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1 JUDGE HOPKINS: Go ahead.

2 BY MR. DELANEY: (Resuming)

3 Q Do you have any knowledge of -- in the
4 operating plan you talk about a number of proposals for
5 changes involving crew districts, through trains, use of
6 lines, yards, and terminals, and local freight service.
7 Do you have any knowledge of whether any employees will
8 be dismissed, displaced, or transferred as a result of
9 these operation changes?

10 A I think that data is all contained in the
11 statement provided by Mr. Peifer and Mr. Frestel. They
12 would be the ones to address that question, to.

13 MR. DELANEY: In that event, I would just be a
14 couple of more minutes.

15 JUDGE HOPKINS: Thank you. I am not stopping
16 you. I just wanted to have some idea. Of course, I
17 don't know how many more there are.

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1 BY MR. DELANEY: (Resuming)

2 Q How would you describe the state of repair of
3 Southern Pacific's lines?

4 A In my observation as a nonengineering and
5 operating man, they are in good shape, and they are in
6 improving shape.

7 Q Improving in relation to, say, Santa Fe's
8 lines?

9 A Certain of them, yes, I would say in relation
10 to Santa Fe's lines, and SP in my observation, again, as
11 an operating man, SP has done well with its very limited
12 resources in placing their resources to maintain those
13 lines that need the maintenance.

14 Q One last question.

15 Have any changes been proposed for work rules
16 at any location?

17 A Would you define work rules a little more --

18 Q Guidelines for employees to work under at each
19 location.

20 A I think we have defined in the operating plan
21 the need for merging and intermingling the seniority
22 districts of the two railroads, very definitely, and we
23 have defined certain points specifically where trains
24 will operate from the lines of one former railroad to
25 the lines of another former railroad, and for the

1 operating efficiency, the need for establishing an
2 intermingling of these crew districts.

3 That is defined in the operating plan, so in
4 that respect, yes.

5 With regard to work rules on rates of pay or
6 things like that, there is nothing in the operating plan
7 in that regard.

8 MR. DELANEY: That will do it, Your Honor.

9 JUDGE HOPKINS: Thank you.

10 Who was next?

11 Mr. Atkins?

12 BY MR. ATKINS:

13 Q Mr. Owen, my name is Nelson Atkins, and I
14 represent the City of Compton in southern California.

15 A Yes.

16 Q Now, Mr. Owen, are you familiar with the San
17 Pedro Branch and the Wilmington Branch of the Southern
18 Pacific lines as they run through the City of Compton?

19 A Yes, I have a general familiarity with them,
20 yes.

21 Q Have you ever had the opportunity to visually
22 observe these two lines as they run through the city?

23 A Yes, I have ridden the locomotive on trains on
24 the Wilmington Branch.

25 Q To your knowledge, are there any other cities

1 on those particular lines that are intersected such as
2 Compton has been by the two lines, in a geographical
3 sense, such as Compton has?

4 A I think that's a function of the corporate
5 limits of each municipality, and I'm not familiar with
6 precisely how they lie down there in that part of
7 southern California. They intersect, they both enter
8 Carson, I know that, and obviously they go through parts
9 of Los Angeles, but I'm not that thoroughly acquainted
10 with the municipal boundaries to know that there is a
11 parallel situation with Compton.

12 Q Are these two lines the principal lines of
13 freight traffic on the Southern Pacific Railroad from
14 the harbors of Long Beach and Los Angeles to the inner
15 part of California and points beyond?

16 A Correct. They are Southern Pacific's current
17 access to and from Los Angeles harbor.

18 Q The freight on those particular lines goes
19 throughout the United States in addition to the central
20 part of California, is that correct?

21 A Yes, I think that's a fair statement.

22 Q Does Southern Pacific have any other lines
23 that run from the Long Beach or Los Angeles harbor to
24 any other points other than these two?

25 A Not in a north-south direction. The San Pedro

1 and Wilmington line intersect east-west lines at a
2 couple of locations that feed -- well, anyway, they
3 supplement the two north-south lines, but they have no
4 other north-south lines.

5 Q Other than those two?

6 A On Southern Pacific, that's correct.

7 Q Now, do any other railroads have trackage
8 rights on those two branches of the Southern Pacific
9 lines?, to your knowledge?

10 A They do on the lower end of the trackage
11 rights. To my knowledge they do not in the City of
12 Compton. They do in the Long Beach area where both
13 Santa Fe and UP can use portions of the Southern Pacific
14 track.

15 Q Does ATSF have a line that runs from the Long
16 Beach harbor in the same general direction as the San
17 Pedro Branch and Wilmington Branch lines?

18 A Correct. It lies quite a bit to the west and
19 operates up through Inglewood near Los Angeles Airport,
20 but they have such a line, yes.

21 Q Is that called the Harbor District line?

22 A I believe so, yes.

23 Q Now, if there is a merger of these two
24 railroads as proposed, will any of the traffic that now
25 travels on the Harbor District line travel on the San

1 Pedro Branch or the Wilmington Branch, as far as you
2 know?

3 A Yes. The operating plan provides that the
4 single train a day that operates on the Santa Fe line in
5 now the Harbor District will operate on the Wilmington
6 Branch.

7 Q Other than that one train, would there be any
8 other traffic that will be transferred over to the San
9 Pedro or the Wilmington Branch?

10 A Not as a result of the merger, no.

11 Q Will there be any other traffic transferred as
12 a result of any other activities?

13 A Yes, I think the operating plan identifies the
14 intermodal container transfer facility that is currently
15 about to be built at Carson, and that traffic that will
16 originate and terminate in the intermodal facility will
17 use the Wilmington or San Pedro lines.

