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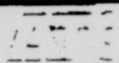
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elf atochem



Elf Atochem North America, Inc.

2000 Market Street
Philadelphia, PA 19103-3222
Tel: 215.419.7000

March 22, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution Avenues, N.W.
Washington, DC 20423-0001

Dear Mr. Williams:

Elf Atochem North America is concerned about the competitive effects that the proposed acquisition of the Southern Pacific Transportation Company by the Union Pacific Railroad would have on our Company. We have reviewed the proposed agreement between Union Pacific and Burlington Northern/Santa Fe which is intended to insure that meaningful rail competition will be maintained when the Southern Pacific is absorbed. We are not convinced that the agreement will provide this competition, especially in the state of Texas where our company has three plants that will be directly effected by the merger.

We have reviewed the proposal that the Texas Mexican Railway Company has prepared to obtain trackage rights to points in Texas such as Houston and Beaumont to connect with the Kansas City Southern and other carriers, as a condition to approval of the UP/SP merger. Our company finds this proposal to be a realistic and viable alternative to UP/SP, as it addresses our concerns regarding the continuance of meaningful rail competition to our plants in Houston and Beaumont and the facilities of our customers in Mexico.

Elf Atochem North America supports the efforts by carriers such as the Tex Mex to maintain and enhance the competitive environment in the railroad industry.

I, JOHN O'LEARY, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement, executed on

3-22-96


Name

ELF ATOCHEM N.A.
Company

DIRECTOR, LOGISTICS
Title

2000 MARKET ST.

Philadelphia, Pa 19103
Address

cc Texas Mexican Railway Company, c/o Central Business Services, 629 Green Bay Road, Wilmette IL 60091

FAIRMOUNT MINERALS, LTD.

P.O. BOX 119 • SOUTH OLIVE ROAD
WEDRON, ILLINOIS 60557 • 815 433-2449

Thomas A. Mitropoulos
Vice President - Traffic

VERIFIED STATEMENT OF THOMAS A. MITROPOULOS ON BEHALF OF FAIRMOUNT MINERALS, LTD.

My name is Thomas A. Mitropoulos. I am Vice President of Transportation for the Fairmount Minerals companies which are engaged in the production and sale of industrial minerals and sand with operating plants located at Wedron, IL, Troy Grove, IL, Chardon, OH, Richmond Dale, OH Bridgman, MI and Roff, OK. Our offices are located at South Olive Street, Wedron, IL 60557. The industrial sand plants of Fairmount Minerals have been in business for well over one hundred years.

Fairmount Minerals ships via rail to south Texas and Mexico primarily from Wedron (silica sand) and Troy Grove (coated sand), IL. We move the sand to Laredo for export from Wedron via BN-Kansas City-UP and from Troy Grove via UP direct. We also ship sand to two rail-to-truck transfer points located at Laredo and Alice, TX on the TexMex Railroad. From the transfer points, we use trucks to deliver the sand to small and non rail served customers in south Texas and North Mexico. Additionally, we move bagged sand in Houston for export. On an annual basis we ship about 50,000 tons into this market. Up to this point, the transportation rates have been effective and we are looking for market growth in the future.

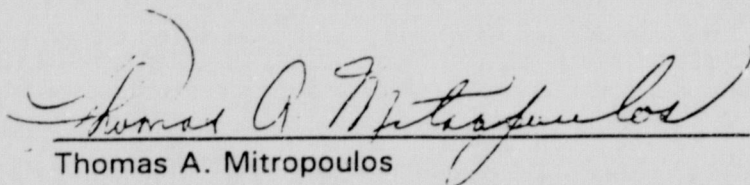
Our company is concerned about the loss of competition that will occur in south Texas if the Surface Transportation Board approves the merger between the UP and the SP. We feel that if the merger is approved, the UP essentially will have no competitors in south Texas. Although we have used the SP very little recently (mainly due to poor service), the SP's willingness to bid on our business has kept the UP honest. We fear that the lack of a rail competitor bidding against the UP in south Texas will result in higher rates.

Consequently, we ask the Surface Transportation Board to grant the trackage rights to the TexMex Railroad to Houston. We believe that this will provide us with a viable rail alternative on shipments to our transfer points on the TexMex Railroad and to Laredo for rail direct shipments to Mexico.

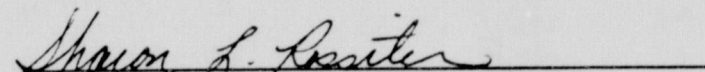
In our experience, the BNSF has not been competitive in bidding via Eagle Pass for our traffic. This gateway into Mexico is not an option for our company due to higher rates. We very much favor the Laredo gateway for shipments moving into Mexico. The sand receivers in Mexico have transportation contract rates from Laredo and there are broker facilities at Laredo to expedite shipments.

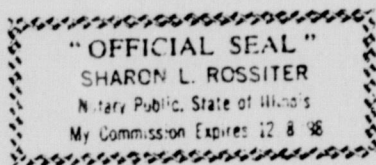
For these reasons, we urge the Surface Transportation Board to grant the trackage rights to the TexMex Railroad that they are seeking.

I, Thomas A. Mitropoulos, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 26, 1996.


Thomas A. Mitropoulos

Subscribed and sworn to before me on March 26, 1996.


Notary Public



VERIFIED STATEMENT
of
ROBERT REGNIER
on behalf of
HUDSON FOODS, INC - TURKEY DIVISION

My name is Robert Regnier. I am the Transportation Manager of Hudson Foods, Inc. - Turkey Division, located at 3145 E. Pythian, Suite D, Springfield, MO 65507. Our company produces and distributes turkey products. In the past year, we started trucking our product from a new distribution center at Springfield, Missouri which is served by the Burlington Northern Railroad.

Our business into Mexico has increased in the last three years. Last year, we shipped between 50 and 75 truckloads of product (up to 3,000,000 pounds) from Springfield to Laredo for export to Mexico. Our shipments moved in November and December, corresponding with the holiday season. This market is growing because certain turkey products that we ship are popular in Mexico. Although our shipments move to Mexico exclusively by truck, we believe that rail could be an economical option.

Much of our traffic moves from warehouse to warehouse and thus is not particularly sensitive to transit times. We believe that a logical and economical way to move our business could be on the railroads. However, the BNSF has failed to show much interest in this business in the past. After many discussions with the BNSF, we still do not have a route and rate to Mexico. Our conclusion is that they are too big to care about a small customer like us. Consequently, our company would welcome more competition in south Texas for our export business.

The TexMex Railway is seeking trackage rights to Houston and Beaumont, TX as a condition of the UP-SP merger. We support the TexMex's position because we see a lack of rail competition for our business into Mexico. We believe that the TexMex would bid competitively for our business as they are committed to serving the Mexican market. We are interested in lowering our overall transportation costs in order to expand our business south of the border.

VERIFIED STATEMENT of Robert Regnier
Page 2

Incidentally, U.S. poultry exports to Russia are likely to be curtailed due to a change in Russian government policy. This has had a serious impact on our international sales. Therefore, we urge the Surface Transportation Board to grant the trackage rights to the TexMex railroad to remedy the loss of competition that will occur if the UP/SP merger is approved.

I, Robert Regnier, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed this 22nd day of March, 1996.

HUDSON FOODS, INC.
TURKEY DIVISION

Robert Regnier
Robert Regnier

Subscribed and sworn to before me this 22nd day of March, 1996.

Sylvia M. Swartz
Notary Public

Sylvia M. Swartz Notary Public
Greene County State of Missouri
My Commission Expires Dec. 2, 1999

VERIFIED STATEMENT OF ANN KNAPTON
ON BEHALF OF IDAHO TIMBER CORPORATION

IN THE MATTER OF FINANCE DOCKET NO. 32760
UNION PACIFIC, CONTROL AND MERGER, SOUTHERN PACIFIC RAIL CORP.

I am Ann Knapton, Transportation Manager at Idaho Timber Corporation. I have been with Idaho Timber for 16 years and have been in the transportation industry for 25 years.

Idaho Timber is a manufacturer and distributor of building materials, supplying wood products to the manufactured housing industry, retail lumber centers, home centers and other major users of wood products. The company's major products are lumber, cedar fencing, trusses, laminates, specialty boards and lumber-related products. We ship these products from our ten remanufacturing facilities and from various mills to all states in the contiguous U.S. Idaho Timber spends between \$18-20,000,000 in freight charges per year.

Our company plans to extend its reach into Mexico. Within six to twelve months, we plan to begin moving Mexican pine from points within Mexico into the U.S. We believe that the Mexican pine can be marketed in the Midwestern and Southeastern U.S. Although we currently do not ship via rail from Mexico (we have conducted one test shipment via truck), we believe that rail could be a less expensive option versus trucks in this market. Our company believes that the TexMex Railway, which is seeking trackage rights in the UP-SP merger deal could provide a viable option to move our business into the U.S. in the future. That is why we are supporting the TexMex Railway.

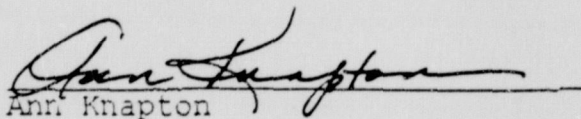
In our experience, more rail competition produces lower freight rates. As an example, the UP and the SP, who have competed for

our traffic out of Arkansas, have lowered rates to maintain our business. However, if the merger is approved, we expect rates to go up and service to decline. The presence of another carrier, the TexMex Railway, operating between Houston, Beaumont and Laredo, Texas, will give us another transportation alternative. We currently ship products into the Houston area and would welcome more competition in this market.

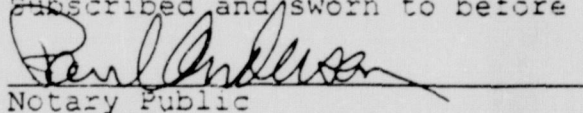
We are very concerned that the UP-SP and BNSF will divide up markets in the Western U.S., instead of offering competitive rates and service. We have experienced this phenomenon in the Eastern U.S. where the NS and CSXT have refused to compete for our business in several locations. The same condition could occur between the UP-SP and BNSF. Thus, we ask the Surface Transportation Board to grant trackage rights to the TexMex Railway to remedy the loss of competition that will occur in the south Texas area after the UP-SP merger.

I, Ann Knapton, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on MARCH 25, 1996.


Ann Knapton

Subscribed and sworn to before me on MARCH 25, 1996.


Notary Public

**KANSAS-COLORADO SHIPPERS ASSOCIATION
1809 N. BROADWAY, SUITE F
WICHITA, KANSAS 67214
PHONE: (316) 264-9630 FAX: (316) 264-9735**

**STATEMENT OF THE KANSAS-COLORADO SHIPPERS ASSOCIATION
IN SUPPORT OF
THE TEXAS MEXICAN RAILWAY COMPANY**

Mr. Vernon Williams
Secretary
Surface Transportation Board
Room 3315
12th and Constitution Avenue, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

My name is James J. Irlandi and I am an ICC Practitioner with offices located at 1809 N. Broadway, Suite F, Wichita, Kansas 67214. My telephone and fax numbers are: (316) 264-9630 and (316) 264-9735.

I am also President of Skill Transportation Consulting, Inc., with offices in the same complex as mentioned above. As an ICC Practitioner, I consult and utilize my transportation law knowledge to advise, and to prosecute cases before your bar on behalf of shippers, shippers' associations and individual companies on rail, truck and water transportation issues.

I advise the Kansas-Colorado Shippers Association and will be handling their case before your Commission. Previously, we did not have any Colorado shippers who belonged to one of the three shipper groups, namely, UP-MP, SFE and SSW. We have recently been contacted by several Colorado interests and those shippers have joined the UP-MP group.

In accordance with 49 C.F.R. Sec. 1180.4 (a) (2), we have selected the acronym KanCol in this proceeding. I am authorized to file this statement by the UP-MP-SFE-SSW groups. In addition, in phone conversations with members they have given me the authority to present this statement

STATEMENT OF INTEREST

The Kansas Shippers Group supported the Southern Pacific railroad in its quest for operating rights over the ATSF railroad from Kansas City (MO & KS) over the main line of that

railroad through Emporia, Newton to Hutchinson, which it serves on its direct line of the SSW railroad acquired from the bankrupt Rock Island line. From Hutchinson through Newton and Wichita, Winfield to the Dallas-Fort Worth, in Finance Docket No. 32549. The shippers who are members of the three groups were informed by the Southern Pacific that they needed a shorter route to the Gulf Ports. In addition, by utilizing their railroad connections to the SP, they would have access to the Tex-Mex railroad and the Laredo gateway to Mexico. The shipments from Wichita and Winfield from short line connections could move in joint service from those two locations via the Hutchinson gateway and have open all of SP's gateway across the southwestern tier of states into Mexico.

NO ALTERNATIVE TRANSPORTATION MODE AVAILABLE

Members on the short line railroads, the CKR and KSW (Omnitrac) - or the BNSF have no alternative truck options or rail operations. Regardless, assuming that the UP did not have any hopper cars available to the KSW-CKR railroad for loading, these shippers could not compete for Mexican traffic. Small shippers on the UP-MP have another problem. The UP would only allow cars into Mexico on a bid basis. Small business cannot compete with the larger firms in bidding for cars to utilize for Mexican business. This procedure for Mexican businesses eliminated all competition rail or truck until the SP received its operating privileges.

COMPETITIVE TRUCKING STILL NOT AVAILABLE

Multi-car moves of grains may compete with truck transportation on longer distance movements into Mexico. Any person who has grain marketing and/or grain transportation experience has knowledge that purchases on an F.O.B. elevator basis is determined by price for the grain + transportation cost + a reasonable allowance for profit. The profit has to take care of the purchaser's variable and fixed expenses. Grain truck shipments would progress in the order of the above format as follows:

1. Elevators with farmers closest to Mexico.
2. Texas farmers in the middle of this state with put-through at the elevators closest to the farmers' fields.
3. Northern Texas grain elevators and farmers nearest those elevators.
4. Lastly, southern Oklahoma elevators whose truckers could pickup back-haul materials for the return move.

WATER TRANSPORTATION NOT AN ALTERNATIVE MODE

Although this STB practitioner helped to move the first bargeload of wheat at the Port of Catoosa, Oklahoma, this alternative is not available today for Mexican business. The average cost to transfer grains from a grain elevator or from a barge loading site may vary according to the need for the ultimate purchases. Today, feed, as well as milling grain, are subject to quality control for exacting grades. Each time grain is handled there is a loss of grade because of the

inherent nature of the grain kernels. Loading into the barge for overseas' shipments is usually handled once through the elevator into the ship. Another method is direct barge unloading into ocean-bound ships.

The rail shipments are checked at border points by grain inspectors. Rail cars which do not grade properly, or are slightly below grade, need a price adjustment. At least the grain moved by rail is the safest and most plausible method of shipment at this time.

UP-SP MERGER ELIMINATES THESE HOPES

Shippers on the ATSF railroad and short line railroads will lose one valuable asset, the SP railroad, when this merger is approved by your Commission. The control of rates by the ATSF railroad on the CKR-SKOL stations and the UP on KSW and SKOL have proven that these two major lines prefer train loading shippers to the detriment of the majority of our shippers on the MP, UP, ATSF, SSW, CKR, KSW, and SKOL railroads. Most of our members are considered small businesses.

HELP ON THE HORIZON

Fortunately, the Board of Directors had the foresight to ask the KCS Railway to listen to their plight and to meet with the Directors of KanCol. The Directors were impressed with the presentation of President Haverty and his staff. They voted to oppose the merger and to help the KCS Railway obtain rights in this proceeding to operate from Kansas City to Hutchinson, Wichita, Winfield, Dallas, Fort Worth, and beyond to connect with the Tex Mex railroad. This help is generated for the North-South Corridor.

In addition, the original affidavits, when received by me from our members, will be sent to the KCS Railway for its utilization in this case similar to help given to the SP Railroad. As mentioned supra, under the previous heading concerned preferential treatment to train loading shippers, KanCol will quote from these verified statements, a copy of which has been retained in this office to give evidence of these facts.

THE MIDWEST EAST-WEST CORRIDOR

Our members have diversified interests because they have facilities on all lines mentioned supra. Some are located on the CKR and the MP line running from Herington to Pueblo, others on the BNSF and the MP line, and some are located solely on the MP line in Kansas and Colorado. These shippers have authorized me to mail their original statements to the KCS Railway for its presentation. They have authorized me to keep copies of the statements and quote from its statements on issues involved in this proceeding.

At a recent meeting hosted by the Hoisington Chamber of Commerce at Barton County Community College, located near Great Bend, Kansas, a coalition of shippers and businessmen

was formed. It is named the Mountain/Plains Communities Shippers Coalition. Both the Chamber of Commerce and the new coalition of Kansas citizens will also participate in this proceeding. The Coalition is also concerned about the MP line from Herington, Kansas to Pueblo, Colorado. I attended the meeting. President Mike Haverty of the KCS Railway could not attend the meeting after being invited by the Chamber. The KCS has expressed interest in helping shippers in both the North-South and East-West Corridors.

DIRECT ACCESS TO MEXICO

This advisor in his weekly newsletter to subscribers has given information to the members and others that the Tex Mex and KCS Railways are in the process of privatizing the Mexican rail line from Laredo to Mexico City by a joint venture with a large Mexican-based company involved in transportation in the South American and Mexican areas. Grains and other commodities would have a one entity transportation group to handle these shipments. KanCol is supporting this project with the same vigor as when they supported the SP track rights project.

POSSIBLE KCS RAILWAY INTERMODAL FACILITY IN WICHITA

Kansas has a diversified group of shippers and receivers of intermodal freight in South Central Kansas. The Wichita World Trade Center and the Wichita Foreign Trade Zone representatives met with President Haverty and his staff on his second visit to Wichita, and are fully supportive of an intermodal facility in Wichita. The KCS expressed the fact that with operating rights to Kansas City and Fort Worth and beyond, intermodal shippers would be able to reach all ports in the Gulf served by the KCS. The KCS would be pleased to handle shipments to Kansas City to connect up with railroads serving ports in the Northwest and California, Canada, Southeastern, as well as Eastern U.S. ports. There was also a discussion on trade to and from Mexico. With the knowledge that KCS-Tex Mex lines are projecting a one entity group to handle traffic to Mexico City, Kansas intermodal shippers would have direct access to and from Mexico.

GRANTING OF TEX MEX REQUESTS

We are aware of the Tex Mex request for operating rights from Houston to Corpus Christi. In order to protect this small railroad to remain competitive the request should be granted by the Surface Transportation Board. In addition, as your Board will discover from the statements to be rendered by the KCS Railway, there is also a need for a competitive Class I carrier in the North-South corridor traversing the state of Kansas, namely, the KCS Railway. It is the only railroad to publicly assume its intention to help KanCol shippers.

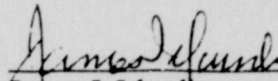
PROTECTION OF SMALL SHIPPERS

Your Board has a history of protecting small shippers. By allowing our members to utilize the services of the KCS and Tex Mex Railroads as outlined herein, this vital need will be fulfilled. KanCol submits that a formal order should be forthcoming accomplishing the same in your final decision.

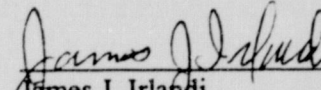
This statement is being mailed to the Tex Mex Railroad for utilization in its opening statement presently due on the date of March 29, 1996.

Respectfully Submitted,

By: James J. Irlandi
ICC Practitioner
1809 N. Broadway, Suite F
Wichita, Kansas 67214
PH: (316) 264-9630
FAX: (316) 264-9735


James J. Irlandi
Advisor
The Kansas-Colorado Shippers Association
1809 N. Broadway, Suite F
Wichita, Kansas 67214 (316) 264-9630

I, James J. Irlandi, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on January 23, 1996.


James J. Irlandi

**KANSAS-COLORADO SHIPPERS ASSOCIATION
1809 N. BROADWAY, SUITE F
WICHITA, KANSAS 67214
PHONE: (316) 264-9630 FAX: (316) 264-9735**

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IN SUPPORT OF
THE TEXAS MEXICAN RAILWAY COMPANY**

Mr. Vernon Williams
Secretary
Surface Transportation Board
Room 3315
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In accordance with 49 C.F.R. Sec. 1180.4 (a) (2), we have selected the acronym KanCol in this proceeding. I am authorized to file this statement by the UP-MP-SFE-SSW groups. I telephoned each chairman and have the verbal authority to present this statement on their behalf.

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HELP ON THE HORIZON

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GRANTING OF TEX MEX REQUESTS

In order for the Tex Mex and the KCS Railways to remain competitive, there is a need to obtain operating rights they seek. In the past, the SP and the Tex Mex have given shippers a competitive route and rate to the Laredo gateway. If the merger is successful, this will no longer be available.

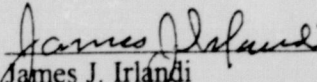
PROTECTION OF SMALL SHIPPERS

Your Board has a history of protecting small shippers. By allowing our members to utilize the services of the KCS and Tex Mex Railroads as outlined herein, this vital need will be fulfilled.

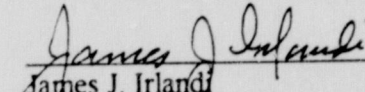
KanCol submits that a formal order should be forthcoming accomplishing the same in your final decision.

Respectfully Submitted,

By: James J. Irlandi
ICC Practitioner
1809 N. Broadway, Suite F
Wichita, Kansas 67214
PH: (316) 264-9630
FAX: (316) 264-9735


James J. Irlandi
Advisor
The Kansas-Colorado Shippers Association
1809 N. Broadway, Suite F
Wichita, Kansas 67214 (316) 264-9630

I, James J. Irlandi, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on January 23, 1996.


James J. Irlandi

KANSAS-COLORADO SHIPPERS ASSOCIATION

1809 N. BROADWAY
SUITE F
WICHITA, KANSAS 67214

(316) 264-9630
FAX (316) 264-9735

January 29, 1996

Attn: Joe Ellebracht
The Texas-Mexican Railway Company
c/o Central Business Services
629 Green Bay Road
Wilmette, IL 60091

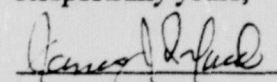
Re: Kan-Col Support of Tex-Mex in UP-SP Merger Proceeding.

Dear Sir,

The Kansas-Colorado Shippers Group by its three Chairmen, namely, Bill York - UP-MP, Charles Swayze SFE and Joe Strecker SSW, have authorized their advisor to prepare the attached statement, which has been amended supporting your railroad. Copies of my previous statement were mailed to the above named three Chairmen. I received a phone call which suggested that there was no reference to the non competitive truck and water modes for shipments to Mexico. These facts are included in the attached statement.

You may wish to know that the additional 3 Colorado and one Kansas Statements received now total thirty three (33) and there will be more coming in the future to be mailed to the KCS Railway. Please utilize this statement in Tex-Mex's opening statement. This same procedure was utilized with the SP railroad in the BN-ATSF merger proceeding. This STB Practitioner reserves the privilege of quoting from this statement in Kan-Col's March 29, 1996 opening statement.

Respectfully yours,


James J. Irlandi
STB Practitioner
Advisor

c/c: U.S. D.O.T.
U.S. Dept. Of Justice
U.S. Sec of Agriculture
Kansas Sec of Agriculture
Bob Dreiling KCS
Mayor Bob Knight - Wichita

JJL/sl

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**FINANCE DOCKET #32760
UNION PACIFIC CORP., ET. AL.
CONTROL & MERGER
SOUTHERN PACIFIC RAIL CORP., ET. AL.**

**VERIFIED STATEMENT OF
PATRICK G. WYNN
KIMBERLY-CLARK CORPORATION**

**PATRICK G. WYNN
DIRECTOR, TRANSPORTATION
RATES AND OPERATIONS
520 W. SUMMIT HILL DRIVE
KNOXVILLE, TN 37902
PHONE: (423) 541-7381**

03-22-96 181 1113 FAX 423 541 7143 A RAIL RATES & MERG
FINANCE DOCKET #32760
UNION PACIFIC CORP., ET. AL.
CONTROL & MERGER
SOUTHERN PACIFIC RAIL CORP., ET. AL.

