

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
under the Securities Exchange Act of 1934
(Amendment No. 12)

Southern Pacific Rail Corporation
(Name of Issuer)

Common Stock, Par Value \$.001 Per Share
(Title of class of securities)

843584 10 3
(CUSIP number)

Richard J. Ressler, Esq.
Assistant General Counsel
Union Pacific Corporation
Martin Tower, Eighth and Eaton Avenues
Bethlehem, Pennsylvania 18018
(610) 861-3200
(Name, address and telephone number of person authorized
to receive notices and communications)

with a copy to:

Paul T. Schnell, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telephone: (212)735-3000

This Amendment No. 12 amends and supplements the Schedule 13D relating to the beneficial ownership by UP Acquisition Corporation ("Purchaser"), a Delaware corporation and a wholly owned subsidiary of Union Pacific Railroad Company, a Utah corporation ("UPRR") and an indirect wholly owned subsidiary of Union Pacific Corporation, a Utah corporation ("Parent"), UPRR and Parent of shares of Common Stock, par value \$.001 per share (the "Shares"), of Southern Pacific Rail Corporation, a Delaware corporation (the "Company").

Unless otherwise indicated herein, each capitalized term used and not defined herein shall have the meaning assigned to such term in the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission by Purchaser, UPRR and Parent or in the Offer to Purchase referred to therein.

- ITEM 4. PURPOSE OF TRANSACTION.
- ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDING OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.
- ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

The information set forth in Items 4, 6 and 7 of the Schedule 13D is hereby amended and supplemented by the following information:

On February 1, 1996, Parent issued a press release which is attached hereto as Exhibit (g)(6) and incorporated herein by reference.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 2, 1996 UNION PACIFIC CORPORATION

By: /s/ Carl W. von Bernuth
Name: Carl W. von Bernuth
Title: Senior Vice President
and General Counsel

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 2, 1996 UP ACQUISITION CORPORATION

By: /s/ Carl W. von Bernuth
Name: Carl W. von Bernuth
Title: Vice President and
Assistant Secretary

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 2, 1996 UNION PACIFIC RAILROAD COMPANY

By: /s/ Carl W. von Bernuth
Name: Carl W. von Bernuth
Title: Senior Vice President
and General Counsel

EXHIBIT INDEX

(g)(6) Text of press release issued by Parent on February 1, 1996.

FOR IMMEDIATE RELEASE

Union Pacific and Southern Pacific have reached agreement with Illinois Central Railroad on a variety of marketing and operational issues associated with the pending UP/SP merger.

"This agreement will mean more efficient operations for both railroads, especially through some key gateways," said UP Corporation President Dick Davidson.

Illinois Central President E. Hunter Harrison added, "This agreement assures efficient routing options will continue to be available post-merger for all shippers. We have excellent working relationships with both the UP and the SP and are confident that will continue following their merger."

In the marketing area, the agreement is designed to take advantage of mutually beneficial interline routes and business opportunities. For example, the agreement contemplates cooperative efforts in marketing forest products, coal, chemicals, and carload business.

In the operating area, the agreement focuses principally on issues designed to ensure efficient operation after merger. It covers interchange of traffic between the two railroads in the Chicago area, rebuilding of certain facilities in the New Orleans area, and the resolution of the impact of the merger on certain trackage rights. For example, IC will be sold SP's interest in a line between Church and Valley Junction in Illinois and the New UP/SP system will retain trackage rights on that line. In the Chicago area, the agreement specifies how operations will be conducted after merger on the Illinois Central track between Chicago and Joliet.

The accord also resolves IC's role in UP/SP's pending merger approval case before the Surface Transportation Board (STB). IC agrees not to oppose UP/SP's application. UP/SP agrees to negotiate first with IC if additional competition beyond the Burlington Northern Santa Fe (BNSF) agreement is imposed by the STB and UP still decides to go ahead with the merger.

Davidson said, "UP's and SP's existing agreement with BNSF would be imposed as a condition to the merger, and it fully addresses all competitive issues."

Harrison noted, "UP and SP have demonstrated their good-faith and proactive efforts to address upfront the anticompetitive elements of their proposed merger. If the STB decides UP's agreement with BNSF is sufficient to protect the public interest, this element of our agreement will not be triggered."

The agreement is contingent upon approval of the proposed Union Pacific-Southern Pacific merger. In all, more than 1,500 customers and government agencies have supported the proposed combination. A merger application was filed November 30, 1995. A decision is expected from the Surface Transportation Board, the successor of the Interstate Commerce Commission, by mid-summer.