18 Q Do you know or has it been projected as to how
19 much the traffic would be increased on either of those
20 two lines as a result of their intermodal container
21 transfer facility?

22 A Yes. The operating plan made the assumption
23 that intermodal container transfer facility was in
24 operation and without resorting to the figures, my
25 recollection was that increased the total traffic a

1 little over two trains a day in each direction and about
2 doubled the number of cars as a result of the intermodal
3 facility that would occur, whether or not the merger
4 occurs.

5 Q Will the merger have -- well, let me withdraw
6 that

7 Will the -- will this intermodal container
8 transfers facility be used by the railroads other than
9 Santa Fe?

10 A I am not totally conversant with the current
11 state of negotiation on that as to whether or not Union
12 Pacific, for example, will or will not have access to
13 that. So I can't answer that question.

14 Q Will Atchison, Topeka and Santa Fe have access
15 to it?

16 A It's my understanding no, but I don't know
17 that for sure either. It falls in the same category as
18 UP.

19 Q If there is a merger, will they have access to
20 it?

21 A The SPSF Railroad will have access as a
22 combined railroad, yes.

23 Q Now, do you presently know what the traffic is
24 on the San Pedro Branch of the railroad as it travels
25 through Compton on a daily basis?

1 A Again, historically, these two lines have been
2 used somewhat interchangeably, but not as much as some
3 of the other lines I have described earlier today as far
4 as their interchangeability. Basically, right now the
5 San Pedro line is not being used extensively following
6 the closure of the South Gate Auto facility, and the
7 Wilmington Branch which is superior operationally is the
8 Southern Pacific's main route. The Wilmington Branch
9 has got a significant amount of welded rail, it has some
10 double track portions, and it constitutes the SP's main
11 route today.

12 Q The increase in traffic that is anticipated,
13 will it go on the Willabrook Branch?

14 A The operating plant shows the route that had
15 the superior operating characteristics, which was the
16 Wilmington line.

17 Q The Wilmington line?

18 A That is correct.

19 Q Now, do you know the number of trains that
20 travel on the Willabrook line -- I mean, the Wilmington
21 line, at the present time?

22 A I believe that in our model projections, which
23 included the haulers to and from the harbor as well as a
24 couple of through locomotives, we show three trains a
25 day each way down there at present.

1 Q Now, when the intermodal transfer facility is
2 built, what will that increase to?

3 A It would appear that the number of movements
4 would increase to five or a little bit more trains a day
5 each way following completion of the ICTF.

6 Q You say each way? You mean ten trains?

7 A Ten trains in the course of 24 hours on a
8 typical day. There would be fewer on certain weekend
9 days and holidays and things like that.

10 Q Now, that increase is due to the intermodal
11 transfer facility rather than the merger itself, is that
12 correct, or is it because of both?

13 A No. That increase is due only to the
14 intermodal container transfer facility and will occur
15 independently of the merger.

16 Q Now, as a result of the merger, how will that
17 number increase?

18 A As I believe I stated before, it would add one
19 in each direction to that figure, probably not on a
20 daily basis, but we are looking for five or six days a
21 week. So on a typical day it would add one more.

22 Q Now, are you referring only to the Wilmington
23 Branch or are you talking about the Wilmington and the
24 San Pedro Branch as far as increasing traffic?

25 A As I stated, the Wilmington Branch has

1 superior operating characteristics. It has access to
2 and from the Southern Pacific's La Habra Branch, which
3 is also welded rail, through a Y at Slauson Junction.
4 It has double track on portions of it; it has welded
5 rail, and it is the superior line. The operating plan
6 has placed all of these trains on the Wilmington line

7 The San Pedro line basically is not being used
8 in our study period for through movements, only for the
9 local switching movements. The San Pedro line would
10 possibly require fairly extensive infusion of capital to
11 accommodate any major change in its traffic volume.

12 In accordance with our guidelines, we did not
13 use the San Pedro line.

14 Q So it is fair to say that any increase will
15 not be -- that is not anticipated, will be on the San
16 Pedro branch because of the reasons you have indicated?

17 A That is correct. That is our plan.

18 Q Now, are you familiar with the proposed
19 consolidated rail corridor down the San Pedro branch of
20 the Southern Pacific Railroad proposed by the SCAG and
21 other entities?

22 A Yes, I'm generally aware of it. I have seen
23 some correspondence on it. If there is a plan existing
24 per se that SCAG has put out, I have not seen that plan,
25 however.

1 Q Based upon your testimony that the superior
2 track is on the Wilmington Branch, would you say as a
3 matter of your opinion, based upon your experienced,
4 that a consolidation of the rail lines on the San Pedro
5 Branch would entail a considerably greater capital
6 expenditure than leaving them as they are on the
7 Wilmington Branch?

8 A That would be my initial opinion, yes, but I
9 have made no study to substantiate that, and I think a
10 study would have to be conducted to substantiate how
11 much capital would be needed.

12 But as an example, there is no connection
13 existing between the La Habra Branch and the San Pedro
14 line. My recollection is that they cross right in the
15 middle of the street at a railroad crossing diamond, and
16 a connection there would probably be fairly expensive.
17 But that is just an example.

18 Q When you speak of the improved trackage that
19 exists on the Wilmington Branch, is that within the area
20 of Compton or are you talking about the entire length of
21 that branch?