I

Identity and Qualifications of Testifying Witness

My name is Patrick G. Wynn and I am the Director Transportation Rates & Operations for Kimberly-Clark Corporation ("Kimberly-Clark" or the "Corporation"), whose transportation offices are located in Knoxville, Tennessee. I have been employed by Kimberly-Clark in my present capacity for the past 20 years and am directly responsible for the procurement and maintenance of efficient and reliable for-hire, transportation service. In addition, the management of our Corporation routinely consults with my department concerning all matters involving transportation. For example, my department is involved in the selection of sites for new production and distribution facilities and other management decisions that involve transportation and/or distribution. As a result of these duties and responsibilities, I have come to be thoroughly familiar with my employer's distribution and transportation requirements and consider myself qualified to issue this statement on its behalf in that regard.

II

Application Opposed

I have been specifically authorized by Kimberly-Clark Corporation and Kimberly-Clark de Mexico, S.A. de C.V., to prepare this statement for the Surface Transportation Board in opposition to the application of Union Pacific Corp. for control and merger with Southern Pacific Rail Corporation.

III

General Description of Kimberly-Clark's (K-C) Business

Kimberly-Clark is principally engaged in the manufacturing and marketing throughout the world of a wide range of products for personal, business and industrial uses. Most of these products are made from natural and synthetic fibers using advanced technologies in absorbency, fiber-forming and related fields. Its 1995 net sales were in excess of \$13.7 billion.

The Corporation manufactures and markets a wide range of products (most of which are made from natural and synthetic fibers) for personal care, health care and other uses in the home, business and industry. These products include disposable diapers, facial tissue, household towels, bathroom tissue, feminine pads, tampons, incontinence products, industrial wipers and surgical gowns, packs and wrap. The products are sold worldwide under a variety of brand names such as KLEENEX, HUGGIES, PULL-UPS, KOTEX, DEPENDS POISE, KIMWIPES, SCOTT, SCOTTEX, ANDREX, and WYPALL. The Corporation also produces and markets papers requiring specialized technology in development or application, as well as traditional papers and related products for newspaper publishing and other communication needs.

1

Kimberly-Clark has manufacturing facilities in 33 countries and our products are available in 150 countries. Approximately 40 of these facilities are located within the continental United States. The facilities pertinent here are located in Mexico.

Kimberly-Clark's Mexican affiliate, in which Kimberly-Clark has an equity position, is Kimberly-Clark de Mexico, S.A. de C.V. "Kimberly-Clark de Mexico". Kimberly-Clark de Mexico has 6 production facilities in Mexico. There is a large volume of rail traffic moving through the Laredo gateway inbound to Kimberly-Clark de Mexico. Of the 6,200 rail cars shipped from various U.S. origins to Kimberly-Clark de Mexico, 5,000 moved through the Laredo gateway. 46% of the rail shipments through Laredo moved on the Texas Mexican Railway Company "Tex-Mex". The balance moved on the Union Pacific Railroad.

IV

Reason for Opposition to the Application for Control and Merger of Southern Pacific Rail Corporation by Union Pacific Corporation Without Certain Conditions

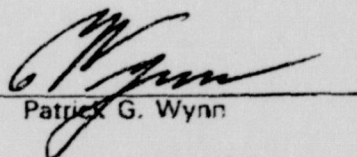
Kimberly-Clark de Mexico is a major user of rail service from the U.S. into Mexico. As such, the Corporation has a strong interest in competitive rail transportation from the U.S. into Mexico. The Laredo gateway is our primary inbound route to Mexico. This gateway provides the shortest routing between our U.S. suppliers and our Mexican manufacturing facilities.

Our company depends on competition to keep prices down and service up. The Union Pacific and Southern Pacific Railroads have competed for our traffic via Laredo for many years. This healthy competition has resulted in substantial cost savings and a number of service innovations. The Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with the Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad "BNSF", we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

There is an alternative that will preserve effective competition for our traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide effective competitive routes. The granting of trackage rights in a manner designed to allow Tex-Mex to be truly competitive is essential to maintain the competition at Laredo that would otherwise be lost in the merger. We urge the Surface Transportation Board to prevent the loss of competition by imposing conditions on the merger. These conditions should be to grant trackage rights to Tex-Mex or to divest the efficient routes between the Tex-Mex at Corpus Christi, Texas and the connecting railroads participating in the merger.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade and competitive transportation alternatives.


Patrick G. Wynn

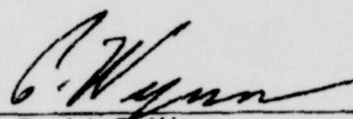
VERIFICATION

CITY OF KNOXVILLE


§

STATE OF TENNESSEE

Patrick G. Wynn, being duly sworn, deposes and says that he is the Director - Transportation Rates & Operations for the Kimberly-Clark Corporation, that he is familiar with the facts asserted in the foregoing Verified Statement and that the same are true and correct to the best of his knowledge and belief.


Patrick G. Wynn

Sworn to and subscribed
before me this 21st day
of March, 1996.


Notary Public

My commission expires My commission expires Dec. 2, 1998

Noranda Aluminum, Inc.
P.O. Box 70
New Madrid, Missouri 63807
(314) 643-2361

noranda

October 16, 1995

Interstate Commerce Commission
12th and Constitution
Washington, DC 20423

RE: Finance Docket No. 32760

Gentlemen:

This letter shall serve as verification of support for the proposed merger of the Southern Pacific Lines with the Union Pacific Railroad as set forth in Finance Docket No. 32760.

Noranda Aluminum, Inc., a Delaware Corporation, was incorporated in 1968. As a producer of primary aluminum products, we operate a plant in New Madrid, MO with a capacity of 225,000 metric tons per year in aluminum output. We are a heavy user of rail, sometimes shipping in excess of 10,000,000 pounds per month. These shipments are destined to every area of the United States, Canada and Mexico.

Specifically, Noranda Aluminum, Inc. supports the proposed merger with the idea of improved efficiencies in reaching the West Coast along with direct routes to the Mexican and Canadian gateways. A financially sound carrier with single-line access to these areas is an absolute necessity when considering the size and scope of the recently approved merger of the BN/Sante Fe Rail systems. The competitive balance of the U.S. rail systems west of the Mississippi River requires both the Union Pacific and Southern Pacific to seek this merger.

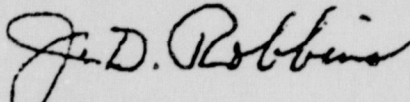
As a shipper served by the Southern Pacific Lines, it is imperative that Noranda Aluminum, Inc. provide support for measures that improve and enhance the overall financial and operating strength of its rail carrier. As indicated above, the ICC approval and support are vital not only to the long term competitiveness of our nations rail system (the Southern Pacific Lines in particular), but also to the consequential competitiveness of the shipping interests they serve. It is with this single most important issue in mind that Noranda Aluminum, Inc. endorses the approval of the actions petitioned in Docket No. 32760.

In an effort to insure direct competition for the distribution of our products, Noranda Aluminum, Inc. requests that the BN/Sante Fe system be granted trackage rights into our plant from the junction of Lilbourn, Mo. Such competitive access would insure that Noranda Aluminum would receive the very best rail distribution possible.

The undersigned, Jerome D. Robbins, is the Traffic Manager employed by Noranda Aluminum, Inc. in New Madrid, Mo. for 20 years and is the primary decision maker in areas of traffic and distribution.

Submitted, respectively this sixteenth day of October, 1995

NORANDA ALUMINUM, INC.



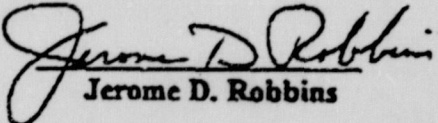
J.D. Robbins
Traffic Manager

JDR/bb

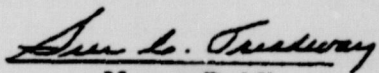
VERIFICATION

STATE OF MISSOURI)
) SS.
COUNTY OF NEW MADRID)

Jerome D. Robbins, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.


Jerome D. Robbins

Subscribed and sworn to before me this 16th day of October,
1995.


Notary Public

My Commission Expires:

July 21, 1996

SUE C TREADWAY
NOTARY PUBLIC STATE OF MISSOURI
MISSOURI COUNTY
MY COMMISSION EXPIRES JULY 21, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC
RAILROAD AND MISSOURI PACIFIC RAILROAD
COMPANY

CONTROL AND MERGER

SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN
PACIFIC TRANSPORTATION COMPANY, ST. LOUIS
SOUTHWESTERN RAILWAY COMPANY, SPSCL
CORPORATION AND THE DENVER AND RIO GRANDE
WESTERN RAILROAD COMPANY.

VERIFIED STATEMENT OF

PPG INDUSTRIES, INC
ONE PPG PLACE
PITTSBURGH, PA 15272

BY: M. E. PETRUCCELLI
DIRECTOR OF DISTRIBUTION AND
TRANSPORTATION.

MARCH 26, 1996

VERIFIED STATEMENT
OF
MICHAEL E. PETRUCCELLI

My name is Michael E. Petruccelli. I am the Director of Distribution and Transportation Chemicals for PPG Industries Inc., One PPG Place, Pittsburgh, PA 15272 ("PPG"). I have been employed by PPG for 31 years in various capacities, including 23 years in rail distribution of its products. My duties include responsibility for the rail, highway and water needs of PPG Chemicals throughout North America. I am authorized to make this statement on behalf of PPG.

PPG is a multi-division, multi plant corporation with manufacturing plants and other interests throughout much of the free world. In 1995 world wide sales were in excess of seven billion dollars, of which approximately 4.7 billion was generated in the United States. Worldwide in 1995, PPG had approximately 31,000 employees. PPG owns and leases approximately 2800 rail cars to transport various commodities including rail dependent commodities such as chlorine and vinyl chloride

As a major manufacturer and consumer of bulk chemicals, PPG is very dependent on competitive rail transportation services and costs. We are concerned that the pending acquisition of the Southern Pacific Railroad ("SP") by the Union Pacific Railroad ("UP"), including the agreement with the Burlington Northern/Santa Fe Railroad ("BNSF"), effectively eliminates competition in several key corridors.

While the merger may offer significant operating efficiencies to the railroads, the expectation that these benefits would accrue to customers is only a possibility if competition is preserved. Productivity and cost improvement are primarily driven by competition and are reflected in freight rates only when competition is present. Approval of the UP/SP merger without conditions creates a duopoly in the western part of the United States and eliminates genuine competition.

One of our major production facilities is located at Westlake, LA. Today this facility is jointly served by the SP and Kansas City Southern Railroad ("KCS") with the UP gaining access through reciprocal switching. If the merger is approved as proposed, PPG would have only two carriers providing service to the Westlake plant.

Presently we have three railroads providing such service. Thus competition would be reduced even though we would still have two carriers. There are several lanes in which we are able to negotiate with all three carriers to obtain competitive pricing and service. A major area of concern is shipments to the southeast moving over the New Orleans Gateway. PPG is able to maintain competition with all three carriers. However, because of the KCS's circuitous route the UP and SP provide the most effective competition. Combining the two carriers would obviously eliminate this.

Rather than resolve this competitive concern the trackage rights agreement between the UP and BNSF actually exacerbates it. Competition would be preserved by having the BNSF serve PPG's Westlake facility. However, we have been advised that because of the agreement the BNSF would not seek such access nor would the UP grant it.

This is but one example that trackage rights are no substitute for ownership since they are selectively controlled by the track owner. Trackage rights do not provide for access to shippers or receivers along the lines. In fact Mr. Grinstein prior to retiring from the BNSF stated "that trackage rights do not provide true competition".

Maintaining physical connections with other railroads or the establishment of reasonable proportional rates to junctions or gateways is one way to retain reasonable competition. A more effective solution to ensuring rail competition is for the Surface Transportation Board ("Board") to require divestiture of parallel lines in the Texas and Louisiana region and the SP eastern lines.

As part of the merger, PPG would ask the Board to give consideration to two similar issues that are of concern. The first is a PPG plant located at Bacon, TX. This facility is currently served by the Wichita, Tillman & Jackson Railway (Wichita, Tillman"). Service to our plant is restricted to an interchange with the UP even though the BNSF has a physical connection with the Wichita, Tillman. A similar situation exists at two of our customers located in Lebanon and Corvallis, Or. Lebanon is served by the Willamette Valley Railroad and Corvallis by the Willamette Pacific Railroad. To reach these two destinations, it is our understanding that the interchange is restricted to the SP, although a physical connection exists with the BNSF. PPG realizes that we are restricted to one carrier today. Approval of the merger would not change that. However, because of the merger, consideration should be given to require an interchange with both the UP and BNSF.

Shipments from and to Mexico could also be monopolized by the merged railroad. Both the SP and UP provide competitive service into Mexico. In conjunction with the Tex-Mex Railroad ("Tex-Mex") the SP provided a viable competitor to the UP at Laredo, TX. Approval of the merger would surely jeopardize the Tex-Mex's existence. PPG exports goods into Mexico, and is building a new facility in Mexico that could be exporting to the United States. It is imperative that competition be retained. We believe Tex-Mex should be granted authority to extend their operation to connect with other railroads. Further a physical interchange should be required and maintained between the Tex-Mex and the new railroad.

PPG feels that the Board has the duty and responsibility to preserve the competitive environment. The feasibility of divestiture of track segments to other carriers with competitive access, maintaining interchanges or proportional rates should be evaluated and where appropriate, required as conditional to approval of the merger.

Without imposing the conditions requested in PPG's statement and maintaining other competition as required by other rail users, the proposed UP/SP merger should be denied.

VERIFICATION

Michael E. Petruccelli, being duly sworn, deposes and says that he has read the foregoing Verified Statement, knows the contents thereof, and that the same are true and correct.

Michael E. Petruccelli

Subscribed and sworn to before me by

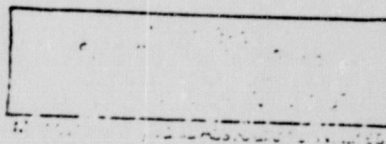
Michael E. Petruccelli this 22nd

day of March, 1996

Witness my hand and official seal.

My commission expires 4-8-96

Susan D. Harris
NOTARY PUBLIC



CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the forgoing PPG's Industry, Inc.,
VERIFIED STATEMENT OF MICHAEL E. PETRUCCELLI, on all parties of record
on the service list in this proceeding. Finance Docket No. 32760, and an original plus five
copies on the Secretary of the Surface Transportation Board by first class mail,
postage prepaid this 26th day of March 1996.

Michael E. Petruccelli
Director Distribution and Transportation
Chemicals

Procter & Gamble

The Procter & Gamble Company
Inverdale Technical Center
5299 Spring Grove Avenue, Cincinnati, Ohio 45217-1087



Mr. Vernon A. Williams
Secretary, Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423

March 22, 1996

RE: Docket #32760

Dear Secretary Williams:

Procter and Gamble is a major manufacturer of consumer products that are distributed worldwide with sales exceeding \$33 Billion annually. Rail is the key mode of transportation for our inbound and interplant materials. We make over 26,000 carload shipments annually. Much of that volume originates or is destined for points West of the Mississippi River. We have operations in 21 states including California, Iowa, Kansas, Louisiana, Missouri, Texas, and Mexico City, Mex. Our major suppliers of raw material also reside in the states listed above as well as Wyoming, Idaho, and Nevada.

Procter and Gamble is concerned about inherent loss of competition the proposed acquisition of the Southern Pacific by the Union Pacific will have on our business over the long term. We continue to be a major proponent of deregulation and the resulting competitive environment which that legislation has enabled. Huge amounts of waste and inefficiency have been eliminated while service and productivity have been rewarded. We believe the merger in question runs contrary to the competitive marketplace which deregulation has brought us.

We do not believe the proposed trackage rights identified as part of the agreement with the BN/SF is sufficient and substantial enough to sustain its intended purpose. In respect to cost and service the broad scope of the haulage agreement will not provide the delivery performance which our current and future business environment demands. We must also question the UP's capacity to assume the volume and complexity of the Southern Pacific's traffic evident by their problems in absorbing the CNW.

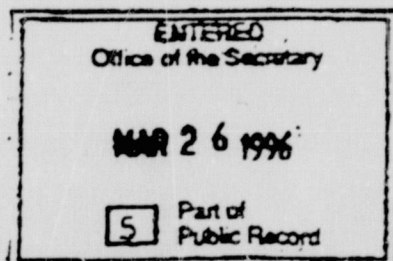
The overall reduction from 3 to 2 carriers for our Sacramento, CA, Kansas City, KS and St. Louis, MO operations, as well as our numerous raw material supply points in the Texas Gulf region, will escalate cost effecting our competitiveness. Our experience has shown the Southern Pacific presence in these traffic lanes has helped maintain a competitive price structure. Industries served today by a single carrier, have the opportunity to load truck and transload to rail at nearby SP stations. This is a competitive alternative we have used which will be eliminated by the merger.

The Mexico market provides great potential for the expansion of Procter and Gamble's products. Again, the reduction in available carriers into and out of Mexico does not fit with this emerging opportunity. We therefore recommend the Surface Transportation Board reject the Union Pacific's acquisition request stated in Docket #32760.

In the event the Surface Transportation Board finds it appropriate to grant the Union Pacific's proposal, we would strongly recommend to include in your ruling a divestiture for lines currently in operation from Chicago to Houston, Laredo, and along the Texas Gulf Coast. While not the total answer, this action would substantially reestablish a true competitive environment in the Texas Gulf region and into Mexico. Establishing an ownership position versus trackage rights provides a long term competitive option in this vital and expanding business area.

STATEMENT

I, Charles R. Feldman, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Procter and Gamble. Executed on March 20, 1996.



Charles R. Feldman
Charles R. Feldman

PROCEEDINGS

ADVISE OF ACTION

SKILL TRANSPORTATION CONSULTING, INC.

1809 N. BROADWAY, SUITE F, WICHITA, KANSAS 67214

PH: (316) 264-9630

FAX: (316) 264-9735

ICC VERIFIED STATEMENT OF JAMES J. IRLANDI IN SUPPORT OF THE TEXAS MEXICAN RAILWAY COMPANY

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

My name is James J. Irandi and I am President of Skill Transportation Consulting, Inc., with offices located at 1809 N. Broadway/Suite F, Wichita, Kansas 67214. Our telephone and fax numbers are: (316) 264-9630 and (316) 264-9735.

Skill is an advisor to the Kansas Shippers Association which is comprised of the UP-MP, SFE and SSW Shippers Groups. A total of 38 companies are involved in these groups. The individual companies are shippers/receivers of agricultural products, lumber, cement, and plastics. Please refer to Appendix A-1 for additional information on employment, and to Appendix A-2 for information on members.

STATEMENT OF INTEREST

Skill supported the Southern Pacific Railroad in its quest for operating rights over the ATSF railroad from Kansas City (MO & KS) over the main line of that railroad through Emporia, Newton to Hutchinson, which it serves on its direct line of the SSW railroad acquired from the bankrupt Rock Island line. From Hutchinson through Newton and Wichita, Winfield to the Dallas Fort Worth, in Finance Docket No. 32549. In addition, Skill's President represented the Kansas Shippers Association and supported the SP before the Kansas Rail Working Group at Topeka on April 17, 1995. This support before the ICC and the State of Kansas was necessary because of the noncompetitive status of the then ATSF railroad in the Wichita area, as well as on the main line of the ATSF from Wichita-southwest, and from the Hutchinson-Pueblo line. This support

from members of the three shippers' groups varied with different reasons, but on the whole stressed the need for additional competition in this state. My statement was mailed to the SP attorney and working group, and was never received by your commission. The reason for non-receipt was the agreement forged by the BN-ATSF railroads with the SP. I stated on page 1 of this document the following:

"Skill Transportation learned of the proposed merger from magazines, newspapers and other periodicals. Members of the Kansas Shippers Association were not contacted by either the BN or SFE regarding the proposed merger and consolidation. Since several members have given SFE thousands of cars of business, we believe this neglect demonstrates the attitude of SFE and BN toward their Kansas customers.

This attitude of neglect coupled with BN's car ordering system, BN's policy on private LO hopper cars, and BN'S non cooperation on real estate issues caused the directors of the three associations to vote to oppose this merger. Further, members with experience with BN service in other states are opposed to the BN's emphasis on train loading facilities on the shipment of grain.

This increased concentration of the rail industry in Kansas and specifically, the combination of carriers (BN and SFE), which serve our area by direct and joint line service reduces the ability of the members of the Association to obtain competitive rail rates and service. The availability of competitive options is crucial to the members in obtaining competitive rail rates and service."

On page 2, under the caption **"Concerns of Service and Car Supply"** I stated:

"As an advisor and consultant to these shippers it apparent to me that future BN-SFE expressed emphasis on main line and single line service will preclude service to the member shippers. Past experience with the SFE has shown a curtailment of service on main lines to local shippers, giving preference to through train traffic to the exclusion of local originations and termination. One shipper on CKR has waited four months for SFE cars for loading beyond the Junction point at Wichita with SFE. This shipper wished to ship milo to the Texas market. The shipper has no rail options and is not only unable to obtain competitive rates. This situation is compounded by the further rail concentration created by the subject merger. Without competitive options the shipper is at the mercy of these mega-carriers. Restoration of a competitive balance in south central Kansas is essential to the survival of the rural economy of the region."

CONDITIONS HAVE NOT IMPROVED SINCE THE MERGER

Conditions have worsened since the BN-ATSF merger was approved by your Commission. Skill Transportation is participating in this UP-SP merger case and will present statements of city mayors, county commissioners and shippers, which will bring detailed information to your attention concerning the neglect accorded them by the UP and SP railroads even though we helped the SP obtain trackage rights!

DIRECTORS VOTED TO ASK THE KCS RAILROAD TO TAKE OVER SP RIGHTS

In fact, the Directors of the three shippers' groups voted to ask the KCS to replace the SP railroad and support the short line railroads serving their area, namely, the KSW and CKR railroads in the south central section of Kansas. If the approval of the BN-ATSF merger was to benefit Kansas, how come there is much dissatisfaction with the agricultural and other shipping communities.

SUPPORT OF KCS RAILWAY AND SHORT LINE RAILROADS BEFORE THE KANSAS RAIL WORKING GROUP CONCERNING UP-SP MERGER

Chairman Bill York of the UP-MP shippers group and Skill's President testified before the Kansas Rail Working Group in Topeka on December 20, 1995. In my statement, there were copies of the statements by the mayors, county commissioners and shippers who are seeking additional competition for the state of Kansas.

OUR INTEREST IN THE TEX MEX CONDITIONS

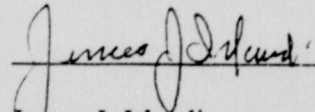
Our members supported the SP railroad serving this area in order to obtain easier access to the Gulf Ports and the gateways into Mexico. These members are interested in utilizing the Laredo gateway currently served by the MP railroad and open to the SP if the railroads are merged in the future. Having one railroad the size of the UP-SP could give problems of service, car supply and, of course, rates. The UP has a bidding system for cars to be utilized into Mexico. Many of our members could be considered small businesses and do not have enough capital to compete with the mega grain companies for cars. They did not approve of the bid-system for supplying cars introduced by the BN railroad. Now, and in the future, all shippers on the combined UP-SP will have to face competitive bidding for LO Hoppers. There is need for additional competition for the Mexican market because the BNSF and UP-SP will control it all in the future. The operating rights granted to the ATSF in Finance Docket No. 32549 is proof of service. Maps attached in Appendixes B-1 and B-2 of the Tex Mex Railroad and the Mexican rail lines in Mexico vividly illustrate the control of Mexican business by the **DUOPOLY!**

GRANTING OF TEX-MEX CONDITIONS

In order for the Tex-Mex and its partner, the KCS Railway, to remain competitive, there is a need to obtain operating rights they seek.. In the past, the SP and the Tex Mex have given shippers a competitive route and rate to the Laredo gateway. If the merger is successful, this will no longer be available. We have already experienced the BNSF merger and have knowledge that only larger grain firms will have access to the BNSF and, shortly, UP and SP railroads. Contracts for grain movements are evidence of the same. At the least, trackage rights from Houston to Corpus Christi for a carrier should be made a part of the merged decision. As we are also supporting the KCS Railroad, that railroad would be our first choice. A more meaningful operating right would be Kansas City to Hutchinson to Wichita to Dallas, Texas over a combined UP-SP or BNSF railroad system.

I, James J. Irlandi, declare under penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on January 2, 1996.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "James J. Irlandi", is written over a horizontal line.

