

## STB 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. 80

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Decided July 7, 1998

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The Board reopens this proceeding and grants the Union Pacific Railroad Company and the City of Wichita and Sedgwick County, KS's joint petition. The Board approves their settlement agreement on pending environmental mitigation issues, and imposes it as a condition of the Board's approval of the *UP/SP* merger.

BY THE BOARD:

In *Union Pacific/Southern Pacific Merger*, 1 S.T.B. 233 (1996) (*UP/SP*), 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. As pertinent here, environmental condition Nos. 23a-23d required the Board's Section of Environmental Analysis (SEA) to conduct a further, more focused study to arrive at a specific mitigation plan for Wichita, KS, so as to assure that

localized environmental issues unique to that community are effectively addressed. The Wichita mitigation study was to be completed within 18 months of the consummation of the *UP/SP* merger.

SEA issued a Preliminary Mitigation Plan (PMP) for Wichita, on September 15, 1997. Comments on the PMP were due 30 days thereafter. On November 25, 1997, SEA received a joint request from Union Pacific Railroad Company (UP) and the City of Wichita and Sedgwick County, KS (Wichita/Sedgwick) to toll the 18-month mitigation study to enable UP and Wichita/Sedgwick to negotiate a private solution. On December 12, 1997, the Board granted the request to toll the mitigation study. That decision indicated that, at such time as the parties reach agreement or discontinue negotiations, the Board will take appropriate action.

By petition filed June 26, 1998, Wichita/Sedgwick and UP indicate that they have entered into an agreement and jointly request that we approve their agreement<sup>1</sup> and impose it as a condition of our approval of the *UP/SP* merger. We will grant the parties' request and impose their agreement as a condition to the *UP/SP* merger in lieu of other mitigation that could have been imposed pursuant to *Decision No. 44*, Appendix G, Condition Nos. 23a-23d. Our action in this decision resolves the pending environmental mitigation issues as to Wichita/Sedgwick and obviates the need for SEA to issue a Final Mitigation Plan with respect to Wichita/Sedgwick.

As conditioned, the approved transaction will have no substantial effect on the environment of Wichita/Sedgwick.

*It is ordered:*

1. The joint petition by Wichita/Sedgwick and UP is granted.
2. This proceeding is reopened. The settlement agreement on pending environmental mitigation issues entered into on June 24, 1998, between Wichita/Sedgwick and UP is approved, and the settlement agreement is imposed as a condition of our approval of the *UP/SP* merger in lieu of other mitigation that could have been imposed pursuant to *Decision No. 44*, Appendix G, Condition Nos. 23a-23d.
3. This decision shall be effective on July 8, 1998.

By the Board, Chairman Morgan and Vice Chairman Owen.

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<sup>1</sup> UP and Wichita/Sedgwick attached to the joint petition a copy of their settlement agreement entered into on June 24, 1998.