	AA
09/11/1996	Norfolk Southern Corp	34.0	Medium-Term Nts	7.400	09/15/2006	Aa3	AA

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

	Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
09/16/1996	Consolidated Rail Corp	86.3	Medium-Term Nts	7.900	01/03/2014	Aa2	AA
09/16/1996	Consolidated Rail Corp	22.0	Medium-Term Nts	7.520	01/07/2007	Aa2	AA
09/17/1996	Norfolk Southern Corp	34.0	Medium-Term Nts	7.22	09/15/2006	Aa3	AA
09/19/1996	Burlington Northern Railroad	33.5	Equip Tr Certs	Serial	1997-11	NR	NR
10/22/1996	Union Pacific Corp	250.0	Notes	7.25	11/01/2008	Baa2	BBB
11/19/1996	Union Pacific Corp	70.5	Equip Tr Certs	Varies	12/01/2011	Aa3	A
12/03/1996	Union Pacific Corp	250.0	Notes	6.700	12/01/2006	Baa2	BBB
12/12/1996	Illinois Central Railroad	125.0	Debentures	7.7		NR	NR
	1996 Total	**3063.3**					
01/01/1997	Illinois Central Corp	33.1	Secured Notes	na	12/30/2011	NR	NR
02/20/1997	Burlington Northern Santa Fe	100.0	Medium-Term Nts	6.100	02/27/2027	Baa2	BBB
04/22/1997	Burlington Northern Inc	57.9	Part Certs	7.420	10/22/2004	Aa3	A
05/01/1997	CSX Corp	60.0	Debentures	7.900	05/01/2027	Baa2	BBB
05/01/1997	CSX Corp	15.0	Debentures	6.950	PUT02/27	Baa2	BBB
05/01/1997	CSX Corp	67.5	Debentures	7.450	05/01/2007	Baa2	BBB
05/01/1997	CSX Corp	45.0	Notes	7.250	05/01/2004	Baa2	BBB
05/01/1997	CSX Corp	52.5	Notes	7.050	05/01/2002	Baa2	BBB
05/01/1997	CSX Corp	37.5	Bonds	7.250	PUT05/27	Baa2	BBB
05/01/1997	CSX Corp	22.5	Bonds	8.300	05/01/2032	Baa2	BBB
05/01/1997	CSX Corp	75.0	Bonds	7.950	05/01/2027	Baa2	BBB
05/14/1997	Norfolk Southern Corp	400.0	Bonds	6.700	05/01/2000	Baa1	BBB+
05/14/1997	Norfolk Southern Corp	200.0	Bonds	6.875	05/01/2001	Baa1	BBB+
05/14/1997	Norfolk Southern Corp	550.0	Bonds	7.700	05/15/2017	Baa1	BBB+
05/14/1997	Norfolk Southern Corp	750.0	Bonds	7.050	PUT04/37	Baa1	BBB+
05/14/1997	Norfolk Southern Corp	800.0	Bonds	7.800	05/15/2027	Baa1	BBB+
05/14/1997	Norfolk Southern Corp	350.0	Bonds	7.900	09/27/1905	Baa1	BBB+
05/14/1997	Norfolk Southern Corp	750.0	Bonds	7.350	05/15/2007	Baa1	BBB+
05/14/1997	Norfolk Southern Corp	500.0	Bonds	6.950	05/01/2002	Baa1	BBB+
07/10/1997	Burlington Northern Inc	87.5	Medium-Term Nts	6.530	07/15/2037	Baa2	BBB
07/10/1997	Burlington Northern Santa Fe	87.5	Medium-Term Nts	6.530	07/15/2037	Baa2	BBB