James J. Irlandi
President

APPENDIX A-1

QUALIFICATIONS OF JAMES J. IRLANDI

Education

- A. General.
 - 1. Graduated from Bulkeley High School New London, Connecticut.
 - 2. Attended Connecticut State University for 2 years.
 - 3. Attended night school at the University of Wisconsin for 10 years and a seminar at Marquette University.
 - 4. Certificate of Transportation Traffic Management from the University of Wisconsin.
- B. Marquette University Seminar General Business.
- C. LaSalle Extension University.
 - 1. Graduated with a BS degree in law.
 - 2. Took 4 years of law training for business leadership.
 - 3. Graduated from the traffic course (2 years).
 - 4. Was elected to membership of the Traffic and Transportation Advisory Council.
- D. Graduated from the ICC law course at the University of Wisconsin and passed all federal exams -- ICC-FMB.
- E. Passed all exams -- Certificate of American Society of Transportation & Logistics (Similar to CPA exam).
- F. Distribution and Planning Specialists -- seminars.
 - 1. Railroad costing and analysis.
 - 2. Motor carrier costing and analysis.
 - 3. Advanced railroad costing and analysis.
 - 4. Waterways costing and analysis.

Employment

- A. 40 months with the U.S. Army.
- B. Worked 2 years at the NYNH&H Railroad.
- C. Worked 16 plus years at Krause Milling Company in Milwaukee as the Director of Transportation -- export, import, domestic rail, truck, and barge.
- D. Was with Garvey and STL, Inc. at Wichita for 23 years as Vice President of Transportation: all phases of transportation.
- E. Private consultant for 10 years.

Recognition

- A. ICC and Association for Transportation Law Logistics and Policy recognizes James J. Irlandi "For Services to the Transportation Profession and to the Commission and Its Bar Association for More Than Forty Years." Presented June 1995.
- B. Listed in Who's Who in the Mid-West, 1976-77 edition.
- C. Listed in Leading Men in American Transportation, 1967 edition.
- D. Founder Member, Wisconsin Chapter ICC Practitioners.

APPENDIX A-2

SHORT LINE AND MAINLINE SHIPPERS HAVE INTERLOCKING RAILROAD SERVICES

Shipper concerns are also related to ownership of facilities on more than one railroad.

I. Short line and Mainline Shippers.

A. SSW, CKR - Mainline BNSF Shippers.

Some SSW shippers are also located on the mainline of the BNSF - Hutchinson - west; others are on the Herington to Liberal SSW mainline.

B. KSW - CKR and mainline BNSF shippers.

Three shippers are on the mainline of the BNSF - Wellington - west; they have facilities on the KSW and CKR short lines.

C. DCF&B - BNSF.

Two shippers who have facilities on the Hutchinson - west mainline have facilities on the Dodge City - Ford & Bucklin Railroad.

D. CKR - MOPAC.

One shipper has three facilities on the CKR and two on the MOPAC - Pueblo mainline.

II. Short Line Shippers.

A. SEK - SKO.

One shipper located at Humboldt, Kansas, on the SEK, ships cement, grain and other commodities.

B. KSW Railroad.

Two shippers are located on the KSW.

C. CKR Railroad.

One shipper has five facilities on the CKR; others have one or more.

III. Mainline Shippers.

A. Former RI now MP Railroad.

One shipper is located on the MP, which was a former RI and OKT station.

B. Former BN now BNSF.

One shipper was switched by the BN, and now will be on the BNSF --open to the UP-SP.

C. KSW -UP.

One shipper who is switched by the KSW is considered on the mainline of the UP.

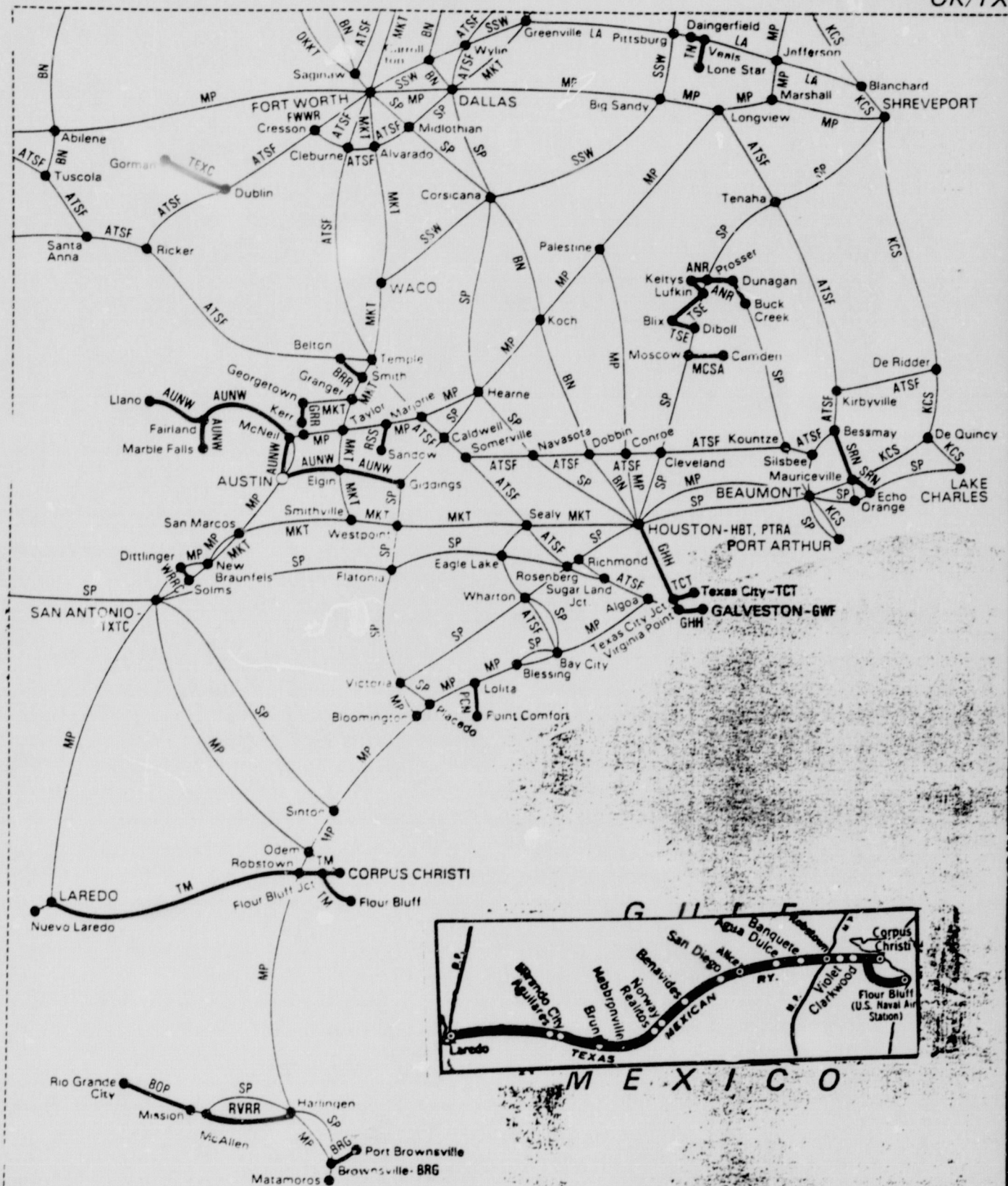
D. SSW - BNSF - Future UP - SP.

One shipper with two facilities at one station was switched by the SSW and ATSF and is now open to UP. We will have only two carriers in the future: the UP-SP and BNSF. In my opinion, this shipper needs the KCS Railroad for additional competition.

APPENDIX B-1

REGION 21

OK/TX



REGION 21 OK/TX

Mexico

Page 1 of 2

Surface Transportation Board
Washington, D.C.

Subject: Finance Docket No. 32760
Union Pacific - Southern Pacific, Control & Merger

VERIFIED STATEMENT
of
Ken Sims
on behalf of
Van Waters and Rogers Inc.

My name is Ken Sims and I am the Traffic Coordinator for Van Waters and Rogers Inc. Which is headquartered in Kirkland, WA. I have been with Van Waters and Rogers for eight years. Van Waters and Rogers is the world's largest distributor of industrial chemicals, moving some 7,000 carloads of chemicals annually which are purchased from the major chemical manufacturers in the United States. We then sell the chemicals in smaller volumes to a wide variety of industrial customers. Some of the chemicals we distribute include caustic potash, hydrogen peroxide, caustic soda, various acids and flammables such as alcohol, methanol and acetone. We have 85 tanks in Houston alone for storage of these and other chemicals. Our company utilizes the services of virtually all the major rail companies as well as trucks to transport the chemicals.

We are writing to the Surface Transportation Board to communicate our concern about the UP-SP merger and the negative effect it will have on rail competition in Southern Texas. Specifically, we see a loss of competition occurring on rail shipments moving into Mexico over the Laredo gateway. Currently, our company is trucking chemicals from Southern to Mexico. Recently, we have seen market growth in exports to Mexico, particularly since we developed a strategy to tap this market. We expect our business to expand further as we concentrate our efforts on export sales.

Although we are not shipping chemicals via rail into Mexico today, we see the potential to use intermodal service between Houston and Laredo as our business grows and the commercial ties between our two countries are strengthened. We understand that the TexMex railroad is asking for trackage rights as a condition of the UP-SP merger. We applaud their effort to maintain competition in South Texas and would like them to get the trackage rights between Corpus Christi and Houston that they are

Page 2 of 2

Verified Statement of Ken Sims

seeking. In the future, we envision having several rail lines bid on our Mexico business, as competitive rates and service will be required to maintain and increase sales.

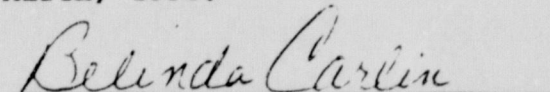
I, Ken Sims, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement.

Executed this 26 th day of MARCH, 1996.

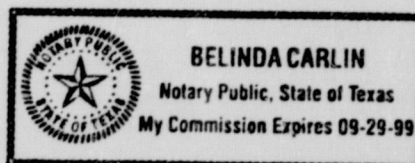


Ken Sims
Traffic Coordinator

Subscribed and sworn to before me this 26 th day of March, 1996.



Notary Public



VERIFIED STATEMENT of
JIM HOFFMANN
on behalf of
WILBUR-ELLIS COMPANY

My name is Jim Hoffmann. I am the Manager of Fertilizer Purchasing for Wilbur-Ellis Company, a retailer of fertilizers and agricultural chemicals in Texas and Mexico. As such, I oversee the shipment of an average of 150,000 tons of fertilizers annually through Texas and about 20,000 tons into Mexico. The Mexico shipments primarily go through Laredo with occasional loads going through Brownsville and El Paso. The Laredo gateway provides the shortest, most direct routing between the fertilizer production points along the U.S. Gulf Coast and the Mexican agricultural centers.

Our shipments through Laredo originate from fertilizer plants served by the Union Pacific as well as from other plants served by Southern Pacific, ATSF and other rail lines. Shipments originating on the Southern Pacific reach Laredo via the TexMex Railway segment from Corpus Christi to Laredo. In the past, freight rates over both the Union Pacific system and the Southern Pacific/TexMex system have been competitive.

Laredo is the best crossover point into Mexico for our shipments. Border delays are minimal and transit times are reasonable over this gateway. Moving the fertilizers into the marketplace efficiently is an important issue for our company. Consequently, we are concerned about the loss of the SP/TexMex route to Laredo.

Trucks cannot compete with the railroads for much of our business. We ship bulk loads over a distance that the railroads can handle at a significantly lower cost. Therefore, we cannot depend on truck competition to replace the SP/TexMex on our business moving into Mexico.

Our understanding is that the TexMex is seeking trackage rights to Houston. Our company would benefit from more competition in the Houston to Laredo corridor. The trackage rights would allow the TexMex to provide single line service to Laredo. We believe that such service would produce lower rates to the border and eliminate intercarrier delays. As our company plans to expand its operations in Mexico through existing joint ventures, competitive rates and reliable transit times would help us with our expansion plans.

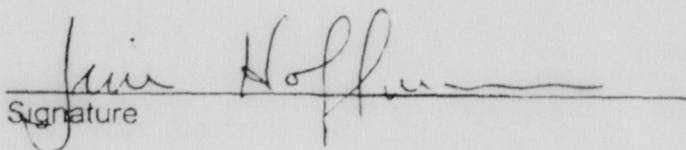
Our experience has been that the Southern Pacific has been much more aggressive for our business than either the Burlington Northern or the ATSF. We are not certain that the BNSF route to Laredo (which will be made almost entirely on trackage rights over the Union Pacific system) will be a competitive option for our business. However, we know that the TexMex Railway is committed to the Mexico market. We want the TexMex Railway to continue to bid aggressively for our business in the future.

VERIFIED STATEMENT OF JIM HOFFMANN

Page 2 of 2

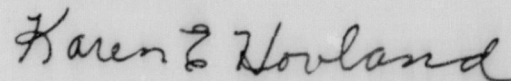
Therefore, we ask that the Board grant trackage rights to the TexMex Railway to Houston and Beaumont, TX as a condition of the UP-SP merger. With the loss of the SP route to Laredo, prices will certainly go up. We believe that the trackage rights will preserve competition in this corridor which will benefit companies and citizens on both sides of the border.

I, Jim Hoffmann, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 20, 1996.


Signature

Subscribed and sworn to before me on March 20, 1996

Notary Public



LETTERS FROM COMPANIES
SUPPORTING THE RIGHTS REQUESTED

1. The A.C. Houston Lumber Co.
Donald Bunch
Gallup, NM
2. Absolute Delivery Network
James Hayes, Terminal Manager
3. Agua Dulce Cooperative Association
Dan McDonough
Agua Dulce, TX
4. Agua Dulce Grain Company, Inc.
Frank Bailey, III
Agua Dulce, TX
5. Air Liquide Engineering
Michael Allison, Traffic Manager
Houston, TX
6. Alabama River Pulp Company
Glenn G. Wiegel, Manager - Traffic/Distribution
Perdue Hill, AL
7. Alderman-Cave Feeds
Murray Edwards
Winters, TX
8. Amerifreight
Richard Oye, Pricing Manager
Summit, IL
9. American Transport, Inc.
Elaine P. Niestrom, Pres.
Gary, IN
10. Anchor Glass Container
David L. Case, Director Trans. Logistics
Tampa, FL

11. ARMCO
William J. Ripple, Mng., Traffic and Logistics
Mansfield, OH
12. Aurora Cooperative Elevator Company
Rodney Schroeder, Gen. Manager
Aurora, NE
13. Badger Mining Corporation
Robert Bartol, Traffic Manager
Berlin, WI
14. Banquete Grain & Elevator Coop Assoc.
Wayne R. Taylor
Banquete, TX
15. Barr Iron & Metal Company
Dempsey Barr, Owner
Alice, TX
16. Cascade Warehouse Company
Scott W. Cantonwine, President, CEO
Salem, OR
17. Chase Products Company
R. W. Svendsen, Jr.
Maywood, IL
18. Chief Freight Lines
Russell E. Hehl, Pres.
Willowbrook, IL
19. Ciba-Geigy Corp.
Joe Recorneo, Mng. - Corp. Transportation
Tarrytown, NY
20. Commercial Metals Co.
Ronald W. Bird, Corp. Traffic Manager
Dallas, TX
21. Continental Paper Grading Co.
Paul Carlson, Transportation Manager
Chicago, IL

22. Corn Products
Gary Schneider, Sr. Logistics Manager
Summit-Argo, IL
23. Corpus Christi Grain Company
William E. Bailey
Corpus Christi, TX
24. Daniel B. Hastings Inc.
Daniel B. Hastings, President
Laredo, TX
25. Darling International, Inc.
Jeffrey L. Gunn, Transportation Manager
Irving, TX
26. Degussa Corp.
Andrew J. Polo, Distribution Manager
Ridgefield Park, NJ
27. Despachos Del Norte, Inc.
Leopoldo Garza Benavides
Laredo, TX
28. DSM Copolymer
John Murray
Baton Rouge, LA
29. E & D Web, Inc.
Barton Love (Ch. of the Board)
Cicero, IL
30. Eagle Picher Minerals, Inc.
Russ Romine, Logistics Manager
Reno, NV
31. Elite Cargo Systems, Inc.
David J. Mihalik, Pres.
Bensenville, IL
32. Engelhard Corp.
Jack P. Prugh, Corporate Manager Transportation
Iselin, NJ

33. Ermilo E. Richer
Forwarding Agency
Laredo/Nuevo Laredo
34. F.G. Hyde, Inc.
Farrell G. Hyde
Hacienda Heights, CA
35. Fairmount Minerals, Ltd.
Thomas A. Mitropoulos, VP of Transportation
Wedron, IL
36. Farmland Industries, Inc.
Fred E. Schredt, Vice Pres. - Trans. & Logistics
Kansas City, MO
37. Fibrex, Inc.
Edmond Q. Sylvester
Westmont, IL
38. Frank Bailey Grain Company, Inc.
Frank Bailey, Jr.
Fort Worth, TX
39. Gilster Mary Lee Corporation
Robert Hoh, Traffic Manager
Chester, IL
40. Global Grain Company
Abel Gonzalez, Jr.
Corpus Christi, TX
41. Green Lake Grain Company
George E. Ferguson
Port Lavaca, TX
42. Hood Transportation Services
Rob Hood, Vice President
Fort Worth, TX
43. Hub Oilfield Supply Co.
Dempsey Barr, President
Alice, TX

44. Hudson Foods, Inc.
Robert H. Regnier, Transportation Manager
Springfield, MO
45. Idaho Timber Corporation
Ann Knapton, Trans. Manager
Boise, ID
46. Indelpro, S.A. De C.V.
Francisco Segura Baron Eng., Distribution & Logistics
Altamira, Tamps. Mexico
47. International Paper
Charles E. McHugh, Mng., U.S. Distribution Operations
Memphis, TN
48. Italgrani USA, Inc.
Vern W. Wills, Dir. of Trans.
St. Louis, MO
49. James River Corporation
Tommie A. Turner
Richmond, VA
50. Kansas-Colorado Shippers Assoc.
James J. Irlandi
Wichita, KS
51. Kentucky-Tennessee Clay Company
V.E. MacPherson, Transportation Manager
Mayfield, Kentucky
52. Kreher Steel Co., Inc.
Paul E. Hackett, Traffic Manager
Melrose Park, IL
53. L.B. Foster Company
David H. Steingraber, Manager - Transportation & Logistics
Pittsburgh, PA
54. Magma Metals Co.
Frank E. Hanson, Jr.
Tucson, AZ

55. Max-Torque
Frederick C. Meyers, Pres.
Melrose Park, IL
56. Meaden Screw Products Co.
Thomas Meaden, Pres.
Burr Ridge, IL
57. Noranda Aluminum, Inc.
J.D. Robbins, Traffic Manager
New Madrid, MO
58. Nueces Grain Corp.
Frank Bailey, III
Corpus Christ, TX
59. Orange Grove Grain Company
Larell Meischen
Orange Grove, TX
60. Pacific Coast Building Products, Inc.
Thomas Gruneisen, Traffic Manager
Sacramento, CA
61. The Pacific Lumber Company
Rodney W. Woolley, Manager, W.C.
Scotia, CA
62. Phoenix Closures, Inc.
Albert R. Miller, Pres.
Naperville, IL
63. Pope & Talbot, Inc.
K.L. Anderson, Transportation Manager
Portland, OR
64. Premont Grain Company
Bill Bailey
Premont, TX
65. Prins Recycling Corp.
Eric R. Hargenist, Exec. Vice President
Fort Lee, NJ

66. Rapid Industrial Plastics, Inc.
Steve Fine, Export Manager
Houston, TX
67. Shamrock Fibres Inc.
Richard B. Garrett, Exec. Vice President
Woodstock, IL
68. Sheffield Steel Corporation
Michael M. McKinney, Traffic Manager
Sandy Spring, OK
69. Simpson Paper Company
Mark J. O'Donnell, Trans. Manager
Anderson, CA
70. Skyeagle, Inc.
K.L. Berry, President
Corpus Christi, TX
71. Southern Elevators, Inc.
Frank Ybarra
Alice, TX
72. Southern California Motor Delivery, Inc.
Voker Thielmann, Vice President
Montebello, CA
73. Steel Transport, Inc.
Kenneth R. Paulan, Pres.
Gary, IN
74. Stepan Company
Meredith B. Foster, Manager of Transportation Services
Wilmette, IL
75. Stromberg Allen and Company
Peter M. Kruchko, Ex. Vice Pres.
Chicago, IL
76. The Stroh Brewery Company
Victor N. Consiglio, Manager, Transportation
Detroit, MI

- 77. Transport Service Company
John V. Crowe
Hinsdale, IL
- 78. United Catalysts Inc.
Bill Turner, Mng - Purchasing and Traffic
Louisville, KY
- 79. Vista Trading
Guy Brady, Jr.
Houston, TX
- 80. Volkswagen of America
Kenneth S. Fletcher
Auburn Hills, MI
- 81. Wilbur-Ellis Co.
Jim Hoffmann, Manger of Fertilizer Purchasing
Edinburg, TX
- 82. Williams and Company, Inc.
Donald K. McGaughey, Corporate Traffic Manager
Cambridge, OH
- 83. Wright Materials, Inc.
M.C. Truesdale, President
Robstown, TX



October 23, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al.
-- Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to provide a certain amount of trackage

THE A.C. HOUSTON LUMBER CO.

"Lumbermen Since 1884"

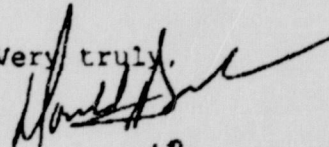
104 North Second / P. O. Box 158 / Gallup, New Mexico 87301 / (505) 722-8881

rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition in this corridor. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex allowing service to Houston.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Very truly,



J.P.
Reynolds

DEC 19 1995

ABSOLUTE
DELIVERY NETWORK



Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W
Washington, D.C. 20423-0001

RE: Finance Docket No 32760

Dear Mr. Williams:

Our company has occasion to use the services of the Texas Mexican Railway. It is our opinion that the proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company relies on competition to keep prices down and service levels up. The only two U.S. carriers connecting with the TexMex are the Union Pacific at the Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe this will be an effective competitive replacement for an independent Southern Pacific on this important route.

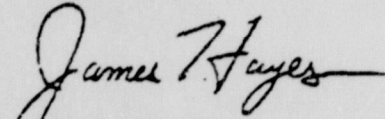
The TexMex has always relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger would eliminate most of this traffic, this lost volume will likely reduce scheduling on the TexMex and slow service.

These price increases and service reductions will seriously reduce many companies' abilities to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

One of the important functions of the Interstate Commerce Commission is to preserve competition. Here it is possible to do just that while also promoting international trade.

Sincerely,

A handwritten signature in cursive script that reads "James Hayes". The signature is fluid and extends to the right.

James Hayes
Terminal Manager

AGUA DULCE GRAIN CO., INC.

P. O. BOX 160 -- PHONE 998-2525 AREA CODE 512

AGUA DULCE, TEXAS

January 30, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al
Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I am the President of Agua Dulce Grain Co., Inc.. We have been in business since the 1940's storing, buying and selling grain (corn and sorghum mostly) for Texas farmers. Our country grain elevator is located on the Texas Mexican Railway and has a storage capacity of almost two million bushels. We normally ship 250-350 hoppers of milo and corn to Mexico on the Tex-Mex.

Our company has been a major user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

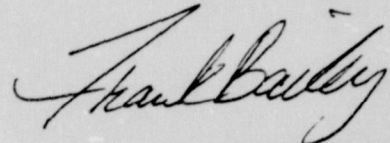
Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

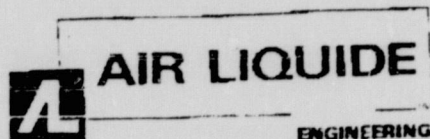
Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

A handwritten signature in cursive script, reading "Frank Bailey III".

Frank Bailey III

III/db



Offices
MONTREAL
CALGARY
HOUSTON
WALNUT CREEK

November 28, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams,

I am the Traffic manager at Air Liquide Process & Construction and as such I am responsible for the delivery of all of the equipment used in the process of Air Separation, for Air Liquide sites, Worldwide.

Air Liquide has a strong interest in competitive rail transportation between the United States and Mexico the Laredo / Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway provides a strong infrastructure of customs brokers and the shortest routing between major Mexican industrial centers and Texas.

