

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998

Commission file number 1-13782

WESTINGHOUSE AIR BRAKE COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

25-1615902
(IRS Employer
Identification No.)

1001 AIR BRAKE AVENUE
WILMERDING, PENNSYLVANIA 15148
(Address of principal executive offices)

(412) 825-1000
(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

(Title of Class)

(Name of Exchange on which registered)

COMMON STOCK, PAR VALUE \$.01 PER SHARE

NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

This Amendment to Form 10-K is being filed to amend Exhibit 99 thereto. The full
text of Exhibit 99 is set forth in this Amendment to Form 10-K.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF
- ----- 1934

For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
- ----- ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13782

A. Full title of the plan and the address of the plan, if different from that
of the issuer named below:

Westinghouse Air Brake Company Employee Stock Ownership Plan and Trust

B. Name of issuer of the securities held pursuant to the plan and the address
of the principal executive office.

Westinghouse Air Brake Company
1001 Air Brake Avenue
Wilmerding, PA 15148

=====

WESTINGHOUSE AIR BRAKE COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND SCHEDULES
AS OF DECEMBER 31, 1998 AND 1997
TOGETHER WITH REPORT OF
INDEPENDENT PUBLIC ACCOUNTANTS

WESTINGHOUSE AIR BRAKE COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
FINANCIAL STATEMENTS AND SCHEDULES
DECEMBER 31, 1998 AND 1997

TABLE OF CONTENTS

	Page

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	1
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits - December 31, 1998 and 1997	2-3
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 1998 and 1997	4-5
NOTES TO FINANCIAL STATEMENTS	6-11
SCHEDULES SUPPORTING FINANCIAL STATEMENTS:	
Item 27a - Schedule of Assets Held for Investment Purposes - December 31, 1998	Schedule I
Item 27d - Schedule of Reportable Transactions for the Year Ended December 31, 1998	Schedule II

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Westinghouse Air Brake Company
Employee Stock Ownership Plan:

We have audited the accompanying statements of net assets available for benefits of the Westinghouse Air Brake Company Employee Stock Ownership Plan (the Plan) as of December 31, 1998 and 1997, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements and the schedules referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1998 and 1997, and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pittsburgh, Pennsylvania,
May 21, 1999

WESTINGHOUSE AIR BRAKE COMPANY

EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1998

	Allocated -----	Unallocated -----	Total -----
ASSETS:			
Short-term investments	\$ 899	\$ 4,456	\$ 5,355
Investment in Westinghouse Air Brake Company common stock, at market value	18,205,893	209,013,328	227,219,221
Interest receivable	3	18	21
	-----	-----	-----
Total assets	18,206,795	209,017,802	227,224,597
LIABILITIES:			
Loan payable to employer	--	137,507,561	137,507,561
	-----	-----	-----
Total liabilities	--	137,507,561	137,507,561
	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$ 18,206,795 =====	\$ 71,510,241 =====	\$ 89,717,036 =====

The accompanying notes are an integral part of this statement.

WESTINGHOUSE AIR BRAKE COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1997

	Allocated	Unallocated	Total
ASSETS:			
Short-term investments	\$ 803	\$ 4,037	\$ 4,840
Investment in Westinghouse Air Brake Company common stock, at market value	14,524,506	224,257,982	238,782,488
Interest receivable	9	18	27
	-----	-----	-----
Total assets	14,525,318	224,262,037	238,787,355
LIABILITIES:			
Loan payable to employer	--	139,064,093	139,064,093
	-----	-----	-----
Total liabilities	--	139,064,093	139,064,093
	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$ 14,525,318	\$ 85,197,944	\$ 99,723,262
	=====	=====	=====

The accompanying notes are an integral part of this statement.

WESTINGHOUSE AIR BRAKE COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Allocated	Unallocated	Total
INVESTMENT INCOME:			
Employer contributions	\$ --	\$ 12,366,102	\$ 12,366,102
Dividends	18,613	353,796	372,409
Allocation of 198,735 shares of Westinghouse Air Brake Company common stock, at market	4,856,587	--	4,856,587
	4,875,200	12,719,898	17,595,098
DEDUCTIONS:			
Allocation of 186,720 shares of Westinghouse Air Brake Company common stock, at market	--	4,856,587	4,856,587
Net depreciation in fair value of investments	699,424	10,388,067	11,087,491
Benefit payments	494,299	--	494,299
Interest expense	--	11,162,947	11,162,947
	1,193,723	26,407,601	27,601,324
Net increase (decrease)	3,681,477	(13,687,703)	(10,006,226)
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of year	14,525,318	85,197,944	99,723,262
	\$ 18,206,795	\$ 71,510,241	\$ 89,717,036
	\$ 18,206,795	\$ 71,510,241	\$ 89,717,036

The accompanying notes are an integral part of this statement.