22 A It's my recollection and understanding as I
23 have come across several projects on the SF over the
24 last six or seven years that welded rail was installed
25 from some point in the Compton area where the Wilmington

1 Branch begins, near north of Dominguez Junction to
2 Slauson Junction and on to the La Habra Branch at
3 Slauson Junction, moving out toward Los Nietos, and that
4 was done, for, among other reasons, to accommodate an
5 ore train that at that time was running out of Los
6 Angeles harbor out to Kaiser Steel, and the improvements
7 insfar as welded rail were concerned extended as far as
8 Slauson Junction. Double track, however, ends very
9 briefly at Slauson Junction as you move out on the La
10 Habra Branch and cross the Santa Fe Railroad at a
11 railroad crossing, and it begins again, and double track
12 extends then from just north of Slauson Junction up
13 toward Redondo and Southern Pacific's J Yard, so that
14 the superior characteristics of the line really are on
15 the entire length.

16 Q And by the same token, I assume then that you
17 are saying that the San Pedro Branch line that is
18 inferior extends the entire length of the line rather
19 than just to Compton?

20 A That's my understanding. Historically, of
21 course, the South Gate auto assembly operation down
22 there for General Motors severely encumbered the San
23 Pedro line, and even the main tracks were occupied there
24 from time to time in my experience with cars. And
25 therefore, the through operation built up on the

1 Wilmington Branch.

2 And since the South Gate closure, the San
3 Pedro line has been subject to very little use according
4 to my understanding and the observations I've had a
5 chance to make.

6 Q As between the two lines at the present time,
7 do you know the number of trains -- I think you have
8 given us a number of approximately three to four trains
9 that go on the Wilmington Branch.

10 Do you know the number that travel on the San
11 Pedro Branch at the present time?

12 A It's my understanding there are no regular
13 through trains on the San Pedro line, that if the
14 occasion arises that the Wilmington line can't be used
15 or there is a special purpose to be served, a train
16 might operate on the San Pedro line, but it is my
17 understanding that the regular service on the San Pedro
18 line is confined to the switching of cars to and from
19 the industries that are located on the line.

20 And again, this is north of Dominguez.

21 Q North of Dominguez is where Compton comes into
22 the picture.

23 A Yes.

24 Q Now, other than the intermodal transfer
25 facility that is being constructed, and the merger, do

1 you anticipate that there would be an increase in
2 traffic on either of these two branches for any other
3 reasons?

4 A That very possibly is dependent on the outcome
5 of the SCAG plan, if indeed it is issued or will be
6 issued, and the negotiations that would follow with the
7 railroad companies. The Union Pacific, I understand, is
8 also involved in that SCAG plan.

9 Q You are talking about the rail consolidation
10 plan? Is that what you mean?

11 A Yes.

12 Q Okay. Other than that, do you foresee any
13 other factors that could increase the traffic on these
14 two lines as they travel through Compton such as an
15 improvement of the port facility?

16 A I'm aware of no other factors other than the
17 merger and the ICTF that are going to influence the
18 traffic volumes on that line.

19 Q Are you familiar with the Light Rail proposal,
20 that is, to travel on the Wilmington Branch or adjacent
21 to the Wilmington Branch of the Southern Pacific line?

22 A Yes, I have a general familiarity with that.

23 Q Would that have any effect upon these lines as
24 they run through the City of Compton independently?

25 A My understanding was that the Light Rail Line

1 plan discusses several options, and I am not fully aware
2 of which is the preferred option, but in any event, the
3 Light Rail Line was basically operated separately with
4 overpass or underpass where crossing a railroad was
5 newcessary, and the only common track that was proposed,
6 and then it was only at the outset, was across the Los
7 Angeles River.

8 The Light Rail Line would just be within that
9 Wilmington Line right-of-way that would be totally
10 separated from the Southern Pacific operations.

11 Q So you are saying that other than just some
12 casual contact, you really have no knowledge of or have
13 not worked with any of the principals involved in the
14 consolidation routing that I have previously mentioned?

15 Is that a fair statement?

16 A That is correct.

17 Q Now, as far as freight is concerned on these
18 particular lines, as they run through Compton, by
19 reasons of the merger, is it anticipated that the type
20 of freight that is carried on these lines will change in
21 any way from its present situation?

22 A Not a a result of the merger. That's making a
23 broad assumption that the Santa Fe traffic mix is
24 similar to what the Southern Pacific currently has, and
25 I think that's a fair assumption.

1 Q Will it change for any other reason?

2 A Well, the intermodal container facility, of
3 course, will bring a high degree of time sensitive
4 TOFC/COFC traffic on the line that is not currently
5 there.

6 Q How about increase in the coal cars, cars
7 carrying coal and other TOFC fuel? Well, we will just
8 say coal.

9 A To my knowledge, when there is coal movement
10 to and from the harbor area right now, that movement is
11 over the Union Pacific to -- that's if it goes to Long
12 Beach, anyway, and I understand most of it goes to Los
13 Angeles. If it did happen to go to Long Beach, it would
14 be on the SF tracks right in Long Beach, and the Santa
15 Fe or the Southern Pacific, neither one extensively
16 participate in coal movements.

17 Q And there is no anticipation that that will
18 change in the projected future?

19 A There is no projection of such in the
20 operating plan, and I'm not aware of any.

21 Q Has the railroad made any study of the effect
22 of the increase of the traffic that you have indicated
23 of over 100 percent that will result because of the
24 intermodal transfer facility and the merger combined?

25 A It is my understanding that the intermodal

1 transfer facility was the subject of an extensive study
2 and has been approved through the normal process with
3 the filing of an approval of an environmental impact
4 statement, and that stands as approved.