We depend on competition to keep prices down and to spur improvements in products and services. Union Pacific and Southern Pacific have always competed for our traffic via Laredo, allowing us to enjoy substantial cost savings and service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. We feel this merger will unfairly restrict our ability to negotiate cost and service requirements that are necessary for us to continue shipping our equipment into Mexico to our present and future sites.

AIR LIQUIDE PROCESS & CONSTRUCTION INC.

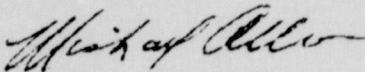
2700 Post Oak Blvd., Suite 1900, Houston, TX 77056-4705 • Phone: 713-624-8830 • Fax: 713-624-8898

Page 2

I understand there is an alternative that will preserve effective competition for our traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in a way to allow TexMex to be truly competitive are essential to maintain the competition at Laredo. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to the international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,




Michael Allison
Traffic Manager

ALABAMA RIVER PULP COMPANY, INC.

P.O. Box 100
Claiborne Mill
Perdue Hill, Alabama 36470
Telephone: (334) 575-2000

February 6, 1996



A2307  ISO 9002
Letter #GW96-55

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760 Union Pacific Corp., et al,
— Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

My name is Glenn Wiegel. I am Manager of Traffic and Sales Distribution for Alabama River Pulp Company, Inc., P. O. Box 100, Clairborne Mill, Perdue Hill, Alabama 36470. My duties include the management and planning of all transportation service for the Alabama River Companies which include Alabama River Pulp Company, Inc., Alabama Pine Pulp Company, Alabama River Newsprint Company and Alabama River Recycling Company, all located on the same complex at Claiborne, Alabama.

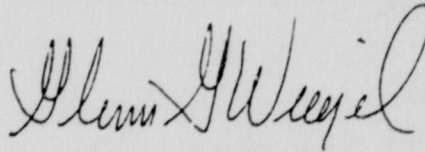
Total freight for all four companies is in excess of one million (1,000,000) gross tons of Bleached Kraft woodpulp, standard newsprint and waste paper. We are a major user of rail service for transportation of our products between the United States and Mexico; primarily using the Laredo/Nuevo Laredo gateway.

Our company depends on competition to keep prices down and believe that granting of trackage rights to the Texas Mexican Railway Company allowing them to operate between Corpus Christi and Houston would provide a more strongly competitive transportation environment.

We therefore urge the board to condition the SP/UP merger with a grant of trackage rights to TexMex, allowing service to Houston

Very truly yours,

ALABAMA RIVER PULP COMPANY, INC.

A handwritten signature in cursive script, appearing to read "Glenn G. Wiegel".

GLENN G. WIEGEL
MANAGER - TRAFFIC/DISTRIBUTION

GGW:jp

cc: Mr. S. E. Hughes, ARP

ALDERMAN-CAVE FEEDS

MAIN OFFICE & MILL
319 WEST DALE STREET
P.O. BOX 217
WINTERS, TEXAS 79567
(915) 754-4546

NEW MEXICO MILL
950 WHITE MILLS ROAD
P.O. BOX 2365
ROSWELL, NEW MEXICO 88202
(505) 622-3260

January 5, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al
Control & Merger--Southern Pacific Rail Corp., et al

Dear Mr. Williams:

Alderman-Cave Feeds operates grain elevators, feed mills, and a commercial cattle feedyard in Texas and New Mexico. We ship and receive substantial volumes of milo, wheat, and corn by rail. I have been the President and majority stockholder for Alderman-Cave Feeds for the past 14 years.

Alderman-Cave Feeds has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.



STB

FD

32760

3-29-96

SUB No

13

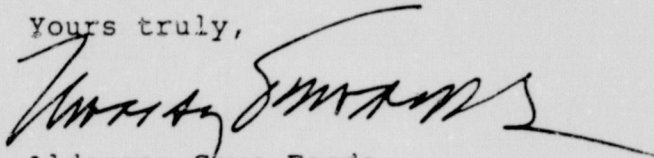
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I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

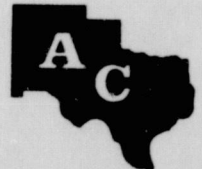
Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,



Alderman-Cave Feeds
Murray Edwards

cc: The Texas Mexican Railway Company



Amerifreight

5151 S. Lawndale Ave.
Summit, IL 60501

February 26, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. - Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

My name is Richard Oye. I am the Pricing Manager at Amerifreight. Our address is 5151 S. Lawndale, Summit, IL, 60501. I have been with Amerifreight for three years and have been involved in intermodal transportation for eight years.

Our company ships soap and candy from Chicago and St. Louis to various locations including Mexico. On an annual basis, we move between 300-400 intermodal trailers over Laredo, TX to destinations in Mexico.

Our company has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/ Nuevo Laredo gateway is the primary route for shipments between the two countries for our traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing for moving fertilizers from our facilities to Mexico.

Our company depends on competition to keep prices down and to spur improvements in products and services. For a number of years, Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in cost savings. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific most likely will eliminate our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide

Amerifreight

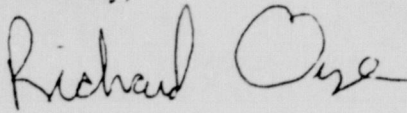
5151 S. Lawndale Ave.

Summit, IL 60501

efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

A handwritten signature in cursive script, reading "Richard Oye". The signature is written in dark ink on a light background.

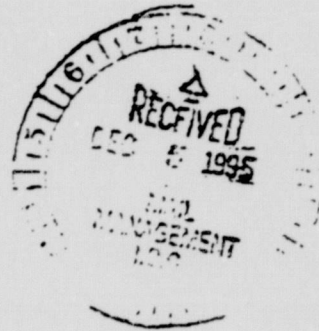
Richard Oye
Pricing Manager

RAO/mat

American Transport, Inc.

6701 B Melton Road
Gary, IN 46403

219/938-0264
312/734-7453



November 30, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760

Dear Mr. Williams:

Our company has occasion to use the services of the Texas Mexican Railway. The proposed merger between the Union Pacific and The Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific and Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce many companies' abilities to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

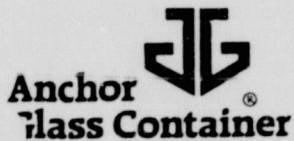
Truly yours,

Elaine P. Niestrom, Vice President
American Transport, Inc.

Office of the

DEC 05 1995

Part of



One Anchor Plaza
4343 Anchor Plaza Pkwy
Tampa, FL 33634-7513

November 14, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315 12th and Constitution, N.W.
Washington, D.C. 20423-0001

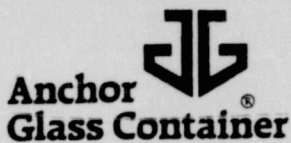
RE: Finance Docker No. 32760, Union Pacific Corp., et al
Control & Merger Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United States and Mexico. The Laredo/Nueco Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific has competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agrees to give certain trackage rights to the new Burlington Northern Santa Fe



One Anchor Plaza
4343 Anchor Plaza Pkwy
Tampa, FL 33634-7513

Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition in this corridor. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of tracking rights to TexMex allowing service to Houston.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Very truly,

David E. Case
Director Transportation Logistics



Specialty Flat-Rolled Steels
Butler Operations

Office of the Secretary

NOV 7 1995

Part of
- Old Record

November 2, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al.
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also prides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

William J. Ripple
Manager, Traffic & Logistics



COOPERATIVE ELEVATOR COMPANY

605 12th Street • P.O. Box 209 • Aurora, Nebraska 68818
Telephone: 402-694-2106 • Facsimile: 402-694-2060

January 10, 1996

COPY

Mr. Vernon Williams
Interstate Commerce Commission
Room #3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I am the general manager of Aurora Co-op, a large grain and farm supply cooperative in South Central Nebraska. We presently handle nearly 30 million bushels of corn annually and much of our corn goes by rail to markets in a good portion of the United States, as well as Mexico. Aurora Co-op supports the Union Pacific/Southern Pacific merger because we feel it will allow us to gain access more efficiently to additional markets to the south and west.

We will look for Mexico to become a larger market for us in the years ahead. For this reason, we believe it is very important to preserve effective competition for rail service to Mexico. We understand that several railroads have requested trackage rights as a result of this merger activity. Aurora Co-op urges the commissioners to seriously consider these requests to maintain competition within the United States and to Mexico by conditioning the UP/SP merger. Economical access to domestic and international trade routes should not be jeopardized.

Sincerely,

A handwritten signature in cursive script, reading "Rodney Schroeder".

Rodney Schroeder
General Manager



BADGER MINING CORPORATION

409 SOUTH CHURCH ST., P.O. BOX 328, BERLIN, WI 54923
(414) 361-2388 • FAX (414) 361-2826

FINANCE DOCKET NO. 32760

UNION PACIFIC CORP., ET AL
CONTROL & MERGER-- SOUTHERN PACIFIC RAIL CORP., ET AL.

**VERIFIED STATEMENT
OF
ROBERT BARTOL**

My name is Robert Bartol. I am the Traffic Manager for Badger Mining Corporation. My business address is P.O. Box 328 Berlin, Wisconsin, 54923. As traffic manager, my responsibilities include negotiation of rail contracts, rail property leases and rail equipment leases, and arranging for container on flat car shipments.

Badger Mining operates three mines in Wisconsin, which produce silica sand, a speciality sand used in the oil, gas, foundry, glass, abrasive, and water filtration industries. Badger Mining's three Wisconsin mines produce and ship by rail in excess of 600,000 tons of silica sand annually to points throughout the United States, Canada, Mexico, South America, and the Far East. Badger Mining pays more than \$6,000,000 per year in rail freight charges.

BMC uses rail service to ship more than 800 rail cars per year into Mexico and more than 250 rail cars per year to Houston, TX. Our company has a strong interest in

keeping competitive rail transportation between our production plants in Wisconsin, Houston Texas, and Mexico. The Laredo/Nuevo gateway is the primary route for shipments between the United States and Mexico. This gateway possesses the strongest routing between our production plants in Wisconsin and South Texas and the major Mexican industrial market.

Badger Mining ships a low cost high density product and depends upon rail competition to keep transportation prices competitive. For several years the UP and SP have competed for our traffic, resulting in cost savings. This competition has allowed BMC to be competitive in the Mexican foundry market and the oil and gas markets in South Texas and South America.

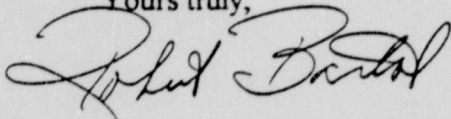
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway as in South Texas. Although these railroads have recently agreed to give certain trackage to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective, competitive replacement for an independent Southern Pacific on this important route.

I understand that an alternative will preserve effective competition for our traffic. The TexMex has shown a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other carriers to provide effective competitive routes. Trackage rights operating in such a way as to allow

the TexMex to be truly competitive are essential. Maintaining the competition at Laredo would otherwise be lost in the merger. Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

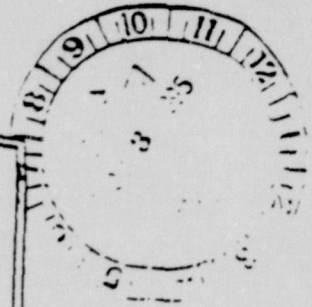
A handwritten signature in cursive script, appearing to read "Robert Bartol".

Robert Bartol

Traffic Manager

cc: The Texas Mexican Railway Company

BANQUETE GRAIN & ELEVATOR COOP ASSOC.
P.O. BOX 340
BANQUETE, TEXAS 78339



October 31, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of the Secretary

NOV 3 1995

3 Part of
Public Record

RE: Finance Docket No. 32760, Union Pacific Corp., et al.- Control & Merger
-Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has facilities served by the Tex Mex Railroad. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service to our company.

Our company depends on competition to keep prices down and to spur improvements in products and service. The only two U . S. carriers connecting with the Tex Mex are the Union Pacific at laredo and the Southern Pacific at Corpus Christi. For many years the Union Pacific and the Southern Pacific have competed to handle our shipments to and from the Tex Mex, resulting in substantial cost savings and service improvements. A merger of those two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. I therefore anticipate significant price increases and serviced deterioration for that portion of our rail service needs beyond Tex Mex.

In addition, Tex Mex itself has historically relied on international traffic interlined with the Sp for much of its traffic base. Since the UP/SP merger is likely to eliminate most, if not all, of this traffic, this loss of traffic volume is likely to cause reduced train frequencies on Tex Mex and thus slow down my shipments. There is even a serious question whether Tex Mex will be able to survive with this loss of international traffic.

These price increases and service reduction will seriously reduce our ability to compete both domestically and internationally.

I understand there is an alternative that will preserve effective competition in this corridor. Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow Tex Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to Tex Mex allowing service to Houston.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Yours truly,

Hayne R. Taylor

BARR IRON & METAL COMPANY

DEMPSEY BARR, OWNER

STRUCTURAL STEEL AND PIPE

SAN DIEGO HIGHWAY

ALICE, TEXAS 78332

FD 32765

March 15, 1996

Surface Transportation Board
12th St. & Constitution Ave.
Washington, DC 20423

Attn: Hon. Vernon A. Williams
Secretary

Hon. Vernon A. Williams:

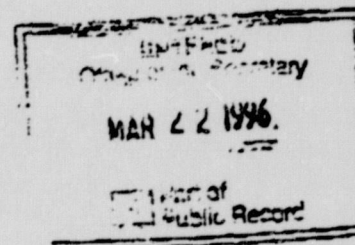
Due to the fact that Southern Pacific and Union Pacific want to merge, that would affect our company drastically, As we have been in business since 1946 as scrap dealer in Alice, Texas.

We depend solely on Tex Mex as our only ways of transportation into Mexico for scrap steel and other salvage products. A merge would definitely affect our operation and our employees that depend on our company for salvation.

There is no way to truck our salvage to and from various points with Tex Mex not being here. So we definitely wish you could see that this merger would probably close our operations down.

In regards to our disapproval of this merger, we have other companies that depend on Tex Mex as supply of operations in Alice, Texas as follows:

1. Hammock Distributors
2. Halliburton
3. Wedron Silica
4. Western of North America
5. Norton Alcoa Proppants
6. Frank Ibarra Grain Co.
7. Dowell Schlumberger
8. M.I. Drilling
9. Baker Hughes
10. Carbon Ceramics
11. Milchem, Inc.



Please keep our plea in mind and disapprove of this merger between Southern Pacific and Union Pacific.

Yours very truly,

BARR IRON & METAL CO.

Dempsey Barr
Dempsey Barr
Owner

ADVISE OF ALL
PROCEEDINGS

DB/rxs

CASCADE WAREHOUSE

CASCADE WAREHOUSE COMPANY

January 26, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, NW
Washington, DC 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

In August 1995, Cascade Warehouse Company prepared a statement of support for the proposed Union Pacific-Southern Pacific merger, forwarded to the Interstate Commerce Commission. I am now writing you to amend my original statement to address trackage rights considerations which have transpired since the original statement was formulated.

Our company has been involved with the movement of forest products for the past decade. We are a private car owner with a vested interest in the continued vitality of rail competitiveness.

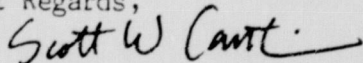
One area of projected growth for our company is the Mexican market. Legitimate access to all major north-south gateways is the only way to maintain true competition.

One case in particular involves the TexMex Railway and their Laredo gateway. The circuitous trackage rights granted to Burlington Northern Santa Fe does not provide an adequate north-south alternative. This band-aid fix, under the guise of preserving competition, is symptomatic of the trackage rights myth currently circulating as a practical competitive substitute.

Allowing railroads, like the TexMex, direct, best route trackage rights is the only solution to truly maintain competition. Thus, we urge the Surface Transportation Board to correct this loss of competition by conditioning the merger with a grant of trackage rights to TexMex to replace the lost SP alternative.

Thank you for your consideration of this important matter dealing with rail competitiveness and continued access to an emerging segment of our international marketplace.

Best Regards,



Scott W. Cantonwine
President/CEO

1625 Front St. N.E. • Salem, Oregon 97303
(503) 363-2483 • Fax: (503) 363-3527



CHASE PRODUCTS COMPANY

P.O. BOX 70 • MAYWOOD, ILLINOIS 60153

Leaders in Aerosol Research and Custom Aerosol Packaging

OFFICE AND PLANT - 19TH STREET AND GARDNER ROAD • BROADVIEW, ILLINOIS 60153
1-(708)-865-1000

FAX - ADMINISTRATIVE OFFICES - 1-(708)-865-0230 • FAX - SALES/SHIPPING - 1-(708)-865-7041

ROBERT W. SVENDSEN, JR.
PRESIDENT

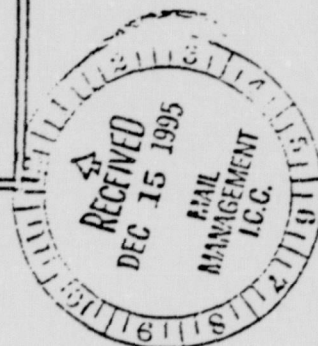
December 11, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of the Secretary

DEC 15 1995

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Public Record



RE: Finance Docket No 32760

Dear Mr. Williams:

Our company has occasion to use the services of The Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce many companies abilities to compete both domestically and internationally.



68 YEARS OF SPECIALTY PACKAGING SERVICE



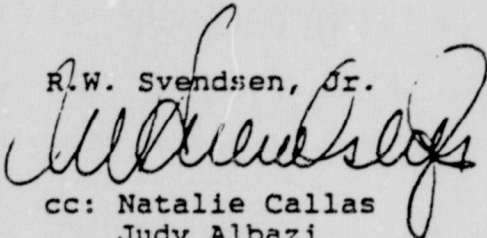
Mr. Vernon Williams
December 11, 1995
Page 2

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Yours very truly,

R.W. Svendsen, Jr.



cc: Natalie Callas
Judy Albazi

Chief Freight Lines, Inc.

800 West 79th Street
Willowbrook, IL 60521
708-654-1020
FAX 708-323-3566

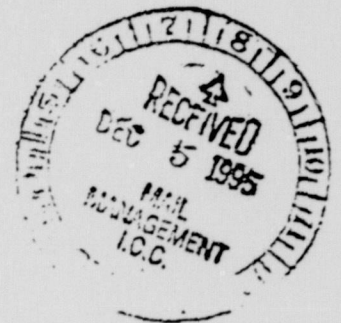
November 29, 1995

ENTERED
Office of the Secretary

DEC 05 1995

3 Part of
Record

Mr. Vernon Williams
Interstate Commerce Commission
12th and Constitution, N.W.
Washington, D.C. 20423-0001



RE: Finance Docket No 32760

Dear Mr. Williams;

Our company has occasion to use the services of the Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex and the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads will eliminate certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining for an independent Southern Pacific on this important route. We anticipate significant price increases and services deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

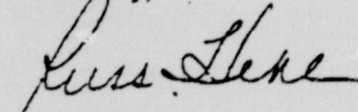
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The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Page 2

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Sincerely,

A handwritten signature in cursive script, appearing to read "Russ Hehl".

Russell E. Hehl
President

RH/r



Ciba-Geigy Corporation
520 White Plains Road
P.O. Box 2005
Tarrytown, NY 10591-9005
Telephone 914 785 2000

February 26, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. -
Control and Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Ciba-Geigy is a leading U. S. biological and chemical company with annual sales in excess of \$5 billion annually. We have facilities in both the United States and Mexico and have a strong interest in competitive rail transportation between these two countries. We currently ship rail to Mexico and the Laredo/Nuevo Laredo gateway is a route for shipments between the two countries.

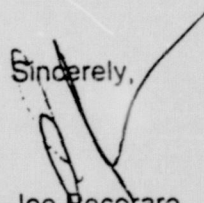
Our company depends on competition to keep prices down and to spur improvements in products and services. The TexMex has been Southern Pacific's partner in reaching Laredo in competition with the Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of the Union Pacific and Southern Pacific would reduce, if not eliminate competition via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad (BNSF), we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this route.

The TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. We would therefore ask the Surface Transportation Board to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Thank you for your attention in this matter.

Sincerely,


Joe Recoraro
Manager - Corporate Transportation



Commercial Metals Company

P.O. Box 1046

Dallas, Texas 75221-1046

March 18, 1996

Mr. Vernon Williams
SURFACE TRANSPORTATION BOARD
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al -- Control & Merger -- Southern Pacific Rail Corp., et al

Dear Mr. Williams:

My name is Ronald W. Bird and I am corporate traffic manager for Commercial Metals Company located at 7800 Stemmons Freeway, Dallas, Texas 75247. Our company, and subsidiaries, manufacture, fabricate, recycle, and market steel and metal products and related materials through a network of over 90 locations throughout the United States. The manufacturing group includes 4 steel mini-mills, 19 steel fabrication plants, 3 steel joist plants, 3 steel fence post manufacturing plants, 2 railcar rebuilding facilities, 8 concrete-related product warehouses, an industrial products supply company, and a copper tube plant. Through its network of 15 trading offices around the world, the company markets and trades primary and secondary metals, steel, ores, concentrates, industrial minerals, ferroalloys, chemicals, and other materials used in a variety of industries.

Our company has been a major user of rail service for transportation between the United States and Mexico for almost 50 years. The Laredo/Nuevo Laredo gateway is the primary route for international shipments between these countries and, as such, it is extremely important that competitive rail transportation continue at this border crossing. For many years this competition has existed as a result of Southern Pacific Railroad's partnership with the Texas Mexican Railroad Company which has allowed them access to Laredo as a competitive alternative to the Union Pacific Railroad.

A merger of Union Pacific and Southern Pacific will eliminate this option via the Laredo gateway. The proposed agreement between Union Pacific/Southern Pacific and Burlington Northern Santa Fe simply does not provide the necessary competitive alternative for the future. While the BNSF would gain additional access to Mexico under the proposed deal with the UP/SP, they have very little experience with Mexican commerce. CMC believes that

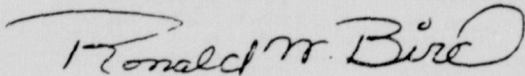
Mr. Vernon Williams
SURFACE TRANSPORTATION BOARD
March 18, 1996
Page Two

a more competitive solution would be an expansion of the Tex-Mex Railroad's ability to serve Laredo through the granting of trackage rights from Houston, Texas to Corpus Christi, Texas. CMC urges the Surface Transportation Board to make the granting of these rights to the Tex-Mex Railroad a prerequisite condition to approval of the UP/SP merger.

In summary, Commercial Metals Company strongly supports the proposed merger of the Union Pacific and Southern Pacific Railroads. At the same time, we feel just as strongly that granting of trackage rights to the Tex-Mex Railroad will improve the competitive aspects of the merger as it relates to commerce between the United States and Mexico.

Yours truly,

COMMERCIAL METALS COMPANY

A handwritten signature in dark ink, reading "Ronald W. Bird". The signature is fluid and cursive, with the first name "Ronald" being more prominent and the last name "Bird" ending in a large, sweeping loop.

Ronald W. Bird
Corporate Traffic Manager

cc: The Texas Mexican Railway Company
c/o Central Business Services
629 Green Bay Road
Williamette, IL 60091

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ALSO CODE 315 222-2010

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CHICAGO, ILLINOIS 60616

March 22, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al.

I have held the position of Transportation Manager at Continental Paper Grading for three years. Continental Paper Grading is a major national scrap paper broker. Our company ships more than 200 carloads of scrap paper annually from all over the country in to Mexico via Laredo, Texas.

Our company has been a major user of rail service for transportation between the United States and Mexico. Continental Paper Grading has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo / Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

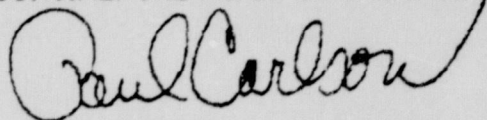
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Surface Transportation Board to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

CONTINENTAL PAPER GRADING COMPANY

A handwritten signature in cursive script, reading "Paul Carlson". The signature is written in dark ink and is positioned below the company name.

Paul Carlson

cc: Texas Mexican Railway Co.

CornProducts

a Division of CPC International Inc.
Moffett Technical Center
6500 Archer Road/Box 345
Summit-Argo, Illinois 60501-0345



March 14, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th & Constitution, N. W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. - Control & Merger
Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

My name is Gary Schneider. I am the Senior Logistics Manager for Corn Products, A Unit of CPC International Inc. I have been employed by Corn Products, in this position, for the past ten years. Corn Products is a corn wet miller. We purchase our raw ingredient, corn, via rail and truck, and ship finished products such as high fructose corn syrup, corn syrup, corn sugar, corn starch, gluten feed and meal via all modes of transportation to all areas in the United States, Mexico and Canada. We have plants in Chicago, IL, Stockton, Ca and Winston-Salem, NC. In addition to these plants, we are part of the Corn Refining Business of CPC International. The CRB has plants in Mexico and Central and South America.

