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LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page

1. Registrant Name The Potomac Group			
2. Address <input type="checkbox"/> Check if different than previously reported \$16 Connecticut Avenue, NW Washington Tenth Floor DC 20006			
3. Principal Place of Business (if different from line 2) City State/Zip (or Country)			
4. Contact Name Wayne Smith	Telephone 202-783-3460	E-mail (optional)	5. Senate ID # 31918-125
7. Client Name <input type="checkbox"/> Self Union Pacific Company			6. House ID # 33426-004

TYPE OF REPORT 8. Year 2000 Midyear (January 1-June 30) OR Year End (July 1-December 31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report >> Termination Date _____ 11. No Lobbying Activity

INCOME OR EXPENSES - Complete Either Line 12 OR Line 13	
<p>12. Lobbying Firms</p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input checked="" type="checkbox"/> >> \$ <u>\$40,000.00</u> Income (nearest \$20,000)</p> <p>Provide a good faith estimate, rounded to the nearest \$20,000 of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p>	<p>13. Organizations</p> <p>EXPENSES relating to lobbying activities for this reporting period were:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> >> \$ _____ Expenses (nearest \$20,000)</p> <p>14. REPORTING METHOD. Check box to indicate expense accounting method. See instructions for description of options.</p> <p><input type="checkbox"/> Method A. Reporting amounts using LDA definitions only</p> <p><input type="checkbox"/> Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code</p> <p><input type="checkbox"/> Method C. Reporting amounts under section 162(e) of the Internal Revenue Code</p>

Signature _____ Date 1/1/2001

Printed Name and Title Wayne Smith - President/CEO Page 1 of 3

Registrant Name: The Potomac Group

Client Name: Union Pacific Company

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code RRR (one per page)
16. Specific Lobbying issues
S. 747, Surface Transportation Board Reauthorization,
S. 621, Surface Transportation Board Reauthorization,
S. 98, Surface Transportation Board Reauthorization,

17. House(s) of Congress and Federal agencies contacted Check if None
US House of Representatives
US Senate

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Smith, Wayne		No
Karsting, Phil		No
Hegg, Richard		Yes

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Signature _____ Date 1/1/2001

Printed Name and Title Wayne Smith - President/CEO Page 2 of 3

Registrant Name: The Potomac Group

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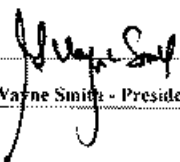
15. General issue area code TAX (one per page)
16. Specific Lobbying issues
H.R. 4844, Railroad Retirement Reform,
H.R. 2488, Financial Freedom Act of 1999, Fuel Taxes

17. House(s) of Congress and Federal agencies contacted Check if None
US House of Representatives
US Senate

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
<u>Smith, Wayne</u>		<u>No</u>
<u>Karsting, Phil</u>		<u>No</u>
<u>Hegg, Richard</u>		<u>Yes</u>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Signature  Date 1/1/2001
Printed Name and Title Wayne Smith - President/CEO Page 3 of 3