5 So with that already approved, to my knowledge
6 there has been no study that redoes the original study
7 that is already approved and combines the merger as an
8 impact.

9 Q So the railroad has done no study --

10 A Not to my knowledge.

11 Q As far as trackage rights are concerned, you
12 indicated that as far as you knew no other railroads had
13 trackage rights through the City of Compton.

14 Do you know whether there are projections
15 where other railroads would gain access to these tracks
16 in the projected future?

17 A Well, this really appears to be the subject
18 matter, some of the subject matter in the SCAG proposal,
19 but I have not seen that proposal, as I said before. So
20 beyond that I can't answer.

21 Q Now, in your report, you indicated on page 100
22 and thereafter that there would be certain new
23 construction and rehabilitation of existing rail
24 facilities.

25 Is there an anticipated expenditure on new

1 construction and rehabilitation in the City of Compton
2 or the tracks that will travel through the City of
3 Compton?

4 A No. The one capital expenditure that is
5 contemplated down there I believe would be in the City
6 of Carson where there is a connection proposed between
7 the current SP Dolores Yard and the Santa Fe Watson
8 Yard.

9 Q What is proposed at the Dolores Yard?

10 A Just that connection. The use of Dolores Yard
11 and Watson Yard would be complementary, where one would
12 be used as an inbound facility for inbound trains and
13 the other would be used as an outbound facility for
14 outbound trains, so that trains coming in from downtown
15 Los Angeles or from West Colton would operate into one
16 yard where their cars would be distributed among the
17 local distribution services. Those local services, in
18 gathering their cars, would bring them into another yard
19 where outbound trains would be dispatched.

20 Q Now, is that the same -- turning to page 54 of
21 your report, you indicated in the second paragraph that
22 container operations would be concentrated at the
23 facility that SPT is now developing at Dolores near Long
24 Beach and Los Angeles Harbor.

25 Is that the intermodal container transfer

1 facility we were talking about or some other facility?

2 A No. That is the ICTF that we are talking
3 about.

4 Q Is that the same yard that you are also doing
5 some additional capital expenditures as you have just
6 told us about?

7 A Well, the ICTF is adjacent to Dolores Yard,
8 and on the other side of Alameda Street. The capital
9 expense will be south of Dolores Yard in the vicinity of
10 I believe the Shell refinery where connecting track will
11 be built between the Southern Pacific Yard connection
12 and the Santa Fe track that will lead to Watson Yard.
13 That is the capital expenditure in that Dolores-Watson
14 area.

15 Other than that, it is just the use of the
16 existing facilities that will be modified in accordance
17 with the description of the inbound-outbound.

18 Q Now, going on in that same area in the
19 following paragraph, you indicate that "the railroads
20 currently have two yards that serve the harbor area for
21 conventional rail traffic, Dolores on the SP and Watson
22 on the ATSF. These yards would be used by the merged
23 company on a directional basis with Dolores handling
24 inbound traffic and Watson handling outbound traffic."

25 Will that change that you are talking about

1 have any effect upon the traffic on the Wilmington or
2 othe San Pedro Branch?

3 A This change is incorporated into the traffic
4 tha I have described on the San Pedro and Wilmington
5 Lines. In other words, a train arriving from Los
6 Angeles or West Colton would operate into Dolores Yard,
7 leave its train, and take its locomotive over to Watson
8 yard where an outbound train would be made up for it
9 through that new connection that I have described. And
10 it would then operate out of Watson yard, through the
11 new connection, and north again on the Wilmington line.

12 Q Now, you indicated further that a new
13 connection will be built at Wilmington near Thenard to
14 permit direct train movements between the two yards.
15 That's in addition to the new connection you were
16 talking about?

17 A That is the new connection I'm talking about
18 in the vicinity of the Shell refinery.

19 JUDGE HOPKINS: Excuse me, Mr. Atkins.
20 Do you have many more?

21 MR. ATKINS: I'm almost finished.

22 JUDGE HOPKINS: Because the reporter I
23 think -- I don't know whether she will make it.

24 MR. ATKINS: Maybe we can take a break at this
25 timew.

1 JUDGE HOPKINS: Normally we stop.

2 I had better have an idea as to how much
3 longer it is going to be.

4 MR. ATKINS: I would say about five to ten
5 minutes.

6 JUDGE HOPKINS: Is there anybody else then?

7 MR. SOLANDER: About five minutes.

8 MS. REED: About five minutes.

9 JUDGE HOPKINS: So we are talking about
10 fifteen minutes.

11 MR. STEPHENSON: I have about five minutes of
12 redirect.

13 JUDGE HOPKINS: I think we had better give her
14 some time.

15 Let's take a ten minute recess.

16 (A brief recess was taken.)

17 JUDGE HOPKINS: Back on the record.

18 MR. NELSON: Your Honor, in an off-the-record
19 discussion with Mr. Roberts of Sunkist, he has called
20 our witness Sonefeld. He is the only one who has called
21 him for cross examination.

22 Mr Roberts is willing to take on Mr. Champion,
23 who is aware of that portion of Mr. Sonefeld's testimony
24 that deals with his particular areas of interest, and I
25 would like to announce this on the record. I don't plan

1 to call Mr. Sonefeld because nobody else has requested
2 him.

3 JUDGE HOPKINS: Thank you.

4 MR. NELSON: I have also had a conversation
5 off the record with respect to an illness and
6 hospitalization of a prospective witness Keyes. Witness
7 Keyes has been called by the MKT and the KCS. KCS has
8 no questions. Mr. Kharasch has indicated he would have
9 no objection if I could come up with a substitute or
10 substitutes to deal with two areas he is interested in.