In 1995 we shipped about 400 carloads of high fructose corn syrup into Mexico from our Chicago plant for use by the bottling industry. In addition, we shipped piggyback loads of corn starch and corn sugar to Laredo for shipment into Mexico. As the Mexican market continues to grow we anticipate that these volumes will also grow. For that reason we have a strong interest in keeping a competitive rail structure in place between Mexico and the United States.

Our moves into Mexico are dependent on competition to help keep the freight rates lower and to see service improvements. The Southern Pacific Railroad has been a viable competitor to the Union Pacific Railroad for shipments into Mexico and has probably been instrumental in helping create the volumes that are presently moving across the border. On shipments to Laredo, the TexMex has been a valuable partner with the Southern Pacific because the Southern Pacific does not reach Laredo directly.

We are very concerned about the proposed merger of the Union Pacific and Southern Pacific and what that will mean for our shipments into Mexico. The Union Pacific negotiated with the BNSF for trackage rights

for the BNSF into Laredo but we feel that the BNSF will not effectively replace the present Southern Pacific as a viable option to the proposed Union Pacific/Southern Pacific merger.

It is my understanding that the TexMex Railroad has offered to connect with other carriers via trackage rights to provide efficient competitive routes. I also understand that the Union Pacific has only negotiated trackage rights with the BNSF. I believe that in order to have true competition and to preserve and increase rail moves into Mexico the Surface Transportation Board needs to approve the TexMex's request for trackage rights to Laredo. If the TexMex is not awarded these trackage rights there will not be true competition into Mexico.

The United States and Mexico are embarking on a new era of economic cooperation. True rail competition will be needed to help ensure this economic cooperation is successful. I urge the Surface Transportation Board to approve the TexMex's request for these trackage rights.

Yours truly,

A handwritten signature in cursive script that reads "Gary Schneider". The signature is written in dark ink and is positioned above the printed name and title.

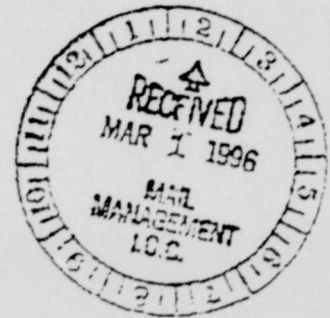
Gary Schneider
Senior Logistics Manager

cc:The Texas Mexican Railway Company



**CORPUS CHRISTI
GRAIN CO.**

February 27, 1996



FD 32960

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
12th Street and Constitution Avenue
Washington, D.C. 20423

Dear Hon. Williams,

Corpus Christi Grain Co. is opposed to the Union Pacific-Southern Pacific rail merger until the Tex-Mex Railway Co. has some access to Houston other than UP/SP or BN-SF.

I am President and part owner of Corpus Christi Grain Company located at 100 Talbert Road in Corpus Christi. I am not being forced to testify by any railroad or company favoring a certain position. I am testifying because I am very concerned for our business because, if the merger is approved as proposed by UP-SP, we will lose our Mexico markets.

Corpus Christi Grain Co. is a country/terminal elevator that buys the local milo and corn crop from the farmers and exports it to Mexico by rail. At times we have been able to bring milo and corn into Corpus Christi from as far away as Nebraska and export it to Mexico. We have exported to Mexico for 18 years on the Tex-Mex Railway. During these 18 years we have been able to utilize the Union Pacific only about 4 years. Our success as a grain elevator is reliant on the Tex-Mex Railway being a strong and viable railroad.

Laredo is the Union Pacific's largest port into Mexico. The International Bridge to Mexico is owned by the Tex-Mex Railway and the Mexican railway. In 1951 the ICC ruled that the bridge crossings had to be shared 50-50 between the Tex-Mex and the Union Pacific. If one railroad could not utilize its 50% share, the other railroad could use any portion of that unused percentage. The International Bridge at Laredo can cross approximately 500 cars per day Northbound and 500 cars per day Southbound. The Union Pacific needs to move more than 250 cars per day (their 50% share), so they are interested in being able to utilize some of the Tex-Mex Railway's portion of daily crossings.

With the Tex-Mex Railway consisting of one 157 mile line (Laredo-Corpus Christi) they rely heavily on eight from other railroads (interline traffic) which

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accounts for 70% of their total traffic. The Tex-Mex can not survive only on traffic originating on their line as historically this has been 30% of their total traffic. If the flow of freight to the Tex-Mex from other railroads becomes non existent, the UP-SP will be allowed to increase their share of the Laredo bridge above their 50% share. (This is because the Tex-Mex can not originate 250 cars per day of freight on their own line). The BN-SF trackage rights won't help the Tex-Mex bring freight across Corpus Christi to Laredo because they have their own crossing at El Paso, and they also have a crossing at Eagle Pass by using their trackage rights from Caldwell, Texas to Eagle Pass, Texas over the Southern Pacific. BN-SF's first priority will be to use the El Paso crossing and keep all the revenue. BN-SF's second priority will be to use the Eagle Pass crossing, because they only have to pay trackage rights revenue to the UP-SP. BN-SF's last priority will be to use the Laredo crossing because they would have to pay trackage rights revenue on the Caldwell-Corpus Christi portion to the UP-SP, and they would also have to pay the Interline freight charge on the Corpus Christi-Laredo portion to the Tex-Mex.

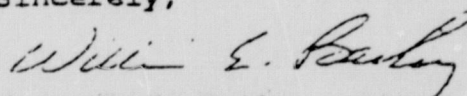
If the Tex-Mex is not a viable railroad, we will not be able to compete with rail grain to Mexico because the UP is not an alternative for us. The UP has proven over the past 18 years that they are more interested in a \$2400 dollar long haul to Laredo (approximately 900 miles) than a \$700 dollar short haul to Laredo (150 miles). With the long turn-time per car in Mexico the same, whether the load originated in Nebraska or Corpus Christi, the Union Pacific is probably making a sound economic decision to favor the longer hauls. For this reason we feel that we would not be competitive in the Mexican rail market.

My summation is that if the merger is approved without some agreement to allow Tex-Mex access to Houston, then two things will happen:

(1) There will not be any freight to Laredo via Tex-Mex from other railroads causing financial hardships on the Tex-Mex.

(2) UP will not offer Corpus Christi Grain Co. a competitive alternative route to Mexico in the absence of the Tex-Mex Railway.

Sincerely,



William E. Bailey
President

October 26, 1995

Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, DC 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corporation, et. al.
Control & Merger -- Southern Pacific Rail Corporation., et. al.

Dear Mr. Williams:

Our company and many of our customers who are Fortune 500 companies are users of rail service for transportation between the United States and Mexico. The Laredo/Nuevo Laredo, known as Los Dos Laredos, gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers warehousing, transportation and distribution centers to Importers and Exporters. It also provides the shortest and most direct route between major Mexican Industrial and population centers and the Midwest and Eastern United States which translates to major financial savings to these Fortune 500 companies (we represent).

Our company depends on competition to keep cost down which translates to maintaining competitive prices which also helps to keep prices down and spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings to our customers and a number of service innovations. To date TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not totally eliminated (in our opinion) our customers competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern/Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for (a future short lived) independent Southern Pacific Railroad on this important route.

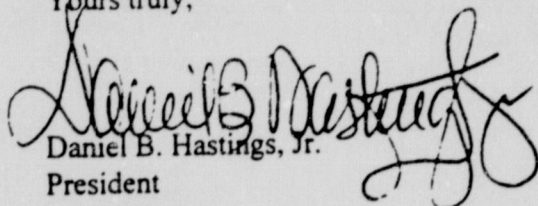
I understand there is an alternative that will preserve effective competition in this highly used corridor. TexMex has indicated a willingness to operate over trackage rights (or purchase these trackage rights where possible) from Corpus Christi to Houston, Texas which will allow them to connect with the Kansas City Southern Railroad and other remaining rail carriers at Houston.

Vernon Williams
October 26, 1995
Page 2

Trackage rights, operating in such a way as to allow TexMex to be truly competitive, are essential to maintain the competition at Laredo that would otherwise be lost in the merger. I therefore urge the Commissioners seriously review this issue and concern and correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex allowing service to Houston.

Economical access to international trade routes should not be jeopardized when the future prosperity of multi-national companies and that of both countries depends so strongly on international trade.

Yours truly,

A handwritten signature in dark ink, appearing to read "Daniel B. Hastings, Jr.", with a large, stylized flourish at the end.

Daniel B. Hastings, Jr.
President

DBHJr/jp/mrm

Degussa ♦

Degussa
Corporation

November 6, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, DC 20423-0001

Dear Mr. Williams:

Finance Docket No. 32760, Union Pacific Corp., et al.
-- Control & Merger -- Southern Pacific Rail Corp., et al.

Degussa Corporation has been a major user of rail service for ocean transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway has been our primary route for shipments between the two countries for the majority of international traffic. This gateway also possesses the largest amount of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and our plants in the United States.

Our company depends on competition to keep rail rates down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. ~~TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.~~

A merger of Union Pacific and Southern Pacific will probably eliminate our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, ~~will be an~~ effective competitive replacement for an independent Southern Pacific on this important route.

We understand TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. I urge the Commissioners to correct this loss of

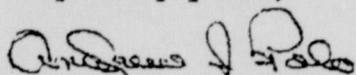
Degussa ◆

Degussa
Corporation

competition by conditioning the
trackage rights to TexMex allocation

Economical access to international trade routes should not be
jeopardized when the future prosperity of both countries
depends so strongly on international trade.

Very truly yours,



Andrew J. Polo
Distribution Manager
Chemical Group

AJP:lf

Phones:
(210) 723-1111
(210) 723-8221
404 Chihuahua St.

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Office of the Secretary

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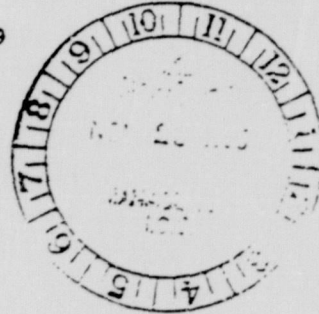


DESPACHOS DEL NORTE, INC.

FORWARDING AGENCY
LAREDO, TEXAS 78042-1499

Fax:
(210) 727-7792
(210) 727-7725
(210) 791-4049
(210) 723-0441

November 9 th, 1995



Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al, - Control &
Merger
- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has facilities served by the Tex Mex Railroad. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and service. The only two U S. carriers connecting with the Tex Mex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years the Union Pacific and the Southern Pacific have competed to handle our shipments to and from the Tex Mex, resulting in substantial cost savings and service improvements. A merger of those two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be in effective competitive replacement for an independent Southern Pacific on this important route.

I therefore anticipate significant price increases and serviced deterioration for that portion of our rail service needs beyond Tex Mex.

In addition, Tex Mex itself has historically relied on international traffic interlined with the SP for much of its traffic base. Since the UP/SP merger is likely to eliminate most, if not all, of this traffic, this loss of traffic volume is likely to cause reduced train frequencies on Tex Mex and thus slow down my shipments. There is even a

Phones:
(210) 723-1111
(210) 723-8221
404 Chihuahua St.
P.O. Drawer 1499



Fax:
(210) 727-7792
(210) 727-7725
(210) 791-4049
(210) 723-0441

FORWARDING AGENCY
LAREDO, TEXAS 78042-1499

serious question whether Tex Mex will be able to survive with this loss of international trade.

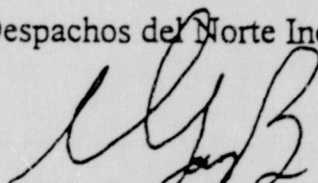
These price increases and service reductions will seriously reduce our ability to compete both domestically and internationally.

I understand there is an alternative that will preserve effective competition in this corridor. Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow Tex Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to Tex Mex allowing service to Houston.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Yours truly,

Despachos del Norte Inc.



Leopoldo Garza Behavides.

DSM Copolymer



P.O. Box 2591, Baton Rouge, LA 70821-2591
Telephone (504) 355-5655

November 12, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I have held the position of Logistics and Warehouse Manager for five years at DSM Copolymers. DSM is a major producer of synthetic rubber. Our rubber is used in the auto and industrial equipment industries. Our company ships 300 to 500 tons a year from Louisiana to Mexico via Laredo and Brownsville.

Our company has been a major user of transportation between the United States and Mexico. DSM Copolymers has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

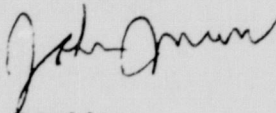
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes.

Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

A handwritten signature in dark ink, appearing to read "John Murray", written in a cursive style.

John Murray
Logistics and Warehouse Manager

cc: The Texas Mexican Railway Company



4633 West 16th Street
Chicago, Illinois 60650-1599
(708) 656-6600

November 28, 1995

Mr. Vernon Williams
INTERSTATE COMMERCE COMMISSION
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001



Re: Finance Docket No. 32760

Dear Mr. Williams:

Our company has occasion to use the services of the Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

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Office of the Secretary

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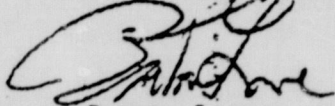


Mr. Vernon Will
INTERSTATE COMMERCE COMMISSION
November 28, 1995
Page 2

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex.

Preserving competition and services is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Very truly yours,



Barton Love
CHAIRMAN OF THE BOARD
E & D WEB, INC.

BL:hn



E A G L E - P I C H E R M I N E R A L S I N C .

November 9, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al.
Control & Merger – Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I am the Logistics Manager for Eagle Picher Minerals. Eagle Picher is a manufacturer of Diatomaceous Earth products, primarily used in the filtration, filler, and absorbant markets. We have been a significant railroad customer of nearly 50 years, shipping approximately 1250 cars per year generating an annual revenue of over \$6,000,000 to the SP and UP combined. Our company currently ships approximately 25 cars per year from Nevada to destinations in Mexico.

This volume will continue to grow in the future, and we will continue to maintain a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the most efficient routing to major Mexican industrial and population centers.

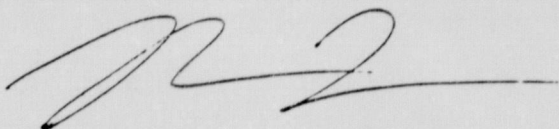
As this market continues to grow in importance to Eagle Picher, we will depend on competition to ensure innovative services and reasonable prices. For many years the Union Pacific and the Southern Pacific have competed for our traffic, resulting in a competitive, often innovative service for the transport of our commodity. TexMex has been Southern Pacific's partner in competition with the Union Pacific for shipments destined to Laredo, Texas, as the Southern Pacific does not reach Laredo directly.

I am concerned the proposed merger will seriously reduce or eliminate our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as they are the only other major rail system remaining in the Western U.S., will be an effective competitor, replacing an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. Romine', with a long horizontal flourish extending to the right.

Russ Romine
Logistics Manager
Eagle Picher Minerals, Inc.

cc: Texas Mexican Railway Company



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INTERSTATE COMMERCE
COMMISSION

Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No 32760

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Office of the Secretary

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OFFICE OF SECRETARY

Dear Mr. Williams:

Our company has occasion to use the services of the Texas Mexican Railway. It is our opinion that the proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company relies on competition to keep prices down and service levels up. The only two U.S. carriers connecting with the TexMex are the Union Pacific at the Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe this will be a effective competitive replacement for a independent Southern Pacific on this important route.

The TexMex has always relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger would eliminate most of this traffic, this lost volume will likely reduce scheduling on the TexMex and slow service.

These price increases and service reductions will seriously reduce many companies abilities to compete both domestically and internationally.

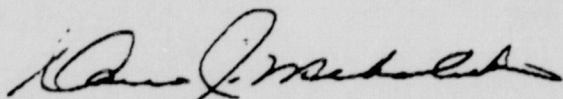
The alternative that will preserve competition is to grant trackage rights or allow TexMex to purchase trackage from Corpus Cristi to Houston, and connect with the Kansas City Southern and other railroads in Houston. We urge the the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston

Office of the Secretary

DEC 1 1995

One of the important functions of the Interstate Commerce Commission is to preserve competition. Here it is possible to do just that while also promoting international trade.

Sincerely,

A handwritten signature in dark ink, appearing to read "David J. Mihalik", written in a cursive style.

David J. Mihalik
President

ENGELHARDENGELHARD CORPORATION
101 WOOD AVENUE
ISELIN, NEW JERSEY 08830-0770
908-205-5000

November 6, 1995

DARIN MILLER
708-
747-4868Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001Re: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United State and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

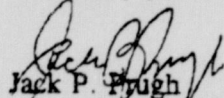
I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi

Finance Docket No. 32760
November 6, 1995
Page 2

(or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Very truly yours,



Jack P. Frugh
Corporate Manager Transportation



AL SERVICIO DEL COMERCIO INTERNACIONAL

ERMILO E. RICHER

AGENCIA ADUANAL / FORWARDING AGENCY

October 31, 1995

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Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th. And Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. - Control & Merger - Southern Pacific Rail Corp. et al.

Dear Mr. Williams:

Our company has facilities served by the Tex Mex Railroad. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and service. The only two U.S. carriers connecting with the Tex Mex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years the Union Pacific and the Southern Pacific have competed to handle our shipments to and from the Tex Mex, resulting in substantial cost savings and service improvements. A merger of those two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. I therefore anticipate significant price increases and serviced deterioration for that portion of our rail service needs beyond Tex Mex.

In addition, Tex Mex itself has historically relied on international traffic interlined with the SP for much of its traffic base. Since the UP/SP merger is likely to eliminate most, if not all, of this traffic, this loss of traffic volume is likely to cause reduced train frequencies on Tex Mex and thus slow down my shipments. There is even a serious question whether Tex Mex will be able to survive with this loss of international traffic.

These price increases and service reductions will seriously reduce our ability to compete both domestically and internationally.



AL SERVICIO DEL COMERCIO INTERNACIONAL

ERMILO E. RICHER

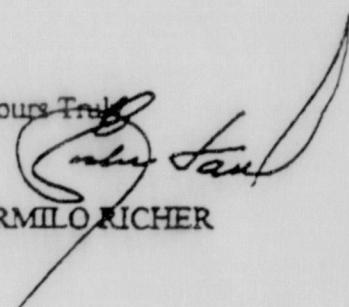
AGENCIA ADUANAL / FORWARDING AGENCY

Page No. 2

I understand there is an alternative that will preserve effective competition in this corridor. Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow Tex Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to Tex Mex allowing service to Houston.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Yours Truly



ERMILO RICHER



TF

December 13, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, DC 20423-0001

**Subject: Finance Docket No. 32760,
Union Pacific Corp., et al.
Control & Merger --Southern Pacific Rail Corp., et al.**

Dear Mr. Williams,

My company, F.G. Hyde, Inc. provides consulting services to the solid fuel-fired electrical power generation, non-metallic minerals, and bulk commodity transportation industries. Clients served by the firm include utilities and their subsidiaries, independent power producers, minerals resource companies and transportation firms.

F.G. Hyde, Inc., has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest rail-route from major Mexican industrial and population centers to the midwest and eastern United States.

For many years, both the Union Pacific and the Southern Pacific have competed for our clients' traffic via Laredo, resulting in substantial cost savings and a number of service innovations. As the Southern Pacific does not reach Laredo directly, the Texas-Mexican Railway Company (Tex-Mex) has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific.

A merger of the Union Pacific and the Southern Pacific rail systems will seriously reduce, if not eliminate, the competitive shipping alternatives via the Laredo gateway.

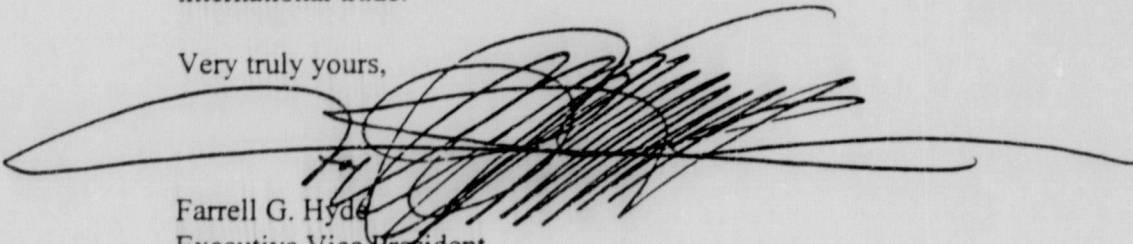
I understand there is an alternative that will preserve effective competition for my clients' traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in such a merger. I urge the Interstate commerce

Letter to Vernon Williams
December 13, 1995
Page 2

commission to correct this potential loss of competition by conditioning the merger with a grant of trackage rights via efficient routes between Corpus Christi and the connecting railroads.

Economical access to such viable international trade routes should not be jeopardized when the future prosperity of the countries involved depend in such a large measure on international trade.

Very truly yours,



Farrell G. Hyde
Executive Vice President

cc: The Texas-Mexican Railway Company

FGH/tlo

FAIRMOUNT MINERALS, LTD.

Thomas A. Mitropoulos

November 30, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th & Constitution NW
Washington, D.C. 20423-0001

Re: Finance Docket 32760, Union Pacific Corporation, et al.
Control & Merger -- Southern Pacific Rail Corporation, et al.

Dear Mr. Williams:

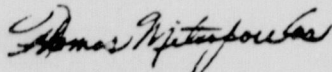
My name is Thomas A. Mitropoulos I am Vice President of Transportation for the Fairmount Minerals companies which is engaged in the production and sale of industrial minerals and sands with operating plants located at Wedron, IL, Troy Grove, IL, Chardon, OH, Richmond Dale, OH, Bridgman, MI, and Roff, OK. Our offices are located at South Olive Street, Wedron, IL 60557. The industrial sand plants of Fairmount Minerals have been engaged in the production and shipment of large percentage of industrial sands throughout the United States. We have been in business for well over one hundred years.

Our company is a major user of rail service for transportation and we presently are shipping between the United States and Mexico. As many companies in the manufacturing segment, we depend on competition to keep prices down which also leads us to improvements in our products and services. We are greatly concerned about what a merger of the Union Pacific and the Southern Pacific will do as far as reducing or eliminating our competitive alternatives via the Laredo, Texas gateway. Although there have been recently agreed upon trackage rights to the new Burlington Northern/Santa Fe Railroad we do not believe that the BNSF as the only other rail major rail system remaining in the Western United States will be an effective competitive replacement for an independent Southern Pacific on this very important route.

We are looking and hoping that the ICC will view other alternatives that will preserve effective competition into the corridor. I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Respectively,

FAIRMOUNT MINERALS



Thomas A. Mitropoulos

TAM/lj

cc: Texas Mexican Railway
C/O Central Business Services
629 Greenbay Road, Suite #1
Wilmette, IL 60091



Farmland Industries, Inc.
3315 North Oak Trafficway
Post Office Box 7305, Dept. 44
Kansas City, Missouri 64116-0005
Telephone: 816 459-5100
Facsimile: 816 459-6917

Frederic E. Schrodt
Vice President
Transportation and Logistics

Mr. Vernon Williams
Interstate Commerce Commission, Rm 3315
12th and Constitution, N.W.
Washington, DC 20423-0001

November 7, 1995

Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company is a major user of rail service for transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to manage rates and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

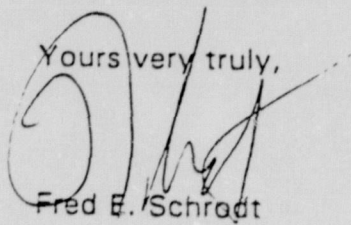
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive

are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the commissioners to correct this loss of competition by conditioning this merger with a grant of useful trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours very truly,



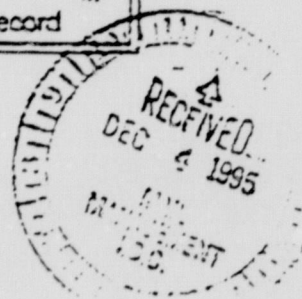
Fred E. Schrodt

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November 29, 1995

Mr. Vernon Williams
Interstate Commerce Commission, Room 3316
12th and Constitution, N. W.
Washington, DC 20423-0001



RE: Finance Docket No 32760

Dear Mr. Williams:

Our company has occasion to use the services of The Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

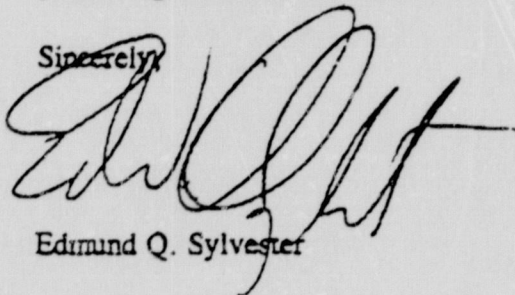
The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce many companies' abilities to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read 'Ed Q. Sylvester', is written over the word 'Sincerely' and the printed name below it.

