

SCHEDULE 13D

OMB Number:
3235-0145

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO 13d-1(a)
AND AMENDMENTS THERETO FILED PURSUANT TO 13d-2(a)

(AMENDMENT NO. 1) *

MotivePower Industries, Inc., f/k/a MK Rail Corporation

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

55305T102

(CUSIP Number)

Judith Welcom, Esq.
Brown & Wood LLP
One World Trade Center
New York, New York 10048

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

October 31, 1997

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13D to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box / /.

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(continued on following pages)

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SCHEDULE 13D

CUSIP NO.55305T102

PAGE 2 OF 3 PAGES
--- ---

- 1 NAME OF REPORTING PERSON
S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Merrill Lynch & Co., Inc.
#13-2740599
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) / /
(b) /x/
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS* OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED / /
PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		-0-
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		156,372
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		-0-
PERSON	10	SHARED DISPOSITIVE POWER
WITH		156,372

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
156,372

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES* / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.9%

14 TYPE OF REPORTING PERSON*
HC

*SEE INSTRUCTION BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION

SCHEDULE 13D

CUSIP NO. 55305T102

Page 3 of 3 Pages

1 NAME OF REPORTING PERSON
S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Merrill Lynch, Pierce, Fenner & Smith Incorporated
#13-5674085

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) / /
(b) /x/

3 SEC USE ONLY

4 SOURCE OF FUNDS* OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED / /
PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF	7	SOLE VOTING POWER
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CERTAIN SHARES* / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.9%

14 TYPE OF REPORTING PERSON*
BD

*SEE INSTRUCTION BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION

SCHEDULE 13D

ITEM 1. SECURITY AND ISSUER

This Amendment No. 1 to Schedule 13D relates to the common stock, \$.01 par value per share ("Common Stock"), of MotivePower Industries, Inc., f/k/a MK Rail Corporation, a Delaware corporation ("MotivePower"), and is being filed on behalf of the Reporting Persons to amend the Schedule 13D previously filed by them on September 23, 1996 (the "Schedule 13D"). The principal executive office of MotivePower is 1200 Reedsdale Street, Pittsburgh, PA 15233. Unless otherwise indicated, all capitalized terms used but not defined herein shall have the respective meanings set forth in the Schedule 13D.

ITEM 2. IDENTITY AND BACKGROUND

Item 2 of Schedule 13D is hereby amended to reflect that, as of October 31, 1997, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a registered broker-dealer, is the beneficial owner of 156,372 shares of the Common Stock of MotivePower.

Item 2 of Schedule 13D is further amended by replacing Schedule A referred to therein with the amended Schedule A attached hereto, and by replacing the term "MK Rail" with the term "MotivePower" throughout Item 2.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 of Schedule 13D is hereby amended by deleting the first paragraph thereof and replacing it with the following:

Pursuant to an order of the United States Bankruptcy Court for the District of Delaware, dated August 26, 1996, the First Amended Plan of Reorganization of Morrison Knudsen Corporation ("MKC") under Chapter 11 of the Bankruptcy Code (the "Plan") was confirmed. Under the Plan, MLPF&S received 555,972 shares of Common Stock of MotivePower pursuant to the Plan.

Item 3 of Schedule 13D is further amended by replacing the term "MK Rail" with the term "MotivePower" throughout Item 3.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 of Schedule 13D is hereby amended by deleting the phrase "became entitled to the approximately 579,979.27 shares" in the first clause of the first sentence thereof and replacing it with the phrase "received the 555,972 shares".

Item 4 of Schedule 13D is further amended by replacing the term "MK Rail" with the term "MotivePower" throughout Item 4.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Item 5 of Schedule 13D is amended hereby by replacing the term "MK Rail" with the term "MotivePower" throughout Item 5. In addition, the following specific amendments are made to Items 5(a)-(f) of Schedule 13D:

(a) Item 5(a) of Schedule 13D is amended by deleting the first paragraph thereof and replacing it with the following:

Following the confirmation of the Plan on September 14, 1996, the Reporting Persons received 555,972 shares of Common Stock of MotivePower, which amount constituted approximately 3.1% of the total amount of Common Stock of MotivePower then outstanding (based upon MotivePower's quarterly report for the period ended June 30, 1996).

(b) Item 5(b) of Schedule 13D is amended by deleting the text of Item 5(b) and replacing it with the following:

As of October 31, 1997, the Reporting Persons have shared power to vote or direct the vote and dispose or direct the disposition of 156,372 shares of Common Stock of MotivePower.