11 The Rio Grande has also indicated a belated
12 interest in cross examining Mr. Keyes, and I had the
13 same discussion, and Mr. Leary also has no objection.

14 Thank you.

15 JUDGE HOPKINS: Thank you very much.

16 Mr. Atkins?

17 MR. ATKINS: Yes, I have limited what I am
18 going to say to about one minute now.

19 BY MR. ATKINS: (Resuming)

20 Q Referring to page 55 of your report, you
21 indicated that in the second paragraph there it says
22 "elsewhere in the Los Angeles terminal area several new
23 connections will be built for more efficient operation.
24 Most important are two new connections in central Los
25 Angeles. One will permit direct movements between SPT

1 State Street Line and the Union Pacific main track,
2 which SFT currently utilizes for movements to and from
3 its J Yard."

4 Those are all north of these two lines that I
5 am concerned with, the San Pedro and Wilmington Branch,
6 is that correct?

7 A That is correct. That's essentially right in
8 central Los Angeles.

9 Q And then it goes on and says, "and the
10 Wilmington and San Pedro Branches to Delores."

11 What effect will that new connection have
12 concerning the movements from the J Yard or from those
13 other areas mentioned above to the Wilmington or on the
14 Wilmington and San Pedro Branches?

15 A That would be one point of access to the
16 Wilmington or San Pedro Branch for the movements that I
17 have described that will be operating on that line.

18 Q This refers only to access, not to increased
19 traffic.

20 A Correct.

21 Q Now, the second connection will provide for
22 direct movements between LATIC and Hobart intermodal
23 facilities.

24 That has nothing to do with the San Pedro
25 Branch or the Wilmington, is that correct?

1 A That is correct.

2 MR. ATKINS: I have no further questions.

3 JUDGE HOPKINS: Thank you.

4 Who's next, Ms. Reed?

5 BY MS. REED:

6 Q Good afternoon, Mr. Cwen. My name is Mary
7 Reed, and I am with the U.S. Department of
8 Transportation. I have a few questions for you from the
9 Kansas Department of Transportation.

10 Would you turn to page 44 of your operating
11 plan?

12 You state that only two main line segments are
13 slated for major downgrading, and one of them is the
14 Cotton Belt's line between Hutchinson and Topeka, Kansas
15 as well as Cotton Belt's operation over the UP trackage
16 rights between Topeka and Kansas City.

17 Who is the person responsible for developing
18 this assumption?

19 A That is one of the assumptions that evolved
20 from the series of meetings the study team for the
21 operating plan had with management of Santa Fe and SF,
22 and one of the decisions that came out of that and
23 certainly approved by Mr. Fitzgerald and Mr. Lacy and Mr.
24 Cena and Mr. McNear, as well, was that the trains using
25 Cotton Belt's line between Vaughn and Hutchinson, Kansas

1 would move onto the Santa Fe line through new
2 connections to be built at Hutchinson and Partridge,
3 Kansas. This would permit them to move onto a line that
4 is already centralized, traffic control and multiple
5 track, and equally or more importantly, it permits them
6 direct access to and from the serving area to Kansas
7 City which would be Santa Fe's Argentine Yard.

8 Q In doing the rail traffic network simulation
9 model, was this assumption built into it after you
10 developed the base case for each railroad independently,
11 or when you combined the two railroad and plugged it
12 into the model?

13 A That is correct. The routing of those trains
14 that were on the Tucumcari route between Hutchinson and
15 Vaughn was modified to show that they would operate on
16 the Santa Fe route from Hutchinson on into Argentine
17 Yard at Kansas City.

18 Q Did you ever do a simulation of the combined
19 systems without that assumption?

20 A If I understand what you are asking, did we
21 not shift any traffic back and forth?

22 Q Yes, sir.

23 A There were one or two versions of the plan
24 early on. As we decided how the traffic would be
25 formulated into what trains and how those trains would

1 be routed, in other words, would we operate manifest
2 trains via El Paso or via Winslow, and would we operate
3 the TOFC trains or manifest trains from Vaughn over
4 through Amarillo and up the current Santa Fe main line,
5 or would we go around the new connectin at Vaughn and
6 come up through Dalhart and then Hutchinson?

7 So insofar as the process is concerned, there
8 is a version or two that didn' really move that traffic
9 over. But no one of those was a decisicn point or
10 review point. In other words, once a decision was made,
11 any trains that were left running on the Cotton Belt
12 were moved onto the Santa Fe line at Hutchinson.

13 Q Do you recall what the volume would have been
14 on those lines without the assumption having been made?

15 A It would vary with decisions that were made
16 way back down the line. If a train were to leave
17 Belen, New Mexico and operate into Kansas City via the
18 former Cotton Belt Line, or if a train were to go on the
19 Santa Fe main line and it would vary with the way those
20 decisions varied at other locations on the system.

21 I think that it is fair to say that especially
22 because of the access to and from Argentine Yard at
23 Kansas City there was never any serious consideration
24 given to retaining operation over the back end of the
25 Cotton Belt.

1 Among the options we looked at was a possible
2 connection at Topeka, so that operation on the Cotton
3 Belt could continue to Topeka and then come in on the
4 Santa Fe from there. That connection is not a practical
5 connection. Hutchinson was the only practical place to
6 accomplish it, and that was an overriding consideration
7 that really forced the decision on the routing of these
8 trains.

9 Q Could you turn to page 78 of the operating
10 plan?

11 Now, you had indicated before in response to a
12 question that these figures do not include local trains
13 which do not traverse from one link to another.