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

	Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
07/24/1997	Burlington Northern Santa Fe	200.0	Debentures	7.250	09/27/1905	Baa2	BBB
08/18/1997	Union Pacific Railroad Co	180.1	Pass-Thru Certs	6.910	08/27/2017	Aa3	A
10/21/1997	Burlington Northern Santa Fe	71.7	Pass-Thru Certs	6.740	10/28/2012	Baa2	BBB
11/20/1997	Canadian National Railway Co	25.9	Pass-Thru Certs	6.719	01/02/2016	A3	A-
11/20/1997	Canadian National Railway Co	103.7	Pass-Thru Certs	7.195	01/02/2013	A3	A-
12/04/1997	Burlington Northern Santa Fe	200.0	Debentures	6.875	12/01/2027	Baa2	BBB
	1997 Total	**5822.4**					
01/29/1998	Union Pacific Corp	250.0	Debentures	7.130	02/01/2028	Baa2	BBB
01/29/1998	Union Pacific Corp	300.0	Notes	6.625	02/01/2008	Baa2	BBB
03/13/1998	Burlington Northern Santa Fe	100.0	REPS	6.050	PUT01/31	Baa2	BBB
04/16/1998	Wisconsin Central Transport	150.0	Notes	6.625	04/15/2008	Baa2	BBB-
04/23/1998	Union Pacific Railroad Co	174.1	Equip Tr Notes	6.700	02/23/2019	NR	NR
05/13/1998	CSX Corp	10.0	Medium-Term Nts	6.590	05/19/2008	A3	BBB
05/13/1998	CSX Corp	10.0	Medium-Term Nts	6.590	05/19/2008	A3	BBB
05/13/1998	CSX Corp	10.0	Medium-Term Nts	6.590	05/19/2008	A3	BBB
05/13/1998	CSX Corp	10.0	Medium-Term Nts	6.59	05/19/2008	A3	BBB
05/21/1998	Union Pacific Corp	100.0	Float Rate Nts	Floats	05/22/2000	A2	A+
05/27/1998	CSX Corp	10.0	Medium-Term Nts	6.500	06/02/2008	Baa2	BBB
05/27/1998	CSX Corp	10.0	Medium-Term Nts	6.500	06/02/2008	Baa2	BBB
05/27/1998	CSX Corp	10.0	Medium-Term Nts	6.500	06/02/2008	Baa2	BBB
05/27/1998	CSX Corp	10.0	Medium-Term Nts	6.5	06/02/2008	Baa2	BBB
06/03/1998	Illinois Central Railroad	20.0	Medium-Term Nts	6.630	06/09/2008	Baa2	BBB
06/03/1998	Illinois Central Railroad	10.0	Medium-Term Nts	6.63	06/09/2008	NR	NR
06/16/1998	CSX Corp	75.0	Equip Tr Certs	Serial	1999-13	A3	BBB
06/17/1998	CSX Corp	50.0	Medium-Term Nts	6.46	06/22/2005	Baa2	BBB
07/01/1998	Canadian National Railway Co	250.0	PURS	6.450	PUT06/36	Baa2	BBB
07/01/1998	Canadian National Railway Co	475.0	Debentures	6.900	07/15/2028	Baa2	BBB
07/01/1998	Canadian National Railway Co	200.0	Debentures	6.800	07/15/2018	Baa2	BBB
07/23/1998	Burlington Northern Santa Fe	200.0	Debentures	6.7	08/01/2028	Baa2	BBB