Edmund Q. Sylvester

cc: Mr. S. Cordin



FRANK BAILEY GRAIN CO., INC.

P.O. Box 510, Fort Worth, Texas 76101-0510 • (817) 731-6341 • Established 1924

January 30, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al
Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I am the president of Frank Bailey Grain Co., Inc. The Company has been in the grain elevator business since 1924. The vast majority of the grain that we handle each year is for export and the bulk of that goes into Mexico via the Tex-Mex Railway which runs from Corpus Christi, Texas to Nuevo Laredo. Our Tex-Mex volume has averaged about 140,000 tons per year and that number is expected to increase. We ship primarily bulk sorghum and bulk corn into Mexico.

Our company has been a major user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

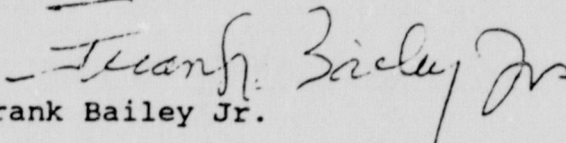
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these

railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,


Frank Bailey Jr.



Specializing in Private Brand Food Manufacturing

CHESTER • ILLINOIS 62233

P. O. BOX 227

PHONE (618) 826-2361

February 1, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, NW
Washington, D.C. 20423-0001

Re: Finance Docket No.32760 Union Pacific et al.
Control and Merger--Southern Pacific Rail Corp. et al.

c/o: Central Business Services
629 Green Bay Rd. Suite#1
Wilmette, Illinois 60091
Attn: Mr. Bill Brazier

Sir,

I would like to voice our concern over the merger and its reduction of competition and access to Mexican markets. I feel this move will restrict available cars for the shippers and that prices will rise after control of the access is accomplished by the merger.

Our company manufactures and ships in excess of 20,000 truckloads of foodstuffs throughout the United States and Canada. Many of our suppliers are in Texas and surely have business relations back and forth across the border for submanufacturing and processing. Every time there has been a merger or downsizing our supply side of the business has deteriorated. Over the years, we have never realized increased car availability, increased service levels, or reduced or constrained pricing. Only steady competition and additional access to markets has kept prices in check and competition/customer service levels acceptable. This merger does not bode any great advantages for our company.

We do not feel that the BN-Santa Fe intervention into the Mexican market will be as positive as the current rail suppliers in place now who will be displaced or eliminated by the two mega-mergers of the BN/ATSF and UP/SP. These huge systems will concentrate in other areas of the West while current short lines should remain to handle the market they know best, and have the most vested interest in serving.

Please accept this letter as support for the TexMex requests for continued track usage and rail service agreements to keep competition in the North/South routes and locally along the Laredo gateway.

Sincerely,

Robert Hoh/Traffic Manager.

with Plants in CHESTER & STEELEVILLE, IL - McBRIDE & PERRYVILLE, MO - WILSON, AR



October 25, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-001

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RE: Finance Docket No. 32760, Union Pacific Corp., et al. - Control &
Merger-Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company is in the business of exporting US feed grain commodities by rail to Mexico. We originate most of our grain products in South Texas and depend on the Tex Mex Railroad as our main carrier for our Mexican market. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternative for rail service available to our company.

Our company originates most of its grain during the harvest in South Texas and ships it to Mexico during its peak demand season. Thanks to the NAFTA treaty, demand in Mexico is growing and will continue to grow steadily in the coming years.

One will think that thanks to its proximity to Mexico the South Texas grain producers and exporters will logically be the ones to benefit most from such demand. Ironically, due to its short distance or "short haul" to Mexico, the Union Pacific Railroad and the Southern Pacific railroad refuse to service their own line elevators with rail cars during harvest and Mexican peak buying season. Instead, they give preference to the Mid West grain, "long haul" shippers over the South Texas shippers. Thus, making it difficult for the South Texas exporters to compete or service their Mexico business.



The only rail alternative available for the South Texas shipper is the Tex Mex Railroad. It is totally committed in supplying cars from the Corpus Christi-Laredo grain belt area to Mexico. In addition to serving its short line customers to the Laredo export market, the Tex Mex Railroad has been able to give us access to Mid West grain rail cars (when grain is unavailable in South Texas)- thru its Corpus Christi- Laredo connections with the Southern Pacific-Burlington Northern Santa Fe Railways . This gives us an opportunity to originate grain in the Mid West when the Union Pacific rail car pool or quota to Mexico has been exhausted or simply when the UP cars are not available to ship to Mexico.

If the UP-SP merger goes thru, it threatens to eliminate this competition and thus jeopardize the traffic service and the supply of rail cars available to the Mexican market. This merger will monopolize the rail roads, and hurt economically the short line railroads such as the Tex Mex Railroad, thus violate the Sherman Anti-Trust Laws.

One possible and practical solution that can make this merger work successfully for all grain shippers and customers is for the Union Pacific and the Southern Pacific railroads to give full access to their tracks to the Tex Mex Railroad that connects the Mid West railroads-Burlington Northern Santa Fe and the Kansas City Southern Railroad- points at Houston-Galveston with their Houston-Corpus Christi-Laredo tracks. This connection will improve the access to rail cars that originate from the Mid West grain terminals and elevators.

In order to improve the fair access for rail cars to the South Texas elevators that the Union Pacific and Southern Pacific are not willing to serve because they consider such short haul service unprofitable, they can authorize the Tex Mex Railroad full access or trackage right to their line elevators by permitting the Tex Mex Railroad to supply their cars to the present UP-SP tracks from south of Houston to Brownsville, and access to their Rio Grande Valley tracks that connect to Brownsville, Texas.



These steps will increase the volume of grain that is presently traded and improve the present competition between the short line railroads and the truckers thus helping keep costs down and make South Texas grain shippers just as competitive with Mid West grain shippers.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Yours truly,

Abel Gonzalez Jr
Abel Gonzalez, Jr

*GREEN LAKE GRAIN CO.
ROUTE 2, BOX 329
PORT LAVACA, TEXAS 77979*

January 30, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al
Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Green Lake Grain Co. owns three country elevators between Corpus Christi and Houston, Texas. Two of them are on the Union Pacific; the third is a truck station. We have been unable to ship any grain to Laredo competitively because the UP goes north to San Antonio before coming back south to Laredo. Therefore, their rates are not competitive. In fact, many times we truck our grain to other elevators for loading on hopper cars to go to Mexico.

Our company has been a user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

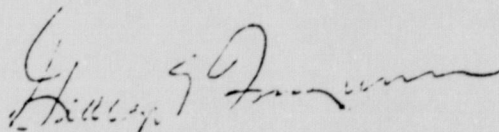
Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

A handwritten signature in dark ink, appearing to read "George E. Ferguson", written in a cursive style.

George E. Ferguson



DALLAS • FORT WORTH • HOUSTON

11/6/95

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. - Control & Merger-
Southern Pacific Rail Corp., et al.

Mr. Williams:

Our company's operations are closely associated with freight movements via railroads. One of the railroads we deal with is the Tex Mex Railroad. The above referenced merger will seriously impact the competitive alternatives for rail service.

I urge the ICC to include as a condition of approval for this merger, a grant of trackage rights to Tex Mex Railroad to operate from Corpus Christi to Houston, TX and to connect with other rail carriers in Houston. This proviso would preserve competitive access to rail service in that area.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rob Hood", written over a horizontal line.

Rob Hood, VP
Hood Transportation Services

ENTERED
Office of the Secretary

NOV 20 1995

3 Part of
Public Record

GENERAL OFFICE: PO Box 14164, Fort Worth, TX 76117 817-834-4475 Fax 817-838-2594

HUB OILFIELD SUPPLY CO.

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ALICE, TEXAS 78333

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(512) 664-2146
FAX NO. (512) 664-8857

FD 32762

March 15, 1996

Surface Transportation Board
12th St. & Constitution Ave.
Washington, DC 20423

Attn: Hon. Vernon A. Williams
Secretary

Hon. Vernon A. Williams:

Due to the fact that Southern Pacific and Union Pacific want to merge, that would affect our company drastically. As we, in the oil and gas supply business since 1958 incorporated as Hub Oilfield Supply Co., have had different sizes of casing shipped to Alice, Texas by rail. Delivered by Tex Mex railway and it would definitely affect our business.

Trucking in from various points of mills is easier by rail and with Tex Mex being here, very convenient. A merge would definitely affect our operation and our employees that depend on our company for salvation.

Please keep us in mind and vote against the merger of Southern Pacific and Union Pacific.

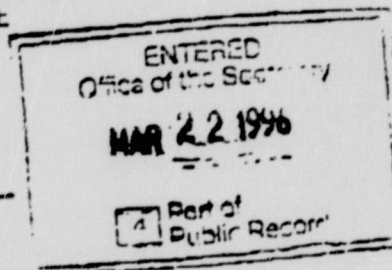
Yours very truly,

HUB OILFIELD SUPPLY CO. INC.

Dempsey Barr
Dempsey Barr
President

DB/rxs

**ADVISE OF ALL
PROCEEDINGS**





HUDSON FOODS, INC.
TRANSPORTATION DEPARTMENT

December 23, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et. al.
Control & Merger - Southern Pacific Rail Corp., et. al.

Dear Mr. Williams:

The amount of business the Turkey Division of Hudson Foods, Inc. has conducted with Mexico has steadily increased over the past three years. Recently we have moved shipping to a distribution center that has rail siding, which makes this specific mode of transportation more viable than ever before. Currently we are moving this product through Laredo, Texas as it a strong area for customs brokers and provides a direct routing into Mexico.

Our company depends on competition to keep prices down. An incident that occurred about a year ago exemplifies the need for good health completion a rate quote via the rail from Springfield, Missouri to Mexico (Northwest of Mexico City). About two months after receiving the quote but prior to moving any traffic, I discovered that particular routing had been discontinued. This did not involve the Texas Mexican Railway Co.

A merger of the Union Pacific and Southern Pacific will significantly reduce competition via the Laredo gateway. Although these railroads have potentially agreed to grant certain trackage rights to the new BN-Santa Fe Railroad, we do not believe this sufficient to maintain competition.

STB

FD

32760

3-29-96

SUB

No.

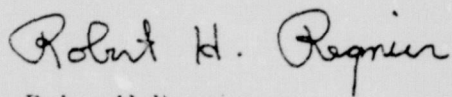
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7/8

A

It is my understanding that there is a potential alternative. The TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas and to connect with the Kansas City Southern Railroad as well as other carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Therefore, I urge the Commissioners to condition this merger with a grant of trackage rights to the Texas Mexican Railway Company and allowing service to Houston.

Sincerely,

A handwritten signature in cursive script that reads "Robert H. Regnier". The signature is written in dark ink and is positioned above the printed name and title.

Robert H. Regnier
Transportation Manager



November 20, 1995

IDAHO TIMBER CORPORATION

5401 Kendall Street
P.O. Box 67
Boise, Idaho 83707
(208) 377-3000

MR. Vernon Williams
Interstate Commerce Commission
Room 3315
12th & Constitution, N. W.
Washington, D. C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al.--
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I have been in the transportation industry for 25 years and currently hold the position of Transportation Manager at Idaho Timber Corporation, a company I have been with for 16 years.

Idaho Timber Corporation is a manufacturer and distributor of building materials supplying wood products to the manufactured housing industry, retail lumber centers, home centers and other major users of wood products. the Company's major products are lumber, cedar fencing, trusses, laminates, treated lumber, hardwoods, specialty boards and lumber-related products. These products ship from our ten (10) remanufacturing facilities and from various mills to all states in the contiguous U.S. IDAHO Timber Corporation spends approximately \$18-20,000,000 in freight per year.

Idaho Timber Corporation expects to become a major user of rail service for transportation between the United States and Mexico. Idaho Timber has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nueva Laredo gateway is the primary route for shipments today between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Idaho Timber depends on competition to keep prices down and to spur improvements in products and services. For many years, Union Pacific & Southern Pacific have been competitors for traffic via Laredo, resulting in substantial cost savings for shippers and a number of service innovations. Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.



A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa FE Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. Idaho Timber views competition as a Number One priority.

I understand there is an alternative that will preserve effective competition in this corridor. Tex-Mex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient, competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger.

Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads. Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

Idaho Timber Corporation

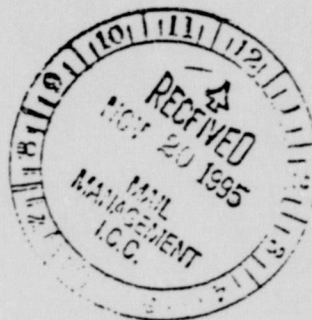
Ann Knapton
Transportation Manager

CC: The Texas Mexican Railway Company



October 27, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-001



RE.- Finance Docket No. 32760, Union Pacific Corp., et al - Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has facilities served by the Tex Mex Railroad. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and service. The only two U.S. carriers connecting with the Tex Mex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years the Union Pacific and Southern Pacific have competed to handle our shipments to and from the Tex Mex, resulting in substantial cost savings and service improvements. A merger of those two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. I therefore anticipate significant price increases and serviced deterioration for that portion of our rail service need beyond Tex Mex.

In addition, Tex Mex itself has historically relied on international traffic interlined with the SP for much of its traffic base. Since the UP/SP merger is likely to eliminate most, if not all, of this traffic, this loss of traffic volume is likely to cause reduced train frequencies on Tex Mex and thus slow down my shipments. There is even a serious question whether Tex Mex will be able to survive with his loss of international traffic.

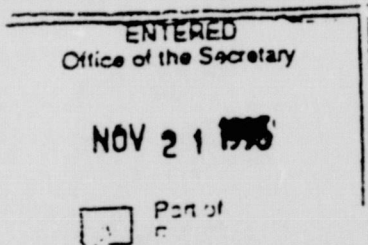
These price increases and service reductions will seriously reduce our ability to compete internationally.

I understand there is an alternative that will preserve effective competition in this corridor. Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (our purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow Tex Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to Tex Mex allowing service to Houston.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the goal of promoting international trade.

Yours truly,

Francisco Segura Barón Eng.
Distribution & Logistics



INTERNATIONAL PAPER

November 3, 1995

ENTERED
Office of the Secretary

INTERNATIONAL PLACE I
5400 POPLAR AVENUE
MEMPHIS, TN 38197
PHONE 901 763-6000

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, DC 20423-0001

NOV 7 1995

Part of

RE: Finance Docket No. 32760, Union Pacific Corporation, et al
Control & Merger - Southern Pacific Rail Corporation, et al

Dear Mr. Williams:

International Paper Company is a worldwide producer of paper, packaging, forest and specialty products that operates manufacturing and distribution facilities throughout the United States and in 130 other nations around the world. In 1994, International Paper Company had net sales of \$15 billion dollars.

One of our fastest growing markets is Mexico where in 1995, International Paper Company will export over 100,000 tons of forest products. The Laredo, TX gateway is the primary border crossing used to access our Mexican customers, and provides the shortest routing between major Mexican industrial/population centers and our producing mills in the Southeast and Southwestern United States.

Fundamental to maintaining and growing business, International Paper Company depends on reliable rail transportation service at competitive prices. Because the distance from many of our facilities to our customers in Mexico exceeds 1,000 miles, rail transportation is the only viable mode of transportation that can be used to competitively place our products in this market.

International Paper is very concerned that reduced competition as a result of the proposed merger of Southern Pacific (SP) and Union Pacific (UP) will have serious consequences for International Paper Company.

The Texas Mexican Railway Company has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly. Currently, Southern Pacific and The Texas Mexican Railway Company jointly provide effective competition to the services provided by Union Pacific. In fact, their joint service is superior to that provided by Union Pacific. Our rail service monitoring processes show that Southern Pacific and the Texas Mexican Railway company

provides International Paper Company with superior service in terms of equipment supply and condition, transit-time consistency and economics.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not effectively eliminate, our competitive alternatives via the Laredo gateway and negatively impact our ability to market our products in Mexico. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the Burlington Northern Santa Fe Railroad is financially strong enough to act as a real alternative. Moreover, the Burlington Northern Santa Fe Railroad does not have the terminals, locomotives, crews, boxcars, etc. to be able to service traffic over anything but limited distances outside its own system. Unfortunately, it is therefore quite unlikely that Burlington Northern Santa Fe Railroad will be an effective competitive replacement for an independent Southern Pacific throughout the 4,000 plus miles of trackage rights/sales involved in their agreement with Union Pacific/Southern Pacific at any time in the foreseeable future and of major concern here, certainly not on this important route as well.

I understand there is an alternative that will preserve effective competition for International Paper's traffic. The Texas Mexican Railway Company has indicated a willingness to purchase trackage where possible so as to be able to operate from Corpus Christi to connecting points with other rail carriers to provide efficient competitive routes and preserve their ability to compete for their customers' business. If the opportunity to own connecting trackage is foreclosed from consideration then the imposition of **properly** conditioned trackage rights (i.e. which would include appropriate interchange and adequate existing terminal facilities as well as joint control of dispatching on the trackage involved so as to assure The Texas Mexican Railway Company a bona fide ability to provide effective service to customers under equal and non-discriminatory conditions) may prove an effective way to address the loss of their **sole** connecting carrier.

The proponents of this merger recognize the necessity of these trackage right conditions when the Southern Pacific in its opening brief before the ICC in finance docket 32133 dated October 12, 1994 (Union Pacific control of Chicago North Western) stated:

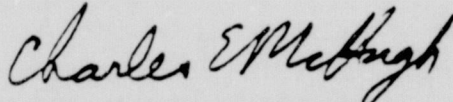
"SP's evidence has demonstrated substantial deficiencies in UP's handling of SP trains operating over UP's lines pursuant to trackage rights...(T)he evidence shows that UP failed to take appropriate and sufficient steps to afford SP trains the equal, non-discriminatory treatment required under the Commission's orders." And again, "Because control of the dispatching and movement of SP trains over the UP lines was in the hands of UP, SP was not in a position to avoid delays, to take steps to make up for them, and to provide consistent, reliable performance, as UP was able to and did do for its own trains."

Even the Union Pacific recognizes that trackage rights are inadequate to provide a viable competitive alternative. Recently, Union Pacific declined Southern Pacific's offer of reciprocal switching as an alternative to Union Pacific's building a 10 mile branch to serve several Texas chemical plants, saying "it has to have its own tracks to make best use of its operational effectiveness" as reported in the July 26, 1995 issue of Chemical Week. Trackage rights operating in such a way as to allow The Texas Mexican Railway Company to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger.

In the fateful event the Commission sees fit to approve this merger in any form, the International Paper Company urges the Commission to find it in the public interest to correct this particular loss of competition by conditioning this merger preferably with the sale of appropriate trackage and facilities to the Texas Mexican Railway Company or a grant of appropriately conditioned trackage rights (including adequate terminals and an equal voice in controlling dispatching over the affected lines) to them via efficient routes between Corpus Christi and these other connecting railroads.

Economical access to competitive international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,



Charles E. McHugh, Manager
U.S. Distribution Operations

CEM/mat

cc: L.D. Fields - The Texas Mexican Railway Company
E.D. Greenberg, Esq.
M.W. Hubbell - International Paper

italgrani U.S.A. inc.

7900 Van Buren Street
St. Louis, Missouri, U.S.A. 63111
Phone (314) 638-1447 Telex: 6974547
FAX (314) 752-7621



November 28, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et. al.
Control & Merger -- Southern Pacific Rail Corp., et. al.

Dear Mr. Williams,

My name is Vern W. Wills, Director of Transportation, Italgrani USA, Inc. My business address is 7900 Van Buren Street, St. Louis, MO. 63111. My responsibilities include the managing of all transportation aspects of the company. We have a vital interest in the proposed UP/SP merger with a large flour mill and terminal elevator located on the Union Pacific here in St. Louis, Mo.

Due to obvious reasons we supported the UP/SP merger, however, my company depends on competition to keep prices in line. At the present time we do not have any business to Mexico via the Laredo gateway, but looking into the future this is certain to become a market for our by-products.

A merger of Union Pacific and Southern Pacific will reduce competition alternatives via the Laredo gateway and the Texas Mexican Railway Company. We do not believe the Burlington Northern / Santa Fe Railroad trackage rights agreement will be an effective competitive replacement for an independent Southern Pacific on this important route.

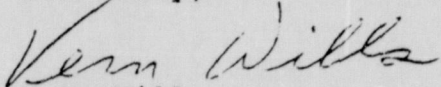
I understand there is an alternative that will preserve effective competition in this corridor. The TexMex Railroad has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas and to connect with the Kansas City Southern Railroad and other carriers at Houston. Trackage rights of this nature would allow TexMex to remain competitive at Laredo that would otherwise be lost in the merger.

I strongly urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex allowing service to Houston,

Texas.

The countries of Mexico and the United States depend very strongly on international trade between themselves and this could not be jeopardized by limited access to trade routes.

Sincerely,

A handwritten signature in cursive script that reads "Vern Wills". The signature is written in dark ink and is positioned above the typed name.

Vern Wills
Director of Transportation



JAMES RIVER CORPORATION

PO Box 2218 Richmond, VA 23218 (804) 644-5411

November 28, 1995

Mr. Vernon Williams
Interstate Commerce Commission
room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket NO. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail corp., et al.

Dear Mr. Williams:

My name is Tommie A. Turner. I have been in Transportation and General Traffic Management for over thirty years. My current position is Manager of Rail Transportation at James River Corporation.

James River is a leading marketer and manufacturer of Consumer Products, Food and Consumer Packaging, and Communication Papers, with 116 manufacturing facilities in North America and Europe.

Our company ships more than 300 carloads of product annually to and from Mexico via Laredo. This volume will most likely increase with the recent acquisition of additional sourcing facilities in Mexico.

Our company is a major user of rail service for transportation between the United States and Mexico. James River Corporation has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

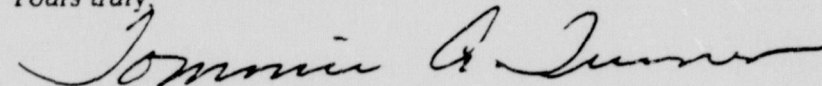
Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

A handwritten signature in cursive script, appearing to read "Tommie A. Turner".

Tommie A. Turner

cc: The Texas Mexican Railway Company

KANSAS-COLORADO SHIPPERS ASSOCIATION

1809 N. BROADWAY
SUITE F
WICHITA, KANSAS 67214

(316) 264-9630
FAX (316) 264-9735

January 29, 1996

Attn: Joe Ellebracht
The Texas-Mexican Railway Company
c/o Central Business Services
629 Green Bay Road
Wilmette, IL 60091

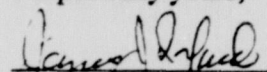
Re: Kan-Col Support of Tex-Mex in UP-SP Merger Proceeding.

Dear Sir,

The Kansas-Colorado Shippers Group by its three Chairmen, namely, Bill York - UP-MP, Charles Swayze SFE and Joe Strecker SSW, have authorized their advisor to prepare the attached statement, which has been amended supporting your railroad. Copies of my previous statement were mailed to the above named three Chairmen. I received a phone call which suggested that there was no reference to the non competitive truck and water modes for shipments to Mexico. These facts are included in the attached statement.

You may wish to know that the additional 3 Colorado and one Kansas Statements received now total thirty three (33) and there will be more coming in the future to be mailed to the KCS Railway. Please utilize this statement in Tex-Mex's opening statement. This same procedure was utilized with the SP railroad in the BN-ATSF merger proceeding. This STB Practitioner reserves the privilege of quoting from this statement in Kan-Col's March 29, 1996 opening statement.