14 My question is with regard to the Hutchinson
15 to Harrington link, are there any local trains in that
16 segment which do not traverse into another segment?

17 A When the through trains were routed on the
18 Santa Fe, we did operate a local in the plan between
19 Hutchinson and Topeka that would handle the shippers'
20 needs locally to that line. So, the 300,000 tons
21 projected in year four on that segment represent that
22 amount of tonnage that moves from Harrington all the way
23 through to Hutchinson and vice versa.

24 There may be some additional tonnage that is
25 picked up or set off en route that is not in there, but

1 any tonnage that local handles all the way across that
2 segment is included in the 300,000 tons, and that
3 300,000 is approximately the same in the next segment,
4 Harrington to Topeka, where the other 3 million is
5 represented by the Rio Grande interchange train at
6 Harrington.

7 MS. REED: Thank you. That's all I have.

8 JUDGE HOPKINS: Next?

9 BY MR. SOLANDER:

10 Q Mr. Owen, my name is O. J. Solander, and I
11 represent the California Department of Transportation
12 which is cooperating with the California Public
13 Utilities Commission in the investigation of the impacts
14 of this merger, and the PUC lawyer and I are trading off
15 assignments.

16 Could you turn, please, to Exhibit 13-3 in
17 SFSP-4? That is the merged simulation network.

18 A The one that strains my eyeballs.

19 Q For the San Francisco Bay Area, I show a node
20 entitled the China Basin.

21 Is that really the Mission Bay Yard that is to
22 serve the San Francisco shippers that you mentioned at
23 page 50 of this exhibit also?

24 A Yes. China Basin will appear on Exhibit 13-1,
25 I believe, as the Santa Fe San Francisco node, and it

1 was addressed in the plan on page 50 and 51 under
2 Item 2.

3 Q If you look again at Exhibit 13-3, Mr. Owen,
4 you see that there's a stick going from China Basin east
5 to Richmond, I think it is. To me that says you are
6 going to reinstitute train service over the Bay Bridge.

7 You are not planning to do that, are you?

8 A Well, at the time the plan was under study,
9 why, the Richmond barge slip was operative, and Santa Fe
10 was actually operating that as an operable link. And
11 that is the reason for its inclusion in the stick map.

12 If you look at the printout of the simulation,
13 you will find that there is no traffic whatsoever, there
14 are zero cars and zero movements over that link in the
15 network.

16 Q You would be amazed at how ideas get started
17 in California sometimes.

18 A I live there. I know.

19 Q I also note that in this merged simulation
20 network, you do show nodes going from San Jose up
21 through Redwood Junction and Bay Shore. However, when
22 you get to your density maps, you don't show any density
23 going into the San Francisco Bay area.

24 Could you explain that, your tonnage maps?

25 A The tonnage change between San Jose and San

1 Francisco on the Southern Pacific line there was not
2 sufficient to show a change in our tonnage
3 calculations. If you will note, it is around 100,000
4 tons in tenths of a million, and the amount of the Santa
5 Fe traffic that was routed on that line as an increase
6 was not significant enough to tick off a change of a
7 tenth.

8 Q Do you have the actual figures for the tonnage
9 moving between San Jose and San Francisco?

10 A I have them available here, if you want me to
11 take the time to do a little calculation.

12 Q Perhaps you could get it to me later.
13 Would that be all right?

14 A Certainly.

15 Q Do you have those calculated for the four
16 years following the merger, if it goes through, also, or
17 did you just calculate the base year?

18 A I would have them for the base year and for
19 the postmerger situation, and there was a formula that
20 applied to the changes in between.

21 Q Yes, I would like those figures.

22 Mr. Owen, suppose that the shippers between
23 San Francisco and San Jose were served by a short line
24 railroad. Would that significantly impact the operating
25 plan as you see it?

1 A Well, it's a hypothetical that I don't really
2 think we looked at as an option in the operating plan,
3 but sitting here, I cannot see any major effect on the
4 operating plan if that were to be the case.

5 Q Mr. Owen, are you aware of the contract
6 between CalTrans and Southern Pacific for the provision
7 of rail passenger service on the peninsula between San
8 Francisco and San Jose?

9 A I'm aware there's a contract in effect, and I
10 have not seen that contract to review its details.

11 Q If I tell you that there is a provision in
12 that contract which would allow under the terms of the
13 contract the passenger service to be increased from 46
14 to 52 cars, assuming that there would be 52 cars in
15 operation at some time within the four years following
16 the merger, can you see that that would have any impact
17 on your operating plan?

18 A Rather than cars, do you mean trains, daily
19 trains?

20 Q Yes, I'm sorry, I meant trains.

21 A I think I'd have to look at the individual
22 circumstances, but again, without the benefit of that, I
23 cannot see that it would have a significant effect.

24 Q As an assumption of your operating plan, you
25 did assume that there would be no impact on passenger

1 service as it exists now?

2 A Yes, that's correct.

3 Q Could we turn to Fresno for a minute, the town
4 of Fresno?

5 In preparing your operating plan, did you
6 identify shippers that were in existence on the Santa Fe
7 line and being served in Fresno?

8 A There was an effort under way that set up the
9 branch lines that have been identified, to identify line
10 segments and the shippers that were on them. I did not
11 personally participate in that effort.