WESTINGHOUSE AIR BRAKE COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1997

	Allocated	Unallocated	Total
INVESTMENT INCOME:			
Employer contributions	\$ --	\$ 11,931,123	\$ 11,931,123
Dividends	13,467	359,640	373,107
Net appreciation in fair value of investments	5,021,725	116,197,263	121,218,988
Allocation of 186,720 shares of Westinghouse Air Brake Company common stock, at market	4,784,700	--	4,784,700
	9,819,892	128,488,026	138,307,918
DEDUCTIONS:			
Allocation of 186,720 shares of Westinghouse Air Brake Company common stock, at market	--	4,784,700	4,784,700
Benefit payments	249,259	--	249,259
Interest expense	--	11,856,813	11,856,813
	249,259	16,641,513	16,890,772
Net increase	9,570,633	111,846,513	121,417,146
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS:			
Beginning of year	4,954,685	(26,648,569)	(21,693,884)
End of year	\$ 14,525,318	\$ 85,197,944	\$ 99,723,262

The accompanying notes are an integral part of this statement.

WESTINGHOUSE AIR BRAKE COMPANY

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

1. DESCRIPTION OF THE PLAN:

The following description of the Westinghouse Air Brake Company Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information. The accompanying financial statements should be read in conjunction with the December 31, 1998 and 1997, Annual Report on Form 10-K for Westinghouse Air Brake Company.

General

Westinghouse Air Brake Company (WABCO or the "Company") established the Plan effective January 1, 1995, amended and restated effective January 1, 1997, as a leveraged employee stock ownership plan (ESOP). The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the Code), and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Overall responsibility for administering the Plan rests with the plan administrative committee (the Committee) which is appointed by the Board of Directors of the Company. The Plan's trustee, U.S. Trust Company of California, N.A., is responsible for the management and control of the Plan's assets and has discretionary responsibility for the investment and management of such assets. The investment valuations are certified as complete and accurate by the trustee.

The Plan purchased shares of Company common stock using the proceeds of a loan from WABCO (see Note 4) and holds the stock in a trust established under the Plan. The loan is to be repaid over a period of 50 years, and is required to be funded by Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The unallocated shares of stock collateralize the borrowing. Shares no longer serve as collateral once they are allocated under the ESOP. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to the following:

- o The accounts of employees with vested rights in allocated stock (allocated).
- o Stock not yet allocated to employees (unallocated).

Vesting

Employees become fully vested upon completion of five years of continuous service, attainment of normal retirement or termination of service by reason of death. The unvested portion of a participant's account will be reallocated to the accounts of the remaining participants.

Eligibility

Employees of WABCO and its participating subsidiaries, who were eligible to participate in the Westinghouse Air Brake Company Savings Plan as of December 31, 1994, were automatically participants in the Plan on January 1, 1995. All other employees who may become eligible to participate in the Plan would do so on the later of January 1, 1995, or after performing one hour of salaried service.

Employer Contributions

WABCO is obligated to make contributions to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

Participant Accounts

The Plan is a defined contribution plan under which separate individual accounts are established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of WABCO common stock released by the trustee from the suspense account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation. Shares are allocated to participant accounts based on a two-step process. First, the participant accounts are matched up to 3% of the value of the participant's contributions to the Westinghouse Air Brake Company Savings Plan. Second, the remaining shares released are allocated proportionately to each participant's salary.

Benefits

Distributions must commence in accordance with the following rules:

Distributions Before January 1, 1999

Except as described below, for a participant who reaches age 70-1/2 during a plan year ending before January 1, 1999, or for a participant who is a five percent owner of the Company, distributions of such participant's benefits must commence no later than April 1 of the calendar year next following the calendar year in which the participant attains age 70-1/2.

Distributions After January 1, 1999

For a participant (other than a five percent owner) who reaches age 70-1/2 during a plan year commencing on or after January 1, 1999, distributions of such participant's benefits must commence no later than April 1 of the calendar year next following the later of (i) the calendar year in which the participant attains age 70-1/2 or (ii) the calendar year in which the participant terminates employment for any reason.

Optional Distribution Elections

Effective as of January 1, 1998, any active participant who is not a five percent owner and who would otherwise be required to commence distributions (or has already commenced distributions) in accordance with the first paragraph described above, may elect, in accordance with procedures established by the Committee, to defer commencement of his distributions (or, if applicable, suspend his ongoing distributions) until his termination of employment in accordance with the second paragraph above.

If distribution has commenced and the participant dies before his entire account has been distributed to him, the remaining portion of his account will be distributed to his beneficiary under the method used prior to the participant's death.

Participant benefits will generally be paid in cash. In connection with such distribution, the participant's accounts are to be converted based upon the fair market value of the WABCO stock with the resulting cash balance paid to the participant.

Plan Termination

WABCO reserves the right to terminate the Plan at any time, subject to Plan provisions and the applicable provisions of ERISA. If the Plan were to terminate, participants will become 100% vested in their accounts each participant's interest in the trust would be distributed to such participant or his beneficiary at the time prescribed by the Plan and the Code. Upon termination of the Plan, the Committee will direct the trustee to pay all liabilities and expenses of the trust fund and to sell shares of encumbered stock held in the loan suspense account, if any, to the extent such sale is necessary in order to repay any outstanding loans.

