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SERVICE DATE - LATE RELEASE JANUARY 29, 1999

SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY, AND MISSOURI PACIFIC RAILROAD COMPANY--CONTROL AND MERGER--SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC TRANSPORTATION COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY COMPANY, SPCSL CORP., AND THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

Decision No. 85

Decided: January 28, 1999

In Decision No. 44, served on August 12, 1996, we approved the common control and merger of the rail carriers controlled by Union Pacific Corporation (Union Pacific Railroad Company and Missouri Pacific Railroad Company) and the rail carriers controlled by Southern Pacific Rail Corporation (Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company) (referred to as the UP/SP merger), subject to various conditions, including numerous environmental mitigation conditions.

In Decision No. 84, served on December 17, 1998, we granted the joint petition filed by the City of Reno, NV (Reno) and Union Pacific Railroad Company (UP), and prescribed as a condition of our approval of the UP/SP merger in lieu of any other mitigation that could be imposed pursuant to Decision No. 44, Appendix G, Condition Nos. 22a-22d, the settlement agreement on pending environmental mitigation issues that had been entered into on December 1, 1998, between Reno and UP. At the request of UP and the City of Reno, the Board ordered that Decision No. 84 would be effective on the date of the first issuance of bonds for the project covered by the settlement agreement, and that, at that time, the parties to the agreement must notify the Board in writing that the action has taken place.

On January 13, 1999, in accordance with Decision No. 84, the Board was advised by Reno and UP that the first issuance of bonds for the project covered by the settlement agreement had occurred, i.e. the first bonds in the amount of \$6 million (\$6,000,000), had been sold on or about December 23, 1998, and that the proceeds had been deposited in a project account on or about December 28, 1998. Consistent with Decision No. 84, Reno and UP ask the Board to acknowledge the first issuance of project bonds and to determine the effective date of Decision No. 84 to be December 28, 1998. The Board hereby acknowledges the first issuance of project bonds, and determines that the effective date of Decision No. 84 was December 28, 1998.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The effective date of Decision No. 84 was December 28, 1998.
2. This decision is effective on its service date.

By the Board, Chairman Morgan and Vice Chairman Clyburn.

Vernon A. Williams  
Secretary