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

	Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
09/11/1998	CSX Corp	25.0	Medium-Term Nts	6.400	09/16/2008	Baa2	BBB
09/11/1998	CSX Corp	20.0	Medium-Term Nts	6.350	09/17/2007	Baa2	BBB
09/11/1998	CSX Corp	60.0	Medium-Term Nts	5.850	09/17/2001	Baa2	BBB
09/17/1998	Union Pacific Railroad Co	101.5	Equip Tr Certs	6.850	01/02/2019	A1	A-
09/22/1998	Burlington Northern Santa Fe	102.8	Pass-Thru Certs	6.220	01/02/2019	Aa3	A
10/16/1998	Union Pacific Corp	225.0	Notes	5.780	10/15/2001	Baa3	BBB-
10/23/1998	CSX Corp	400.0	Notes	6.250	10/15/2008	Baa2	BBB
10/27/1998	Union Pacific Corp	35.0	Medium-Term Nts	6.390	11/01/2004	Baa3	BBB-
10/27/1998	Union Pacific Corp	37.5	Medium-Term Nts	6.390	11/01/2004	Baa3	BBB-
10/27/1998	Union Pacific Corp	45.0	Medium-Term Nts	6.390	11/01/2004	Baa3	BBB-
11/06/1998	Union Pacific Corp	300.0	Medium-Term Nts	6.79	11/09/2007	Baa3	BBB-
11/12/1998	Burlington Northern Santa Fe	200.0	Flt Rate Bonds	Floats	PUT99/29	Baa2	BBB
11/16/1998	Burlington Northern Santa Fe	171.4	Pass-Thru Certs	6.230	07/02/2018	Baa3	BBB
11/18/1998	Union Pacific Corp	70.0	Medium-Term Nts	6.340	11/25/2003	Baa3	BBB-
11/18/1998	Union Pacific Corp	40.0	Medium-Term Nts	6.340	11/25/2003	Baa3	BBB-
11/18/1998	Union Pacific Corp	40.0	Medium-Term Nts	6.340	11/25/2003	Baa3	BBB-
11/18/1998	Union Pacific Corp	30.0	Medium-Term Nts	6.340	11/25/2003	Baa3	BBB-
11/23/1998	CSX Corp	150.0	Medium-Term Nts	5.850	12/01/2003	Baa2	BBB
11/23/1998	CSX Corp	200.0	Medium-Term Nts	6.800	12/01/2028	Baa2	BBB
12/02/1998	Union Pacific Railroad 98-C	123.8	Pass-Thru Certs	6.33	01/02/2020	A1	A-
12/16/1998	Norfolk Southern Railway Co	94.5	Equip Tr Certs	Serial	2000-14	Aa3	A+
	1998 Total	**4905.6**					
01/26/1999	Union Pacific Corp	600.0	Debentures	6.625	02/01/2029	Baa3	BBB-
02/10/1999	CSX Transportation Inc(CSX)	75.0	Equip Tr Certs	Serial	02/15/2014	Baa2	BBB
03/04/1999	Norfolk Southern Railway Co	94.5	Equip Tr Certs	Serial	2000-14	Aa3	A+
03/04/1999	Norfolk Sthrn Equip Series I	94.5	Equip Tr Certs	na	03/31/2000	NR	NR
03/05/1999	Burlington Northern Santa Fe	200.0	Notes	6.125	03/15/2009	Baa2	BBB+
03/05/1999	Burlington Northern Santa Fe	200.0	Debentures	6.750	03/15/2029	Baa2	BBB+
03/24/1999	Canadian Pacific Ltd	99.5	Medium-Term Nts	5.85	03/30/2009		
04/21/1999	Norfolk Southern Corp	400.0	Senior Notes	6.2	04/15/2009	Baa1	BBB+

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

	Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
04/22/1999	Burlington Northern Santa Fe	50.0	Equip Tr Certs	Serial	2000-14	Aa3	A+
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	6.100	04/15/2010	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.950	04/15/2008	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.900	04/15/2007	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	6.200	04/15/2011	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	6.500	04/15/2014	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	6.300	04/15/2012	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	6.000	04/15/2009	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	6.400	04/15/2013	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.850	04/15/2006	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.800	04/15/2005	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.750	04/15/2004	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.650	04/15/2003	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.550	04/15/2002	A1	A
04/27/1999	CSX ETC 1999-B	4.0	Equip Tr Certs	5.45	04/15/2001	A1	A
05/07/1999	Canadian National Railway Co	4.5	Lease Notes	na	05/07/2004	NR	BBB
05/10/1999	Burlington Northern Santa Fe	200.0	PURS	7.082	05/15/2029	Baa2	BBB
05/17/1999	CSX Transportation Inc(CSX)	55.5	Equip Tr Certs	Serial	2000-14	Baa2	BBB
06/09/1999	CSX Corp	250.0	Mdm-Trm Fl Nts	Floats	06/15/2000	Baa2	BBB
06/22/1999	Union Pacific 1999-A	110.0	Pass-Thru Certs	7.6	01/02/2020	A1	A-
06/25/1999	Union Pacific Railroad Co	153.0	Equip Lease Nts	na	06/25/2009	NR	BBB-
06/30/1999	Norfolk Southern Railway Co	93.8	Equip Tr Certs	Serial	2000-14	Baa1	BBB+
07/21/1999	Burlington Northern Santa Fe	212.5	Notes	7.16	01/02/2020	Aa3	A+
07/27/1999	CSX Corp	75.0	Mdm-Trm Fl Nts	Floats	08/01/2000	Baa2	BBB
07/27/1999	CSX Corp	75.0	Mdm-Trm Fl Nts	Floats	08/01/2000	Baa2	BBB
09/16/1999	Burlington Northern Santa Fe	298.0	Equip Tr Certs	7.570	09/23/2011	Aa3	A+
09/23/1999	Union Pacific Corp	150.0	Notes	7.375	09/15/2009	Baa3	BBB-
11/23/1999	Canadian Pacific Ltd	136.4	Medium-Term Nts	6.65	06/01/2005		
	1999 Total	**3683.2**					

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit D. Debt Capital Raising by North American Railroads, 1995 to Present