12 Q Who did?

13 A Mr. Anderson for one. I think Mr. Champion
14 for another was involved in it.

15 Q Did you discuss the role of shippers with Mr.
16 Anderson and Mr. Champion in the preparation of your
17 plan?

18 A I don't recall any such direct discussion,
19 no.

20 Q Are you aware that there are shippers on the
21 line in Fresno on the existing Santa Fe line?

22 A On the line that is to be abandoned or on the
23 line that's not to be abandoned?

24 Q The line that is to be abandoned.

25 A No, I'm not aware that there are any active

1 shippers on that line. I know there are shippers at
2 Hammond and a little bit to the south there and also on
3 the Fresno Interurban connection that branches off at
4 Hammond.

5 Q How will those shippers be served with the
6 relocation of the line, the relocation of service at
7 Fresno?

8 A They will be served basically in the same way
9 Southern Pacific accesses the Fresno Interurban and its
10 Clovis Branch right now with an operation out of Fresno
11 Yard, past the existing Santa Fe office building in
12 Fresno, and as far as Hammond, where it will branch off
13 on that branch that goes out to Belmont Avenue on the
14 Santa Fe, and the Fresno Interurban section.

15 Q In preparing your operating plan, did you make
16 any assumption that shippers who are currently served by
17 rail would be served by a truck-to-rail connection?

18 A No. The assumption I think was stated fairly
19 clearly, that shippers that are currently served by rail
20 would continue to be served by rail.

21 Q So far as you know, your operating plan serves
22 that purpose in California?

23 A Yes.

24 Q With respect to traffic from Los Angeles to
25 Northern California on Southern Pacific's line, there

1 are now two options, are there not, for that traffic,
2 one over the Delta -- I'm sorry, over the Coast Line,
3 and the other through the Valley Line?

4 A Yes. Some of that traffic has two options,
5 yes, or two routes.

6 Q Can you tell me what criteria the merged of
7 the combined company will use in routing traffic over
8 either of those lines to northern California in case the
9 merger should go through?

10 A My recollection of the operating plan is that
11 we took one train a day off the coast route and put it
12 up through the valley. The reason behind that was the
13 fact that West Colton was becoming the prime serving
14 yard for the entire Los Angeles basin, and including
15 Orange County, and that the traffic currently involved
16 operating on the Coast Line had a sufficient amount of
17 traffic contained within the set of trains now running
18 on the Coast Line that it would warrant the operation of
19 one of those on the San Joaquin Valley for a better
20 access to West Colton where the traffic would be
21 distributed through the Los Angeles basin on the hauler
22 service I previously described.

23 The other trains that carried traffic to and
24 from Los Angeles harbor and to and from the City of Los
25 Angeles primarily stayed on the coast route, and my

1 recollection, as I stated, was a net change of just one
2 train.

3 MR. SOLANDER: That's all I have.

4 JUDGE HOPKINS: Thank you.

5 Mr. Stephenson?

6 MR. STEPHENSON: I have a few redirect
7 questions, Your Honor.

8 REDIRECT EXAMINATION

9 BY MR. STEPHENSON:

10 Q Mr. Owen, with respect to the questions from
11 Mr. Craig of Amtrak, he asked you for some mileage
12 comparisons of Mococo route versus the Delta route

13 Can you give us a comparison of the train,
14 maximum train speeds over the expected rehabilitated
15 Mococo route versus the Delta route?

16 A The rehabilitated Mococo route would be in
17 condition to be a Class IV, FRA Class IV operation,
18 which would permit passenger train speeds up to 70 miles
19 an hour. The probability is that it would be higher
20 than Class IV to permit freight train speeds faster than
21 that, also, but we would certainly anticipate a Class IV
22 rehabilitation.

23 So I would anticipate 70 to 79 mile an hour
24 maximum speed on the Mococo line, which is somewhat
25 greater than the restricted Delta line now that has

1 bridges that are restricted to 20 and 30 miles an hour
2 and some curvature.

3 Q Mr. Craig also asked you about the public
4 interest in connection with the operation of Amtrak in
5 Fresno.

6 Can you explain to us briefly what the current
7 Amtrak operation over Santa Fe entails as it goes
8 through the City of Fresno?

9 A The current Amtrak operation operating on the
10 Santa Fe main line passes over numerous street
11 crossings. The rail track itself is in the middle of
12 streets for considerable distances, and has been subject
13 to some accident prone, accident exposure from time to
14 time due to grade crossing accidents and pedestrians,
15 and collision with just parked vehicles because of the
16 proximity to the streets.

17 The rerouted is also subject to some pretty
18 severe speed restriction. My recollection is that there
19 are more than five miles of that route that are
20 restricted to 20 miles an hour at the present time.

21 The proposal to operate over the new
22 connection and onto the Southern Pacific route through
23 Fresno would alleviate the great majority of these
24 hindrances that now encumber both the Santa Fe and
25 Amtrak, as well as the citizens of Fresno, in my

1 opinion.

2 Q To your knowledge, has the City of Fresno
3 taken a position on this merger in this ICC forum?

4 A Yes. My understanding is the City of Fresno
5 is endorsing the merger and the rerouting of the trains
6 away from the Santa Fe main track.

7 Q Mr. Sanford of the Rio Grande questioned you
8 about the blocking provided for Rio Grande and indicated
9 that some concern about the fact that you had only one
10 node in your simulation model. Yet, Santa Fe makes
11 separations for Rio Grande in addition to that, and he
12 also pointed out that there were more nodes reflected
13 for the Union Pacific.

14 Can you explain for us this apparent
15 inconsistency?

16 A Well, as I stated, the data with which we are
17 dealing sometimes will determine the number of actual
18 nodes that we use. In the case of the Rio Grande, where
19 one node really represents three or four separations, we
20 take that fact into our plan, but outside of the actual
21 computer model itself. In this particular case where we
22 are making a Harrington break and a Kansas City break
23 and a Pueblo break for the Rio Grande at Roseville, we
24 took that fact into consideration. There will be no
25 change in the number of separations being made under the

1 plan. We will continue to make at Roseville all of the
2 Rio Grande separations that are currently being made.