(c) Item 5(c) of Schedule 13D is amended by deleting the text of Item 5(c) and replacing it with the following:

During the 60 calendar day period ending on October 31, 1997, MLPF&S effected the following sales of the Common Stock of MotivePower, all of which were effected on the New York Stock Exchange:

Date	Total Amount of Shares	Average Price per Share
-----	-----	-----
09/30/97	25,000	25.06
10/01/97	5,100	25.23
10/03/97	8,600	25.96
10/08/97	2,000	25.00
10/17/97	81,500	25.75
10/20/97	110,000	26.66
10/21/97	100,000	27.63
10/22/97	16,000	28.50
10/28/97	4,300	25.50
10/29/97	22,600	26.00
10/30/97	24,500	25.03

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 of the Schedule 13D is hereby amended by replacing the term "MK Rail" with the term "MotivePower" throughout Item 6.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Not applicable.

SCHEDULE A

Certain Information Concerning the Executive Officers and

Directors of Merrill Lynch & Co., Inc.

Except where indicated, each of the persons named below is a citizen of the United States of America. For each person whose principal employment is with ML&Co., the principal address of such person is described under Item 2 above.

Name/Position -----	Present Principal Occupation -----
Herbert M. Allison, Jr. President, COO and Director	Same
William O. Bourke (1) Director	Former Chairman and Chief Executive Officer, Reynolds Metals Company
Worley H. Clark (2) Director Nalco Chemical Company	Former Chairman and Chief Executive Officer,
Michael J. Castellano Senior VP and Controller	Same
Jill K. Conway (3) Director	Visiting Scholar, Massachusetts Institute of Technology
Thomas W. Davis Exec. VP, Corporate and Institutional Client Group	Same
Edward L. Goldberg Exec. VP, Operations, Services and Technology	Same
Stephen L. Hammerman Vice Chairman, Director and General Counsel	Same
Earle H. Harbison, Jr. (4) Director	Chairman, Harbison Corporation
George B. Harvey (5) Director	Former Chairman and CEO, Pitney Bowes Inc.
William R. Hoover (6) Director	Chairman of the Executive Committee, Consultant and Former Chairman and Chief Executive Officer, Computer Sciences Corp.
Jerome P. Kenney Exec. VP, Corp. Strategy and Research	Same
David H. Komansky Chairman of the Board and CEO	Same
Robert P. Luciano (7) Director	Chairman, Schering-Plough Corporation
David K. Newbigging (8) Director	Chairman, Equitas Holdings Limited
E. Stanley O'Neal Exec. VP, Corporate and Institutional Client Group	Same
Aulana L. Peters (9) Director	Partner of Gibson, Dunn & Crutcher LLP
John J. Phelan, Jr. (10)	Senior Advisor, Boston Consulting Group
Winthrop H. Smith, Jr. Exec. VP, Chairman, Merrill Lynch International	Same
John L. Steffens	Same

Vice Chairman and Director

William L. Weiss (11) Director	Chairman Emeritus, Ameritech Corporation
Joseph T. Willett Senior VP, CFO	Same
Arthur H. Zeikel (12) Executive Vice President, Merrill Lynch Asset Management Group	Same

- 1 c/o Corporate Secretary
Merrill Lynch & Co., Inc.
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- 2 W. H. Clark Associates, Ltd.
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Two First National Plaza
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- 3 Massachusetts Institute of Technology
Program on Science, Technology & Society
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- 4 Harbison Corporation
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- 6 Computer Sciences Corporation
2100 East Grand Ave.
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- 7 Schering-Plough Corporation
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- 8 Wah Kwong House, 9th Floor
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- 9 Gibson, Dunn & Crutcher LLP
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- 10 c/o Corporate Secretary
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- 11 One First National Plaza
21 South Clark St.
Suite 2530C
Chicago, IL 60603-2006
- 12 Merrill Lynch Asset Management
800 Scudders Mill Rd.
Plainsboro, NJ 08536

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 1, 1997

/s/ Andrea Lowenthal

Name: Andrea Lowenthal*
Title: Attorney-In-Fact

* Signed pursuant to a power of attorney, dated November 17, 1995, included as Exhibit B to the Schedule 13G filed by Merrill Lynch & Co., Inc. for Walden Residential Properties, Inc. and incorporated herein by reference.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 1, 1997

Merrill Lynch, Pierce, Fenner &
Smith Incorporated

/s/ Andrea Lowenthal

Name: Andrea Lowenthal**
Title: Attorney-In-Fact

** Signed pursuant to a power of attorney, dated January 12, 1996, included as Exhibit 3 to the Schedule 13D and incorporated herein by reference.