Issuer	Principal Amount ($ mil)	Type of Security	Coupon (%)	Maturity	Moody Rating	Standard & Poor's Rating
1995 Total	3023.2					
1996 Total	3063.3					
1997 Total	5822.4					
1998 Total	4905.6					
1999 Total	3683.2					
Grand Total	**20497.7**					

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/25/00

Exhibit E. Equity Capital Raising by North American Railroads, 1990 to Present

Issue Date	Issuer	Principal Amount ($ mil)	Type of Security	Description	Marketplace
01/01/1990	Norfolk Southern Corp	17.7	Common Shares	Common Shares	U.S. Private
09/01/1990	CSX Transportation Inc(CSX)	65.0	Equity Leasing	Equity Leasing	U.S. Private
05/21/1991	Wisconsin Central Transport	34.7	Common Shares	2,100,000.0 Common Shares	U.S. Public
05/22/1991	Illinois Central Corp	60.4	Common Shares	3,200,000.0 Common Shares	U.S. Public
10/08/1991	Santa Fe Pacific Corp	210.5	Common Shares	22,453,597.0 Common Shares	U.S. Public
11/19/1991	Burlington Northern Inc	257.4	Common Shares	7,200,000.0 Common Shares	U.S. Public
03/31/1992	Chicago and North Western Hldg	143.5	Common Shares	7,000,000.0 Common Shares	U.S. Public
06/02/1992	Illinois Central Corp	181.0	Common Shares	8,000,000.0 Common Shares	U.S. Public
06/04/1992	Santa Fe Pacific Corp	318.5	Common Shares	26,001,854.0 Common Shares	U.S. Public
11/17/1992	Burlington Northern Inc	300.0	Cum Cvt Pfd	6,000,000.0 $3.125 Cum Cvt Pfd	U.S. Public
12/14/1992	Wisconsin Central Transport	78.9	Common Shares	2,720,000.0 Common Shares	U.S. Public
07/21/1993	Chicago and North Western Hldg	211.1	Common Shares	10,963,890.0 Common Shares	U.S. Public
08/10/1993	Southern Pacific Rail Corp	324.0	Common Shares	24,000,000.0 Common Shares	U.S. Public
02/23/1994	Southern Pacific Rail Corp	420.0	Common Shares	20,000,000.0 Common Shares	U.S. Public
08/04/1994	Southern Pacific Rail Corp	288.4	Common Shares	14,600,000.0 Common Shares	U.S. Public
11/17/1995	Canadian National Railway Co	527.7	Common Shares	26,480,000.0 Common Shares	U.S. Public
03/27/1998	Union Pacific Capital Trust	1500.0	Cvt Pfd Secs	30,000,000 $3.125 Pfd Secs	U.S. Public
06/17/1999	Canadian National Railway Co	250.3	Common Shares	4,000,000.0 Common Shares	U.S. Public
06/17/1999	Canadian National Railway Co	200.0	Cvt Pfd Secs	4,000,000.0 $2.625 Cvt Pfd Secs	U.S. Public
		5389.1			

Source: Thomson Financial Securities Data 1.973.622.5200 Date: 2/27/00

Exhibit F. Average Monthly Trading Yields, 1998 to Present

Date	Railroads	BBB/BBB+ Industrials	Difference
Jan-98	6.726%	6.822%	0.096%
Feb-98	6.619	6.716	0.097
Mar-98	6.714	6.838	0.124
Apr-98	6.761	6.845	0.084
May-98	6.720	6.840	0.120
Jun-98	6.641	6.751	0.110
Jul-98	6.648	6.766	0.118
Aug-98	6.748	6.863	0.115
Sep-98	6.839	6.983	0.144
Oct-98	6.306	6.516	0.210
Nov-98	6.491	6.785	0.294
Dec-98	6.317	6.638	0.321
Jan-99	6.362	6.676	0.314
Feb-99	6.193	6.586	0.393
Mar-99	6.661	7.019	0.358
Apr-99	6.642	6.929	0.287
May-99	6.733	6.895	0.162
Jun-99	7.097	7.219	0.122
Jul-99	7.252	7.406	0.154
Aug-99	7.433	7.622	0.189
Sep-99	7.585	7.817	0.232
Oct-99	7.522	7.755	0.233
Nov-99	7.578	7.888	0.310
Dec-99	7.665	7.956	0.291
Jan-00	7.826	8.111	0.285
Feb-00	7.826	8.111	0.285
Average	**6.919%**	**7.129%**	**0.210%**

Source: Salomon Smith Barney Research