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August 29, 2014

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BY E-FILE

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
August 28, 2014
Part of
Public Record

Re: Finance Docket No. 32760 (Sub-No. 46), BNSF Railway Company
-- Terminal Trackage Rights -- The Kansas City Southern Railway
Company and Union Pacific Railroad Company

Dear Ms. Brown:

This responds to the letter filed in the captioned docket on August 26, 2014, by BNSF Railway Company, asking the Board to impose a procedural schedule consistent with the one proposed in BNSF's "Application for Terminal Trackage Rights" (BNSF-118).

As Union Pacific Railroad Company noted when BNSF filed its so-called "Application," (*see* UP/SP-410), there are issues the Board must address before issuing a procedural schedule, including whether BNSF's effort to obtain trackage rights in this manner is consistent with the Board's directions in *Union Pacific/Southern Pacific Merger*, FD 32760, Decision No. 63 (STB served Dec. 4, 1996). We also explained that BNSF's proposed schedule would not allow sufficient time for other interested parties to file reply evidence, if the Board allows this proceeding to go forward. (*See* UP/SP-410 at 8.)

Finally, we note that although Board-ordered mediation did not resolve this matter, we have been working successfully with CITGO to increase the through-put of traffic moving to its facility. We also remain willing to work with BNSF and KCS on a private-sector solution to address BNSF's request to provide direct service to CITGO, but

COVINGTON & BURLING LLP

Ms. Cynthia T. Brown

August 29, 2014

Page 2

we are still waiting for BNSF to submit an operating plan that addresses how it intends to institute direct service to CITGO without harming service to other shippers.

Sincerely,



Michael L. Rosenthal

cc: Adrian L. Steel, Jr., Esq.
Edward D. Greenberg, Esq.
William A. Mullins, Esq.
All Parties of Record