3 Q All right.

4 Mr. Roper of the Katy asked you about, in a
5 series of questions, about the condition and the
6 capacity of the upgraded Tucumcari line, and you
7 responded at least in part that the upgraded line had
8 ample capacity today.

9 What portion of the Tucumcari line were you
10 referring to in that testimony?

11 A I think I can recall two instances where Mr.
12 Roper's questions centered on that aspect of the
13 Tucumcari line. One was pertaining to its, I
14 interpreted it as its general condition where I stated
15 it was in excellent condition.

16 I think in some subsequent statement I cited
17 the Tucumcari line west of Hutchinson, however, as even
18 though it is in excellent condition, in order to
19 maintain its timeliness and its capacity potential to
20 handle additional freight, it is going to need a
21 substantial capital improvement for Southern Pacific
22 standing alone. It is going to need a centralized
23 traffic control system despite its excellent physical
24 condition.

25 That comment applied to the Tucumcari line in

1 general. I recall Mr. Roper in a second series
2 referring only to that portion of the Tucumcari line
3 west of Hutchinson where the preponderance of Southern
4 Pacific-Santa Fe traffic would diverge and move on the
5 Santa Fe line, and there we were talking about capacity
6 as such, and I stated that there would be one to three
7 trains on those segments of line now between Hutchinson,
8 Harrington and Topeka, and I referred to the fact that
9 it could handle more than one to three through trains
10 per day, that obviously we're handling ten or twelve
11 through trains now, and from a capacity viewpoint, that
12 line could handle more than one to three through trains
13 per day.

14 Q Harrington to Topeka?

15 A Harrington to Topeka, that segment only.

16 MR. STEPHENSON: That's all I have.

17 JUDGE HOPKINS: Any further questions?

18 MR. CRAIG: Yes, Your Honor.

19 RECROSS EXAMINATION

20 BY MR. CRAIG:

21 Q I am a little bit confused on some answers
22 given on redirect, and excuse me for detaining you even
23 late.

24 As to your testimony of the Amtrak operation
25 from Stockton to Martinez, are you saying that the track

1 from Stockton to Lathrop to Tracy to Martinez would all
2 be 70 mile an hour track?

3 A That is the plan, to make that upgraded track
4 at least an FRA Class IV track which permits 70 or even
5 79 on the part of passenger trains.

6 I think that the actual physical speed that
7 would be capable would be more properly directed to the
8 railroad engineering people, but that is the plan. In
9 order to accommodate the freight traffic that we are
10 looking for, we are going to have to have that track
11 upgraded to Class IV or even Class V.

12 Q How long would you estimate it would take to
13 turn the train around at Stockton to go south back to
14 Lathrop, to then go west?

15 A Well, I think I answered one of your earlier
16 questions, Mr. Craig, that I made no finite study of the
17 comparative schedules that might be installed for Amtrak
18 and the times where they would offset each other, if you
19 gain five minutes there and lose some minutes somewhere
20 else. I have made no such study, so I can't answer the
21 question directly.

22 Q So you don't know whether this longer 67 mile
23 operation from Stockton to Martinez will be faster or
24 slower than the present operation between Stockton and
25 Martinez.

1 A I don't know at this time without a study,
2 that's correct.

3 Q And as to Fresno, what is the comparative
4 number of grade crossings on the track to which Amtrak
5 would be rerouted compared to the present track? Can
6 you give us the number of grade crossings between the
7 terminal points?

8 A No, I can't give you the precise number.

9 Q And you again had made no study of the
10 comparative times, I gather?

11 A No, but I am generally familiar with the
12 particular speed restrictions that encumber the Santa Fe
13 operation with 20 miles an hour at the present time.
14 Southern Pacific, of course, does not have a passenger
15 train speed through that area right now, but they permit
16 their freight trains 35 miles an hour.

17 Q Are you familiar with this S curve to connect
18 the SP track with the Santa Fe track north of Fresno?

19 A Yes. I have an operating familiarity with it

20 Q As I read somewhere, an environmental
21 statement, the city is concerned about the sound of the
22 wheels screeching as they make these curves.

23 A I don't know one way or the other on that. I
24 do know that the city nonetheless has endorsed the
25 plan.

1 Q You know the operating speed over that S track
2 connection?

3 A It was our request from an operations
4 viewpoint, and it is my understanding that it has been
5 designed for 40 miles an hour.

6 MR. CRAIG: No further questions.

7 JUDGE HOPKINS: Thank you.

8 Is that all, Mr. Stephenson?

9 MR. STEPHENSON: Yes.

10 JUDGE HOPKINS: You are excused.

11 (The witness was excused.)

12 MR. STEPHENSON: Your Honor, tomorrow morning
13 we will start with Messrs. Lacy and Fitzgerald, and we
14 will have the two witnesses simultaneously as we
15 previously discussed.

16 JUDGE HOPKINS: Any objection to this
17 testimony being received?

18 MR. STEPHENSON: Yes, I would like to move its
19 admission.

20 JUDGE HOPKINS: Hearing no objection, it will
21 be received in evidence.

22 We will be in recess until 9:00 o'clock
23 tomorrow morning.

24 (Whereupon, at 5:55 o'clock p.m., the hearing
25 in the above-entitled matter recessed, to reconvene at

9:00 o'clock a.m., Wednesday, October 17, 1984.)

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