Respectfully yours,



James J. Irlandi
STB Practitioner
Advisor

c/c: U.S. D.O.T.
U.S. Dept. Of Justice
U.S. Sec of Agriculture
Kansas Sec of Agriculture
Bob Dreiling KCS
Mayor Bob Knight - Wichita
JJJ/sl

**KANSAS-COLORADO SHIPPERS ASSOCIATION
1809 N. BROADWAY, SUITE F
WICHITA, KANSAS 67214
PHONE: (316) 264-9630 FAX: (316) 264-9735**

**STATEMENT OF THE KANSAS-COLORADO SHIPPERS ASSOCIATION
IN SUPPORT OF
THE TEXAS MEXICAN RAILWAY COMPANY**

Mr. Vernon Williams
Secretary
Surface Transportation Board
Room 3315
12th and Constitution Avenue, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

My name is James J. Irlandi and I am an ICC Practitioner with offices located at 1809 N. Broadway, Suite F, Wichita, Kansas 67214. My telephone and fax numbers are: (316) 264-9630 and (316) 264-9735.

I am also President of Skill Transportation Consulting, Inc., with offices in the same complex as mentioned above. As an ICC Practitioner, I consult and utilize my transportation law knowledge to advise, and to prosecute cases before your bar on behalf of shippers, shippers' associations and individual companies on rail, truck and water transportation issues.

I advise the Kansas-Colorado Shippers Association and will be handling their case before your Commission. Previously, we did not have any Colorado shippers who belonged to one of the three shipper groups, namely, UP-MP, SFE and SSW. We have recently been contacted by several Colorado interests and those shippers have joined the UP-MP group.

In accordance with 49 C.F.R. Sec. 1180.4 (a) (2), we have selected the acronym KanCol in this proceeding. I am authorized to file this statement by the UP-MP-SFE-SSW groups. In addition, in phone conversations with members they have given me the authority to present this statement

STATEMENT OF INTEREST

The Kansas Shippers Group supported the Southern Pacific railroad in its quest for operating rights over the ATSF railroad from Kansas City (MO & KS) over the main line of that

railroad through Emporia, Newton to Hutchinson, which it serves on its direct line of the SSW railroad acquired from the bankrupt Rock Island line. From Hutchinson through Newton and Wichita, Winfield to the Dallas-Fort Worth, in Finance Docket No. 32549. The shippers who are members of the three groups were informed by the Southern Pacific that they needed a shorter route to the Gulf Ports. In addition, by utilizing their railroad connections to the SP, they would have access to the Tex-Mex railroad and the Laredo gateway to Mexico. The shipments from Wichita and Winfield from short line connections could move in joint service from those two locations via the Hutchinson gateway and have open all of SP's gateway across the southwestern tier of states into Mexico.

NO ALTERNATIVE TRANSPORTATION MODE AVAILABLE

Members on the short line railroads, the CKR and KSW (Omnitrax) - or the BNSF have no alternative truck options or rail operations. Regardless, assuming that the UP did not have any hopper cars available to the KSW-CKR railroad for loading, these shippers could not compete for Mexican traffic. Small shippers on the UP-MP have another problem. The UP would only allow cars into Mexico on a bid basis. Small business cannot compete with the larger firms in bidding for cars to utilize for Mexican business. This procedure for Mexican businesses eliminated all competition rail or truck until the SP received its operating privileges.

COMPETITIVE TRUCKING STILL NOT AVAILABLE

Multi-car moves of grains may compete with truck transportation on longer distance movements into Mexico. Any person who has grain marketing and/or grain transportation experience has knowledge that purchases on an F.O.B. elevator basis is determined by price for the grain + transportation cost + a reasonable allowance for profit. The profit has to take care of the purchaser's variable and fixed expenses. Grain truck shipments would progress in the order of the above format as follows:

1. Elevators with farmers closest to Mexico.
2. Texas farmers in the middle of this state with put-through at the elevators closest to the farmers' fields.
3. Northern Texas grain elevators and farmers nearest those elevators.
4. Lastly, southern Oklahoma elevators whose truckers could pickup back-haul materials for the return move.

WATER TRANSPORTATION NOT AN ALTERNATIVE MODE

Although this STB practitioner helped to move the first bargeload of wheat at the Port of Catoosa, Oklahoma, this alternative is not available today for Mexican business. The average cost to transfer grains from a grain elevator or from a barge loading site may vary according to the need for the ultimate purchases. Today, feed, as well as milling grain, are subject to quality control for exacting grades. Each time grain is handled there is a loss of grade because of the

inherent nature of the grain kernels. Loading into the barge for overseas' shipments is usually handled once through the elevator into the ship. Another method is direct barge unloading into ocean-bound ships.

The rail shipments are checked at border points by grain inspectors. Rail cars which do not grade properly, or are slightly below grade, need a price adjustment. At least the grain moved by rail is the safest and most plausible method of shipment at this time.

UP-SP MERGER ELIMINATES THESE HOPES

Shippers on the ATSF railroad and short line railroads will lose one valuable asset, the SP railroad, when this merger is approved by your Commission. The control of rates by the ATSF railroad on the CKR-SKOL stations and the UP on KSW and SKOL have proven that these two major lines prefer train loading shippers to the detriment of the majority of our shippers on the MP, UP, ATSF, SSW, CKR, KSW, and SKOL railroads. Most of our members are considered small businesses.

HELP ON THE HORIZON

Fortunately, the Board of Directors had the foresight to ask the KCS Railway to listen to their plight and to meet with the Directors of KanCol. The Directors were impressed with the presentation of President Haverty and his staff. They voted to oppose the merger and to help the KCS Railway obtain rights in this proceeding to operate from Kansas City to Hutchinson, Wichita, Winfield, Dallas, Fort Worth, and beyond to connect with the Tex Mex railroad. This help is generated for the North-South Corridor.

In addition, the original affidavits, when received by me from our members, will be sent to the KCS Railway for its utilization in this case similar to help given to the SP Railroad. As mentioned supra, under the previous heading concerned preferential treatment to train loading shippers, KanCol will quote from these verified statements, a copy of which has been retained in this office to give evidence of these facts.

THE MIDWEST EAST-WEST CORRIDOR

Our members have diversified interests because they have facilities on all lines mentioned supra. Some are located on the CKR and the MP line running from Herington to Pueblo, others on the BNSF and the MP line, and some are located solely on the MP line in Kansas and Colorado. These shippers have authorized me to mail their original statements to the KCS Railway for its presentation. They have authorized me to keep copies of the statements and quote from its statements on issues involved in this proceeding.

At a recent meeting hosted by the Hoisington Chamber of Commerce at Barton County Community College, located near Great Bend, Kansas, a coalition of shippers and businessmen

was formed. It is named the Mountain/Plains Communities Shippers Coalition. Both the Chamber of Commerce and the new coalition of Kansas citizens will also participate in this proceeding. The Coalition is also concerned about the MP line from Herington, Kansas to Pueblo, Colorado. I attended the meeting. President Mike Haverty of the KCS Railway could not attend the meeting after being invited by the Chamber. The KCS has expressed interest in helping shippers in both the North-South and East-West Corridors.

DIRECT ACCESS TO MEXICO

This advisor in his weekly newsletter to subscribers has given information to the members and others that the Tex Mex and KCS Railways are in the process of privatizing the Mexican rail line from Laredo to Mexico City by a joint venture with a large Mexican-based company involved in transportation in the South American and Mexican areas. Grains and other commodities would have a one entity transportation group to handle these shipments. KanCol is supporting this project with the same vigor as when they supported the SP track rights project.

POSSIBLE KCS RAILWAY INTERMODAL FACILITY IN WICHITA

Kansas has a diversified group of shippers and receivers of intermodal freight in South Central Kansas. The Wichita World Trade Center and the Wichita Foreign Trade Zone representatives met with President Haverty and his staff on his second visit to Wichita, and are fully supportive of an intermodal facility in Wichita. The KCS expressed the fact that with operating rights to Kansas City and Fort Worth and beyond, intermodal shippers would be able to reach all ports in the Gulf served by the KCS. The KCS would be pleased to handle shipments to Kansas City to connect up with railroads serving ports in the Northwest and California, Canada, Southeastern, as well as Eastern U.S. ports. There was also a discussion on trade to and from Mexico. With the knowledge that KCS-Tex Mex lines are projecting a one entity group to handle traffic to Mexico City, Kansas intermodal shippers would have direct access to and from Mexico.

GRANTING OF TEX MEX REQUESTS

We are aware of the Tex Mex request for operating rights from Houston to Corpus Christi. In order to protect this small railroad to remain competitive the request should be granted by the Surface Transportation Board. In addition, as your Board will discover from the statements to be rendered by the KCS Railway, there is also a need for a competitive Class I carrier in the North-South corridor traversing the state of Kansas, namely, the KCS Railway. It is the only railroad to publicly assume its intention to help KanCol shippers.

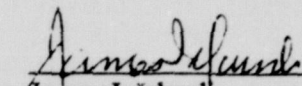
PROTECTION OF SMALL SHIPPERS

Your Board has a history of protecting small shippers. By allowing our members to utilize the services of the KCS and Tex Mex Railroads as outlined herein, this vital need will be fulfilled. KanCol submits that a formal order should be forthcoming accomplishing the same in your final decision.

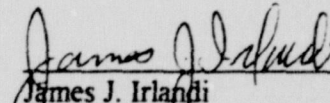
This statement is being mailed to the Tex Mex Railroad for utilization in its opening statement presently due on the date of March 29, 1996.

Respectfully Submitted,

By: James J. Irlandi
ICC Practitioner
1809 N. Broadway, Suite F
Wichita, Kansas 67214
PH: (316) 264-9630
FAX: (316) 264-9735


James J. Irlandi
Advisor
The Kansas-Colorado Shippers Association
1809 N. Broadway, Suite F
Wichita, Kansas 67214 (316) 264-9630

I, James J. Irlandi, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on January 23, 1996.


James J. Irlandi

KENTUCKY-TENNESSEE CLAY COMPANY

P.O. BOX 6002

MAYFIELD, KENTUCKY 42066

PHONE (502) 247-3061
FAX (502) 247-3935

November 8, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th & Constitution, N.W.
Washington, D.C. 20423-001

ENTERED
Office of the Secretary

RE: Finance Docket No. 32760, Union Pacific Corp., et al.
-- Control & Merger -- Southern Pacific Rail Corp., et al.

NOV 20 1995

3 Part of
Public Record

Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United States and Mexico for over thirty years. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to provide competitive pricing and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition in this corridor. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City

Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex allowing service to Houston.


Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Very truly,

V. E. MacPherson

V.E. MacPherson
Transportation Manager

VEM:mg

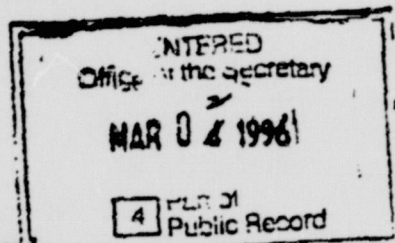


KREHER STEEL CO., Inc.

1550 NORTH 25TH AVENUE, MELROSE PARK, ILLINOIS 60160
708-345-8180 FAX 708-345-8293
800-323-0745 TELEX 254 808-KRHR UR

February 23, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, NW
Washington, D.C. 20423



RE: F.D.32760; The Texas Mexican Railway Co. - Operating Authority over the Union Pacific-Southern Pacific RR lines to Houston, TX and Beaumont, TX.

Dear Mr. Williams:

I am the Traffic Manager of Kreher Steel Co. and have held that position for the past two years. I am responsible for the movement of 50,000 net tons of steel bars and billets annually by rail, truck, and water transport.

Kreher Steel Co. is a Service Center of steel bars and billets. We own warehouses in Melrose Park, IL and Houston, TX and own a distribution yard in Midlothian, TX. In addition we maintain inventories in publicly-owned warehouses in Ambridge, PA, Cleveland, OH, Wayne, MI, Laredo, TX, Fontana, CA, Portland, OR, and Fort Smith, AR. Inventories are also maintained at various processors located within the United States. We utilize the rail services of numerous Class I railroads, including the Norfolk Southern, the Burlington Northern Santa Fe, the Southern Pacific, and Conrail. In addition to the rail service, we have been able to utilize the rail-truck delivery and truck-rail delivery services now offered by many of the railroads. Most of our rail movements originate at our steel suppliers or ports of New Orleans, LA and Houston, TX for movement into our warehouses.

We strongly support the Texas Mexican Railway's application for trackage rights over the Union Pacific-Southern Pacific Railroads into the Houston switch district. Our public warehouse in Laredo, TX is served by the Texas-Mexican Railroad. With the purchase of the Southern Pacific RR by the Union Pacific, a reduction in competitive service from this southwestern market will develop. Permission to allow the Texas Mexican Railway to serve this market will preserve competition and will enable us to more efficiently serve our Midwestern customers.

ADVISE OF ALL

PROCEEDINGS



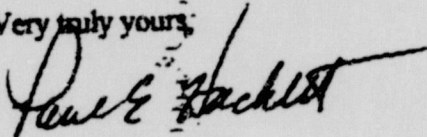
DALLAS, TEXAS • DETROIT, MICHIGAN • HOUSTON, TEXAS • MEXICO CITY, MEXICO



Prior to the establishment of our warehouse on the Texas Mexican Railway, numerous requests for rates, service, and car supply went unanswered by the Union Pacific R.R. With the interchange between the Tex-Mex and the SP at Corpus Christi, we were permitted the opportunity to establish a competitive shipping point to serve our Midwestern market. We are fearful that the purchase of the SP by the UP could end our ability to supply NAFTA-produced products to our customers at competitively-priced transportation.

For these reasons, I believe the Texas Mexican Railway should be given authority to operate into Houston switch district over the UP-SP trackage. We strongly support this action.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Paul E. Hackett", written in a cursive style.

Paul E. Hackett
Traffic Manager

FOSTER

**L.B. FOSTER
COMPANY**

Foster Plaza
P O Box 2806
Pittsburgh, PA 15230
(412) 928-3400
FAX (412) 928-3424

March 11, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, NW
Washington, DC 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. ---
Control & Merger--Southern Pacific Rail Corp., et al.

My name is David H. Steingraber. I am the manager of transportation and logistics for L. B. Foster Company, located at 415 Holiday Drive, Pittsburgh PA, 15220. In this position, I have responsibility for overseeing all transportation issues for Foster. I have been employed in the field of industrial transportation for more than thirty years, am a practitioner before the former ICC, hold certified membership in the American Society of Transportation and Logistics, and am degreed in this discipline.

L. B. Foster Company manufactures, fabricates and distributes steel pipe and tubular products, railway track rails and trackwork, structural steel, and construction and highway products, with both national and international markets.

Foster ships from and to all geographic areas of the United States, Canada and Mexico, and depends heavily on railroad service to supply our operations and to service our customers within these market areas.

Our Company has been a major user of rail service for transportation between the United States and Mexico. Foster has strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is a primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It often provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Mr. Vernon Williams
Surface Transportation Board
March 11, 1996
Page 2

Our Company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost containment opportunities and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

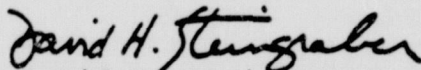
L. B. Foster Company has previously gone on record as supporting the proposed merger between the Union Pacific and Southern Pacific Railroads. In our support statement, however, we noted both our awareness and our concern as regards reduced railroad competition to some destinations.

A merger of Union Pacific and Southern Pacific may seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

We understand there is an alternative that will preserve effective competition for our traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Surface Transportation Board to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

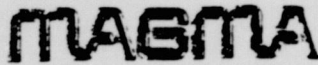
Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,



David H. Steingraber
Manager-Transportation & Logistics

cc: The Texas Mexican Railway Company



M A G M A M E T A L S C O M P A N Y

A Subsidiary of Magma Copper Company

October 30, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N. W.
Washington, D. C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al.
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Magma Copper Company and its operating divisions are major users of rail service for transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Magma depends on competition to keep prices down and to generate improvements in products and services. For many years Union Pacific and Southern Pacific have competed for traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition in this corridor. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to

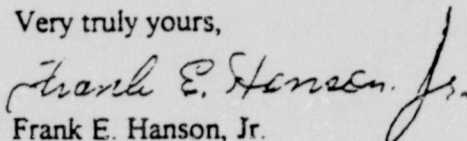
Mr. Vernon Williams
Interstate Commerce Commission
Page Two

Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights will allow Tex Mex to be truly competitive and are essential to maintaining the competition at Laredo that would otherwise be lost in the merger.

I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex allowing TexMex service to Houston.

Economical access to international trade routes should not be jeopardized when the future prosperity of the U.S. and Mexico depends so strongly on international trade.

Very truly yours,

A handwritten signature in cursive script, reading "Frank E. Hanson, Jr.", written in dark ink.

Frank E. Hanson, Jr.
Director, Corporate Transportation & Logistics

DEC 8 1995



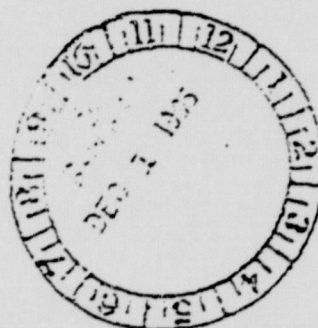
3 Part of

MAX-TORQUE, LTD. • 2725 Thomas Street • Melrose Park, IL 60160-2934 • (708) 547-7022 • FAX (708) 547-7444

November 28, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket #32760



Dear Mr. Williams:

Our company has the occasion to use the services of the Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Max-Torque depends upon competition to keep prices down and to spur improvements in products and services. The only two carriers connecting with TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, which resulted in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMax.

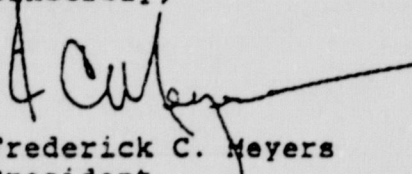
The TexMex has historically relied on international traffic intertwined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce the ability of many companies to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. In this instance it is possible to do so while furthering the national goal of promoting international trade.

Sincerely,

A handwritten signature in dark ink, appearing to read 'F. C. Meyers', with a long horizontal flourish extending to the right.

Frederick C. Meyers
President

FCM/ff

meaden

Screw Products Co.



210 WEST 83rd STREET
BURR RIDGE, ILLINOIS 60521
PHONE 708 / 655-0888
FAX 708 / 655-3012



Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760

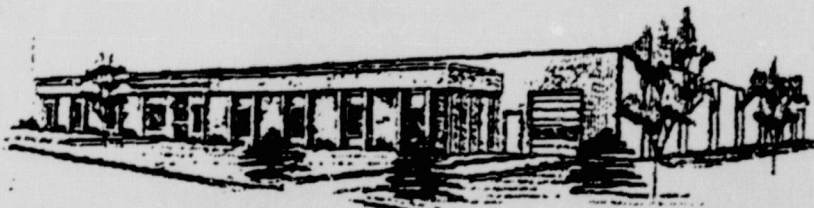
Dear Mr. Williams:

Our company has occasion to use the services of The Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

Office

DEC 28 1995



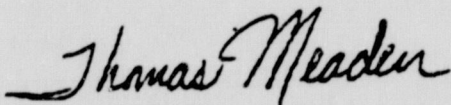
The TexMex has historically relied on international traffic interlined with the Southern Pacific for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce many companies abilities to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

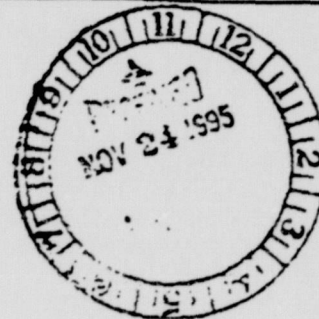
Sincerely

A handwritten signature in cursive script that reads "Thomas Meaden". The signature is written in dark ink and is positioned above the typed name and title.

Thomas Meaden
President
Meaden Screw Products Co.

Noranda Aluminum, Inc.
P.O. Box 70
New Madrid, Missouri 63800
(314) 643-2361

noranda



NOV 24 1995

November 17, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
Washington, DC 20423-0001

RE: Finance Docket No. 32760- Union Pacific Corporation, et al Control and Merger -- Southern Pacific Rail Corporation, et al

Dear Mr. Williams:

On October 16, 1995, Noranda Aluminum, Inc., issued to the ICC a statement of support for the proposed merger of the UP-SP rail system (see attached). In this statement we made a request for BN/Sante Fe trackage rights to our plant in order to insure competitive access.

The purpose of this letter is to amend my original statement to also include support of trackage rights being sought by the TexMex Railroad in connection with the proposed SP/UP merger.

As alluded to in our original statement, Noranda Aluminum has been a major user of rail service for transportation between the United States and Mexico. Noranda has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest base of custom brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Competition is absolutely essential if our railroads are to keep prices down, and at the same time, continue to make improvements in products and services. The same is true in all industries. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. Tex Mex has been the SP's partner in reaching Laredo in competition with Union Pacific, as SP does not reach Laredo directly.

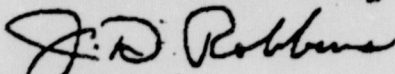
On further and more considerable reflection, it is clear that the SP/UP merger as currently proposed will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway.

The Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christie (or purchase trackage where possible) to connect with other rail carriers other than SP/UP in order to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Noranda, therefore, urges the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between New Madrid, MO (BN/SF) and Laredo, TX via the TexMex at Corpus Christie.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly

NORANDA ALUMINUM, INC.



J.D. Robbins
Traffic Manager

JDR/bb

NUECES GRAIN CORP.



January 30, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al
Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Nueces Grain Corp. is a 1,600,000 bushel grain elevator in Corpus Christi, Texas on the Union Pacific Railroad. We both originate farmer grain and act as a sub-terminal facility for other elevators. Each year we ship bulk milo and corn that moves to Mexico via the Tex-Mex Railway through Laredo/Nuevo Laredo.

Our company has been a major user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

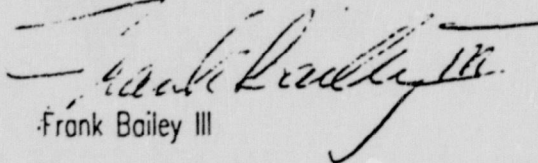
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed

to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Bailey III".

Frank Bailey III

ORANGE GROVE GRAIN COMPANY
P.O. BOX 273
ORANGE GROVE, TEXAS 78372

January 30, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al
Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I am the manager of Orange Grove Grain Co. It is a small country grain elevator 19 miles north of the Tex-Mex railway line on Highway 359 in South Texas. Much of our grain is shipped to elevators on the Tex-Mex for trans-shipment to Nuevo Laredo by rail. We usually handle approximately 450,000 bushels per year.

Our company has been a user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

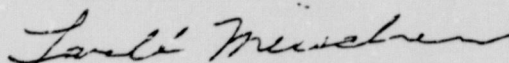
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to

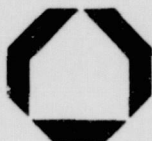
connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

A handwritten signature in cursive script, reading "Larell Meischen".

Larell Meischen



PACIFIC COAST
building products

3001 I Street
P.O. Box 160488
Sacramento, CA 95816
(916) 444-9304

March 1, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760 Union Pacific Corporation, et al
Control and Merger - Southern Pacific Rail Corporation, et al

Dear Mr. Williams:

I am Tom Gruneisen, Traffic Manager for Pacific Coast Building Products, Inc. I have held this position for twenty years.

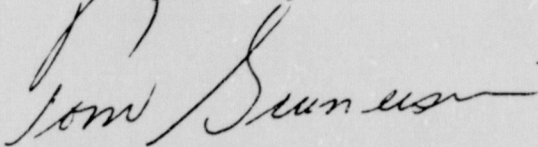
As Traffic Manager I am responsible for overseeing all shipments in and out of all of our facilities which include sixteen manufacturing sites and thirty building supply distribution centers.

In the last few years Pacific Coast Building Products has enjoyed an ever expanding market and, in this vain, look forward to doing business with our neighbors to the south in Mexico. This brings us to rail access to Mexico.

At present, Pacific Coast Building Products supports the merger of the Union Pacific and Southern Pacific Railroads, but we also understand the need for competition in the marketplace and, to insure this position, we also support the Texas Mexican Railway Company's request for trackage rights over the U.P.S.P. lines. This is the only way we can see to maintain the competition into the Mexican market that exists today. Anything short of this will cause a decline in service and an increase in rates which, while trying to establish a new market, would be a disaster.