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported increases and decreases in net assets available for Plan benefits during the reporting period. Actual results could differ from those estimates.

Investments

As of December 31, 1998 and 1997, investments in WABCO common stock are stated at market value.

Operating Expenses

WABCO pays all expenses of maintaining the Plan.

Net Appreciation (Depreciation) in Fair Value of Investments

Net realized and unrealized appreciation (depreciation) is recorded in the accompanying financial statements as net appreciation (depreciation) in fair value of investments.

3. INVESTMENTS:

The Plan is invested in shares of WABCO common stock. These shares are held in a bank-administered trust fund.

Disclosure of 5% Investments

The fair market value of individual assets that represent 5% or more of the Plan's net assets as of December 31, are as follows:

	1998	1997
	-----	-----
Westinghouse Air Brake Company common stock	\$ 227,219,221 =====	\$ 238,782,488 =====

The fair value and change in fair value as of and during 1998 and 1997 are as follows:

	Number of Shares	Fair Value at December 31, 1998	Net Depreciation in Fair Value of Investments for the Year Ended December 31, 1998
	-----	-----	-----
Fair value of WABCO common stock-			
Allocated to participant accounts	744,987	\$ 18,205,893	\$ 699,424
Held in trust (unallocated)	8,552,796	209,013,328	10,388,067
	-----	-----	-----
	9,297,783	\$ 227,219,221	\$ 11,087,491
	=====	=====	=====
	Number of Shares	Fair Value at December 31, 1997	Net Appreciation in Fair Value of Investments for the Year Ended December 31, 1997
	-----	-----	-----
Fair value of WABCO common stock-			
Allocated to participant accounts	566,810	\$ 14,524,506	\$ 5,021,725
Held in trust (unallocated)	8,751,531	224,257,982	116,197,263
	-----	-----	-----
	9,318,341	\$ 238,782,488	\$ 121,218,988
	=====	=====	=====

4. LOAN PAYABLE:

In 1995, the Plan entered into a \$140,040,000 term loan agreement with WABCO. The proceeds of the loan were used to purchase 9,336,000 shares of WABCO common stock at \$15 per share. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 50 years, and bears interest at 8.5%.

The scheduled amortization of the loan for the next five years is as follows:

1999	\$ 283,999
2000	308,138
2001	334,330
2002	362,748
2003	393,582

5. Tax Status:

The Internal Revenue Service issued a favorable determination letter dated June 5, 1996, stating that the Plan was in accordance with applicable plan design requirements as of that date.

6. RECONCILIATION TO FORM 5500:

As of December 31, 1998, the Plan had \$809,437 of pending distributions to participants who elected to withdraw from the operation and earnings of the Plan. These amounts are recorded as a liability in the Plan's Form 5500; however, these amounts are not recorded as a liability in the accompanying statements of net assets available for benefits in accordance with generally accepted accounting principles.

The following table reconciles net assets available for benefits per the financial statements to the Form 5500 as filed by the Company for the year ended December 31, 1998:

	Benefits Payable to Participants -----	Net Assets (Deficit) Available for Benefits December 31, 1998 -----
Per financial statements	\$ --	\$ 89,717,036
Accrued benefit payments	809,437	(809,437)
	-----	-----
Per Form 5500	\$ 809,437 =====	\$ 88,907,599 =====

7. SUBSEQUENT EVENT:

On June 2, 1999 WABCO agreed to merge with MotivePower Industries, Inc. MotivePower will be the surviving corporation. Each share of WABCO common stock will be converted into 1.3 shares of MotivePower's common stock. Immediately upon completion of the merger, WABCO stockholders will own approximately 55% of MotivePower's common stock. The merger is intended to be a tax-free organization for federal income tax purposes. For accounting purposes, it will be accounted for as a pooling of interests. Completion of the merger is subject to various conditions, including approval by WABCO stockholders and the stockholders of MotivePower.

SCHEDULE I

WESTINGHOUSE AIR BRAKE COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 1998

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	SHORT-TERM INVESTMENTS -----		
*U.S. Trust Company of California, N.A.	U.S. Trust Company of California Trust Department Market Rate Account	\$ 5,355	\$ 5,355
	Common Stock -----		
*Westinghouse Air Brake Company	9,297,783 shares of common stock	139,467,286	227,219,221
	TOTAL ASSETS HELD FOR INVESTMENT PURPOSES	\$ 139,472,641	\$ 227,224,576

*Indicates a Party-in-Interest.

The accompanying notes are an integral part of this schedule.

WESTINGHOUSE AIR BRAKE COMPANY

EMPLOYEE STOCK OWNERSHIP PLAN

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 1998

Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
			NONE			

The accompanying notes are an integral part of this schedule.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Westinghouse Air Brake Company

By /s/ Robert J. Brooks

Robert J. Brooks
Chief Financial Officer

June 29, 1999