



Robert T. Opal
General Commerce and FRA Counsel

March 26, 2007

218886

VIA E-Filing

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W., Suite 1149
Washington, D.C. 20024

Re: Finance Docket No. 35002 - Savage Bingham & Garfield Railroad
Company - Acquisition and Operation Exemption - Union Pacific Railroad
Company

Enclosed for filing in the above proceeding is the Declaration of Warren C.
Wilson, which will serve as UP's reply to the Petition for Stay filed by the Utah Shippers
Coalition.

Very truly yours,

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cc: w/ enclosures - Persons listed in Certificate of Service

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35002

SAVAGE, BINGHAM & GARFIELD RAILROAD COMPANY - ACQUISITION
AND OPERATION EXEMPTION - UNION PACIFIC RAILROAD COMPANY

DECLARATION OF WARREN C. WILSON
SENIOR DIRECTOR - RAIL LINE PLANNING
UNION PACIFIC RAILROAD COMPANY

My name is Warren C. Wilson, Senior Director Rail Line Planning for Union Pacific Railroad Company ("UP"). In my current position, I am responsible for line sales and leases, abandonments and relations with some of the large number of commuter rail authorities across the UP System, including the Utah Transit Authority ("UTA"). I have almost 40 years of railroad experience in Marketing and Operating positions with the Pennsylvania Railroad Co., Missouri Pacific Railroad and Union Pacific.

I am submitting this declaration in response to the Petition for Stay filed by "Utah Shipper Coalition" ("USC") in FD 35002, requesting a stay of this transaction, which involves a transfer of UP's freight operations on three connecting branch lines (the Bingham, Garfield and Bacchus Industrial Leads) to SBGR, and a related transaction between UP and UTA in which UTA is acquiring the underlying rail assets on the Bingham Industrial Lead.¹ Essentially, USC is requesting a stay because it claims that these transactions "may" result in reduction of freight service due to UTA's planned introduction of light rail

¹ The Bingham and Garfield lines form, and are operated as, a single contiguous route. The Bacchus line is a short branch that connects with the Garfield line at Bacchus. All three lines are served by the same job.

passenger service on the Bingham line (which will not occur for several years). There is no merit to this claim, and the petition should, accordingly, be denied.

Due to my long service in this area, I find myself repeating what was said in the 1993 sale of another UP line in the Salt Lake City area (the Provo Sub) to the very same Utah Transit Authority (Finance Docket No. 32186). The shippers on the Provo line raised very similar allegations to those being raised by USC in this proceeding, claiming that the 5 hour, nighttime freight restriction UTA would impose once it instituted light rail transit service on the line would prevent the freight carrier from meeting its common carrier obligations. The ICC allowed the Provo transaction to go forward in a decision dated April 8, 1993. Fourteen years have since passed, and freight service is still being provided on the Provo Subdivision with about the same carload count that existed in 1993. The fact is that UTA and UP have a long record of cooperating to move both passengers and freight. As stated in the prior case, UP's sale to UTA does nothing to remove the common carrier obligation from the lines in question.

The Board should be aware that USC's Petition grossly overstates the freight traffic that is actually generated by its members on the Bingham and Garfield lines. At p. 3 of its Petition, USC presents a chart purporting to show that its members account for up to 3,100 carloads per year. The only hint USC gives that this is not the actual traffic on the two lines is when it describes this traffic as "likely traffic". Now, let's look at what the actual traffic really is. UP

handled 1,695 carloads for the shippers on the two lines in 2005 , and 1,564 carloads in 2006, which is nowhere near the 3,100 carloads per year shown in the petition. (these industries are served only by UP, so this is all the rail traffic they generated), This represents less than 5 cars a day, hardly a significant amount of traffic. ² USC then goes on to describe the "traffic congestion" that supposedly exists (p. 4). I do not believe anyone in the railroad industry could call branch lines "congested" that host only about 7 trains a week (5 UP, 2 Utah Ry).

USC's members will not be adversely affected by this transaction, the sale of the Bingham line to UTA, nor by UTA's institution of passenger service several years from now. At most, they may receive rail service at a different time of day than they do now for the small amount of rail traffic they generate. Further, the transaction involved in this proceeding promotes national rail transportation policy by permitting under utilized rail facilities to be used for both passenger and freight service. The Provo Sub sale approved by the ICC in 1993 in FD 32186 shows the likely result. As I have noted, it still handles the same freight traffic as it did before the transaction, while also handling thousands of passengers every day. The USC is still protected by the common carrier obligation now being transferred from the UP to SBGR.

² Interestingly, the ICC noted in its April 8, 1993 decision in Finance Docket No. 32186 that the freight service on the Provo line involved in that proceeding was less than 5 cars per trip.

To conclude, USC can point to no real harm today and its members are protected in the future in the Board's jurisdiction. The only real danger they face is that their limited use of the lines may ultimately threaten their viability – but they are the ones who control that result.

DECLARATION

Warren C. Wilson declares, under penalty of perjury, that the foregoing statement is true to the best of his knowledge, information and belief.

A handwritten signature in black ink, appearing to read "Warren C. Wilson", written over a horizontal line.

Warren C. Wilson
March 26, 2007

CERIFICATE OF SERVICE

I certify that I have this date served a copy of the foregoing document by

E-Mail upon on the persons listed below:

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Dated at Omaha, Nebraska this 26th day of March, 2007.


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