In summation, Pacific Coast Building Products is in favor of the Union Pacific - Southern Pacific merger and at the same time very much in favor of trackage rights for the Texas Mexican Railway Company over the U.P.S.P. lines.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Gruneisen".

Tom Gruneisen
Traffic Manager

TG/et

cc: The Texas Mexican Railway Company
C/O Central Business Services
629 Green Bar Road
Wilmette, IL 60091

**PALGO**

THE PACIFIC LUMBER COMPANY

P.O. Box 37, Scotia, CA 95565 (707) 764-2222

January 31, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et. al.

Dear Mr. Williams:

Our company produces lumber products and ship them worldwide. Over the years we have shipped thousands of board feet of lumber from Northern California to Texas and to Mexico via Laredo.

To maintain competition we believe that The Texas Mexican Railway Company should be granted trackage rights over the UP-SP line from Houston to Corpus Christi. This will help provide competition on shipments to southern Texas and Mexico.

We have found that competition in the open market is the best way to get the most for your dollar, be it raw materials, products or transportation. By granting the Tex-Mex trackage rights from Corpus Christi to Houston, the added competition for the rail business will keep the level of service high and rates low.

Sincerely,

THE PACIFIC LUMBER COMPANY

RODNEY W. WOOLLEY
Manager, W.C.

November 29, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Rm. 3316
12th and Constitution, N.W.
Washington, DC 20423-0001

ENTERED
Office of the Secretary

DEC 5 1995



Re: Finance Docket No. 32760

Dear Mr. Williams:

Our company has occasion to use the services of The Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years, these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce many companies' abilities to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained

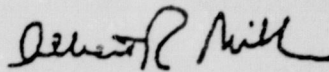
Mr. Vernon Williams
November 29, 1995
Page 2

through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Sincerely,

PHOENIX CLOSURES, INC.



Albert R. Miller
President

ARM/rw



POPE & TALBOT, INC.

February 21, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

**Re: Finance Docket No. 32760, Union Pacific Corp., et. al.
--Control & Merger -- Southern Pacific Rail Corp., et al.**

Dear Mr. Williams:

Our company is a major user of domestic and international rail transportation to move our products. The Laredo/Nuevo Laredo gateway is one of the primary routes for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

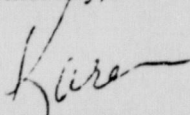
Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

We have supported the UP/SP merger but fear that our competitive alternatives, if not eliminated, will be seriously reduced via the Laredo gateway. We understand that some trackage rights were given to the Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition in this corridor. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex allowing service to Houston.

I feel it is very important to protect economical access to international trade routes and should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

A handwritten signature in dark ink, appearing to read "K. L. Anderson", with a stylized flourish at the end.

K. L. Anderson
Transportation Manager

PREMONT GRAIN COMPANY
P O BOX 66
PREMONT, TEXAS 78375

January 30, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al
Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Premont Grain Company is a small country grain elevator in South Texas 27 miles south of the Tex-Mex Railroad on Highway 281. Most of the grain sorghum and field corn that we handle moves to Agua Dulce for loading on rail cars bound for Mexico through Laredo. Our storage capacity is about 325,000 bushels but in a good year will handle more grain than that.

Our company has been a user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

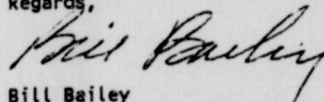
Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. Tex-Mex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Regards,


Bill Bailey



PRINS RECYCLING CORP.

Parker Plaza
400 Kelby Street
Fort Lee, NJ 07024
(201) 886-1600 • FAX: (201) 886-1601

February 29, 1996

Surface Transportation Board

Room 3315

12th and Constitution N.W.

Washington, D.C. 20423-0001

Dear Sir or Madam:

Prins Recycling is one of the largest processors of recyclables in the United States. Our raw material products are shipped domestically and internationally via trailers, containers and rail cars. These products are used in a variety of industries, such as paper (newsprint, linerboard, tissue), plastic and aluminum.

Mexico is the second largest country to consume wastepaper as a raw material. We have been a shipper into this Mexican market, via rail, for over five years. Annually, our shipments total approximately 700 rail cars

Prins Recycling is extremely concerned about competitive rail rates between the United States and Mexico. The Laredo/Nuevo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the midwest and eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years, Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in



PRINS RECYCLING CORP.

Parker Plaza
400 Kelby Street
Fort Lee, NJ 07024
(201) 886-1600 • FAX: (201) 886-1601

the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Surface Transportation Board to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

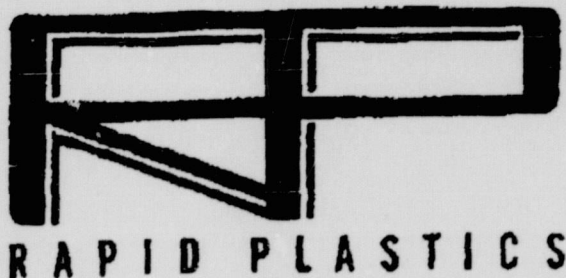
Best regards,
Prins Recycling Corp.



Eric R. Harfenist
Executive Vice President

ERH/ibd

cc: Tex Mexican Railway Co.



Rapid Industrial Plastics Co., Inc.

Distributors of Plastic Resins
Manufacturers of Quality Products

February 14, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. -Control and Merger -
Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has been a major user of rail services for transportation between the United States and Mexico. Rapid Industrial Plastics has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/ Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

3 Underhill Avenue East
Jersey City, New Jersey 07305
U.S. Toll Free 800-526-3038; In N.J. 201-433-5900
or 201-433-4961 Int'l Fax 201-433-5979
WX 710-730-5239 RIP-JCTY

Russel Champion
1031 Goodnight Trail, Houston, Texas 77060
Tel. 713-443-6220, Fax 713-443-2069

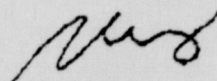
13302 Denson Avenue
P.O. Box 2289, Chino, California 91710
Tel. 714-591-1893; Fax 714-628-1708

Printed on Recycled Paper

I understand there is an alternative that will preserve effective competition for my traffic. TexMex as indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,



Steve Fine
Export Manager

cc: The Texas Mexican Railway Company



SHAMROCK FIBRES INC.

665 W. JACKSON STREET
WOODSTOCK, ILLINOIS 60098
PHONE 815-338-8513
FAX 815-338-8597

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 30423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al.
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams

I have been affiliated with Shamrock Fibres, Inc. since 1989 and currently hold the position of Executive V.P. Shamrock Fibres, Inc. was established in 1979 in Woodstock, Illinois and through an entrepreneurial spirit has become one of the largest brokers of containerboard, secondary fiber, converting kraft paper, tissue and fine papers in North America. Our company ships approximately 1700 carloads annually of which about 95% cross at the Laredo gateway. This gateway possesses the strongest infrastructure of customs brokers, and also provides the shortest routing between major Mexican industrial centers and the Midwest and Eastern United States.

Shamrock Fibres, Inc. has been a major user of rail service for transportation between the United States and Mexico. We, therefore, have a keen interest in maintaining competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the designated primary route for shipments between the two countries for the majority of international traffic.

Just as Shamrock Fibres, Inc. depends on competition to retain its key position in the market, we would expect the same competitive spirit to drive the rail industry. This spirit has dictated improvements in pricing and services in the past for customers it maintains, and has generated new business essential to succeed in these changing markets. This, for many years, has been the case as the Union Pacific and the Southern Pacific have competed head to head for our traffic via Laredo. We remain convinced that this competition has not only resulted in a cost savings for

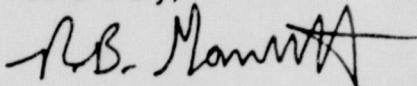
all shipments over the years, but simultaneously has generated service innovations. The TexMex railway which is the Southern Pacific's outlet to Laredo, (as the Southern Pacific does not reach Laredo directly), has been an integral part in maintaining this competitive spirit.

A merger of the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, it seems questionable at best to assume that the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for the independent Southern Pacific on this very important route.

It is our understanding that there is an alternative being proposed to preserve the effective competition through Laredo. The TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights, operating in such a fashion as to allow the TexMex to be truly competitive, are essential to maintain the competition at Laredo which would otherwise be seriously diminished in this merger. We would urge the Surface Transportation Board to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi, Tx. and these connecting railroads.

With the future prosperity of both countries dependent on the expansion of international trade, it is our position that economical access to international trade routes should not be jeopardized.

Yours truly,



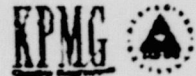
Richard B. Garrett
Executive V. P., Shamrock Fibres, Inc.

RBG/sk

cc: The Texas Mexican Railway Co.



Certified Quality System



March 25, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N. W.
Washington, D.C. 20423-001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. - -
Control & Merger - - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Sheffield Steel Corporation is a privately owned domestic steel producer with facilities located at Sand Springs, Oklahoma as well as three other locations and is part of the beleaguered U.S. Steel industry. The Sand Springs plant provides stable and satisfying employment for approximately 500 people. I have functioned as Traffic Manager for Sheffield Steel for the past 8 years and as such, am familiar with it's transportation requirements.

Our company has been a major user of rail service for transportation between the United States and Mexico. Sheffield Steel has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo / Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possess the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an

Simpson

File Ted / Med Hwy!

January 12, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe Burlington Northern Santa Fe, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

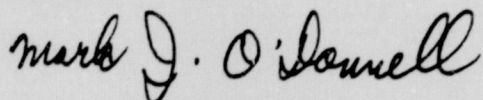
I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the

SIMPSON PAPER COMPANY
Service Center
Post Office Box 637
21091 Hawes Road
Anderson California 96007
Phone 800 366 5556
Phone 916 378 6300
Fax 800 343 3329
Fax 916 378 6325

competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

A handwritten signature in cursive script that reads "Mark J. O'Donnell". The signature is written in dark ink and is positioned above the typed name.

Mark J. O'Donnell
Transportation Manager

c: Mr. Larry Fields
President

Skyeagle, Inc.

P. O. Box 9103
Corpus Christi, Texas 78469

October 23, 1995

ENTERED
Office of the Secretary

OCT 27 1995

3 Part of
Public Record

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution N.W.
Washington D.C., 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al - Control and Merger -
Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Skyeagle, Inc. purchased its present rail facility from the General Services Administration approximately one and half years ago. Our shortline railroad connects only to the Texas Mexican Railroad. We are very concerned about the proposed merger of Union Pacific and Southern Pacific. There is a possibility that this merger will reduce the competitive alternatives for rail services available to our company. At the present time we also have the option to use either Union Pacific or Southern Pacific as they both connect to Tex-Mex. Our shortline railroad depends on the continuing competition between Union Pacific and Southern Pacific to help hold prices down and to foster continuous improvements in both the product and service sector.

For many years Union Pacific and Southern Pacific have competed to handle shipments that were ultimately delivered across the Skyeagle Railroad. This competition obviously resulted in cost savings and the provision for improved service. If these two railroads merge, in all likelihood competition will be eliminated. This will cause serious hardship to the Skyeagle railroad and our ability to compete for goods and services in the future.

We understand that Southern Pacific and Union Pacific have agreed to give certain trackage rights to Burlington Northern Santa Fe Railroad. We at Skyeagle Railroad do not believe that the Burlington Northern Santa Fe Railroad will competitively replace an independent Southern Pacific on this particular route. We also would anticipate increased prices and deterioration of services for our particular rail needs beyond the Tex-Mex line.

In addition, it is our understanding that Tex-Mex has relied upon international traffic interlined with Southern Pacific for much of its traffic base. It is also our understanding that the UP-SP merger is likely to eliminate the majority, if not all, of this traffic. The resulting loss of traffic volume will surely reduce train frequency on Tex-Mex and thus slow down any shipments which are to originate from or be delivered to the Skyeagle railroad. As a shortline railroad that

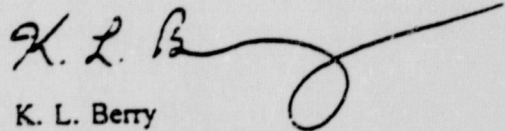
Mr. Vernon Williams
Interstate Commerce Commission
October 23, 1995, Page 2

is dependent on Tex-Mex, there is a serious question as to whether Tex-Mex will be able to survive with this loss of international traffic. Price increases and service reduction will seriously reduce Skyeagle railroad's ability to compete both domestically and internationally.

It is my understanding from Tex-Mex representatives that there is an alternative that will preserve competition in this corridor. It is Skyeagle's understanding that Tex-Mex is indicating a willingness to operate over trackage rights from Corpus Christi to Houston, Texas or to purchase trackage, where possible, to ultimately connect Tex-Mex with the Kansas City Southern Railroad and other rail carriers at Houston, Texas. These trackage rights would operate in such a way as to allow Tex-Mex to be truly competitive.

Please consider this notice as Skyeagle railroad's formal opposition to the merger of Union Pacific and Southern Pacific railroads. Should the merger be allowed, then the Interstate Commerce Commission should provide to Tex-Mex Railroad linkage to the Houston area and Kansas City Railroad. Thank you for your attention to this request.

Sincerely,



K. L. Berry
President

cc: Mr. Larry Fields
Texas-Mexican Railway

Mr. Robert Morris
Nicolas, Morris & Gilbreath

skyegupsmerng



SOUTHERN ELEVATORS, INC.

October 23, 1995

ENTERED
Office of the Secretary

PHONE AC 512 644-2111
POST OFFICE BOX 1010
ALICE, TEXAS 78333

OCT 23 1995

Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

☒ Part of
[unclear] [unclear]

Re: Finance Docket No. 32760 Union Pacific Corp., et al. - Control & Merger Southern Pacific Rail Corp., et al

Dear Mr. Williams,

Our country elevator has facilities served by the Tex Mex Railroad. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services to our farmers. The only two U.S. carriers connecting with the Tex Mex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years the Union Pacific and the Southern Pacific have competed to handle our shipments to and from the Tex Mex, resulting in substantial cost savings and service improvements. A merger of those two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. I therefore anticipate significant price increases and serviced deterioration for that portion of our rail service needs beyond Tex Mex.

In addition, Tex Mex itself has historically relied on international traffic interlined with the SP for much of its traffic base. Since the UP/SP merger is likely to eliminate most, if not all, of this traffic, this loss of traffic volume is likely to cause reduced train frequencies on Tex Mex and thus slow down my shipments. There is even a serious question whether Tex Mex will be able to survive with this loss of international traffic.

These price increases and service reductions will seriously reduce our ability to compete both domestically and internationally which will in turn affect market for our area farmers

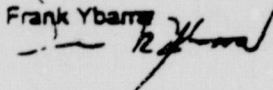
I understand there is an alternative that will preserve effective competition in this corridor. Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage right operating in such a way as to allow Tex Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to Tex Mex allowing service to Houston.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here is is possible to do so while furthering the national goal of promoting international trade.

Yours Truly,

Southern Elevators, Inc.

Frank Ybarras



Feb 28th, 1996

So Cal

Mr. Vernon Williams
ICC
Room 315
12th and Constitution, n.w.
Washington DC 20423-0001

Re: Finance Docket No32760 Union Pacific Corp., et al..
Control and Merger --Southern Pacific Rail Corp., et al.

Dear Mr. Williams,

So CAL is a mid-sized carrier in the Southern California area. Our services are used by all major Shippers Agents as well Manufacturing concerns in the United States. We handle over 50,000 truckload shipments originating in the United States and Mexico. Our interest in the above captioned docket is as follows:

Our company has been major user of rail services for transportation between the United States and Mexico. So CAL has a strong interest in competitive rail transportation between the US and Mexico. The Laredo /Nuevo Laredo gateway is the primary route for shipments between the two countries for major international traffic. This gateway possesses the strongest infrastructure of customs house brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and the Southern Pacific have competed for our traffic via Laredo, resulting in substantial saving and service innovation. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

The merger between the SP and the UP will reduce, if not eliminate, our competitive alternative via the Laredo gateway. Although these railroads have recently agreed to certain trackage rights to the new BNSF, we do not believe that the BNSF will, as the only other major rail system in the Western United States, will be effective competitive replacement of an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger.

Dispatch
Tel: 213.889.4585
Fax: 213.889.6399

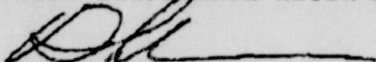
P.O. Box 1423
Montebello, Ca. 90640
Tel: 213.889.6346
Fax: 213.722.4790
"Back 4 More"

Accounts Payable
P.O. Box 6280
Whittier, Ca. 90609

Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and the connecting railroads. Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely yours,

SOUTHERN CALIFORNIA MOTOR DELIVERY, INC.



Volker Thielmann
Vice President

VT/ms

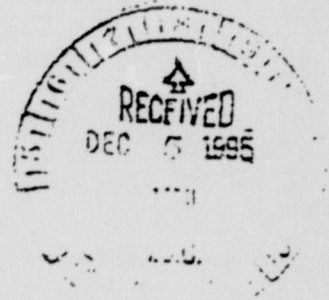
Steel Transport, Inc.

6701 Melton Road
Gary, IN 46403

219/939-3000
312/734-8695

November 30, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001



RE: Finance Docket No. 32760

Dear Mr. Williams:

Our company has occasion to use the services of the Texas Mexican Railway. The proposed merger between the Union Pacific and The Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific and Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipment to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce many companies' abilities to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Truly yours,

A handwritten signature in cursive script, appearing to read "Kenneth R. Paulan".

Kenneth R. Paulan, President
Steel Transport, Inc.

Office of the Secretary

DEC 05 1995

Page 1

March 11, 1996

Mr. Larry Fields
THE TEXAS MEXICAN RAILWAY CO.
629 Greenbay Road
Wilmette, IL: 60091

RE: MP/UP Merger

Dear Mr. Fields,

Stepan Company is a major producer of surfactants. Our products are used by general industry in a wide variety of products such as cleaning, scouring and washing compounds. Our company ships 1,000 carloads from various points in the US to various destinations, including from and to Mexico via Brownsville, TX.

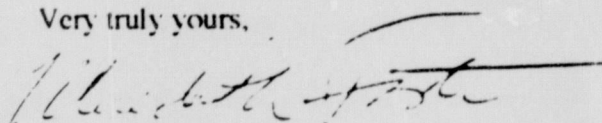
Stepan Company has been a major user of rail service for transportation between the United States and Mexico. We have a strong interest in competitive rail transportation between the United States and Mexico. Although our primary gateway is Brownsville, TX, the Laredo/Nuevo Laredo gateway is an alternative route for shipments between the two countries for the majority of international traffic.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not feel confident that the BNSF is the only other major rail system remaining in the Western United States.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

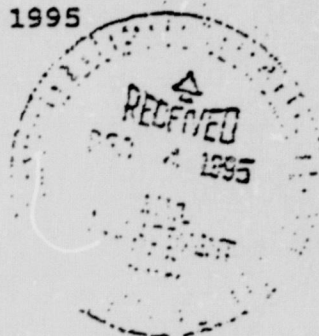
Very truly yours,



Meredith B. Foster
Manager Transportation Services

cc: G. Keenon
W. Chyterbok

November 29, 1995



Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760

Dear Mr. Williams:

Our company has occasion to use the services of The Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to service this loss of business.

These price increases and service reductions will seriously reduce many companies abilities to compete both ~~domestically~~ and internationally.

-Continued-

Office

Secretary

DEC 05 1995

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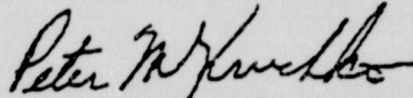
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Mr. Vernon Williams
Interstate Commerce Commission
November 29, 1995
Page 2 of 2

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Sincerely yours,



Peter M. Kruchko
Executive Vice President

PMK/dk



STROH

THE STROH BREWERY COMPANY
100 RIVER PLACE
DETROIT, MICHIGAN 48207-4291
(313) 446-2900

January 25, 1996

Mr. Vernon Williams
Interstate Commerce Commission
12th and Constitution, N.W., Room 3315
Washington, D.C. 20423-0001

Finance Docket No. 32760

Union Pacific Railroad Company-Control and Merger-Southern Pacific Corporation

I am Victor N. Consiglio, Manager, Transportation with The Stroh Brewery Company of Detroit, Michigan. My company is involved in the business of producing and marketing high quality alcoholic/non-alcoholic beverages for worldwide distribution. I am responsible for all logistics/transportation matters as they relate to our five breweries, two distribution centers, and 1,300 customers. I have been involved in the logistics/transportation industry for over 22 years and have been authorized by The Stroh Brewery Company to act on it's behalf in this matter.

The Stroh Brewery Company has been a major user of rail service for transportation between the United States and Mexico. We have a strong interest in competitive rail transportation between the two countries. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international transportation. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major industrial and population centers and the Midwest and Eastern United States.

The Stroh Brewery Company depends on competition to keep pricing competitive and to encourage improvements in products and services. Although Stroh supports the merger of the Union Pacific and Southern Pacific railroad we also support the need for trackage rights for the TexMex Railroad. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning the merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

cc: F. Rakko
The Texas Mexican Railway Company

TRANSPORT SERVICE COMPANY
908 N. ELM STREET, SUITE 101
HINSDALE, ILLINOIS 60521-3625

JOHN V. CROWE
CHAIRMAN

November 29, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3316
12th and Constitution, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of the Secretary

DEC 05 1995

Re: Finance Docket No. 32760

3 Sent

Dear Mr. Williams:

Our company has occasion to use the services of The Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with the TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years, these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

The TexMex has historically relied on international traffic interlined with the SP for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

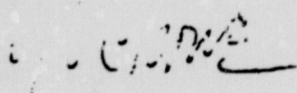
Mr. Vernon Williams
Interstate Commerce Commission
November 29, 1995
Page Two

These price increases and service reduction will seriously reduce many companies' abilities to compete, both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern or other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge the Commission to correct this loss of competition and service by conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here, it is possible to do so, while furthering the national goal of promoting international trade.

Very truly yours,



John V. Crowe

JVC:dny

STB

FD

32760

3-29-96

SUB No. 13

8/8

A



United Catalysts Inc.

Girdler, CCI and Houdry Catalysts

P.O. Box 32370
Louisville, KY 40232 USA

Telephone: 502-634-7200
Telex: 204190, 204239
Fax: 502-637-3732

November 1, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific., et al.
--- Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

My company is a major user of the rail service for transporting our products from the United States into Mexico. Some years, about 20% of our business is exports to Mexico. The primary route used for these shipments is the Laredo/Nuevo Laredo gateway. This gateway provides shortest routing between my company and Mexico's industrial center. The Laredo/Nuevo Laredo gateway also possesses the strongest infrastructure of customs brokers.

My company depends upon competition to keep prices down. For many years, Union Pacific and Southern Pacific have competed for my traffic through Laredo. As a result, I have realized substantial cost savings and my company has stayed competitive. TexMex has been Southern Pacific's partner in reaching Laredo, as Southern Pacific does not reach Laredo directly.

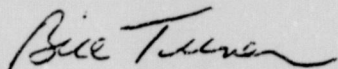
A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate entirely, our competitive alternatives via the Laredo gateway. Although these railroads have agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad (BNSF), I do not believe the BNSF will be an effective competitive replacement for an independent Southern Pacific. This route is very important to us.

I understand there is an alternative that will preserve effective competition in this gateway. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to

maintain the competition at Laredo, that would otherwise be lost in the merger. Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex; allowing service to Houston, Caldwell and Beaumont, Texas.

Economical access to international trade routes is key to the future prosperity and longevity of my company's business. Thanks for your kind consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Turner".

Bill Turner, Manager
Purchasing and Traffic



VISTA TRADING

A Division of Sunkyang America, Inc.

16800 GREENSPRING PARK DRIVE
SUITE 226 NORTH
HOUSTON, TEXAS 77060

MEMBER:
NATIONAL GRAIN & FEED ASSOCIATION
TEXAS GRAIN & FEED ASSOCIATION

TEL: (713) 878-8110
FAX: (713) 878-8115

October 25, 1993

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0061

Re: Finance Docket No. 32760, Union Pacific Corp., et al.
Control and Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

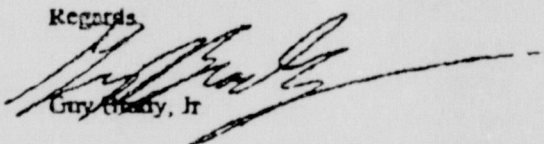
As a major shipper of grain products to Mexico, Vista Trading takes great interest in making sure there are strong viable railroads to continue offering service to Mexico. As I am sure you know Laredo/Nuevo Laredo is the largest crossing point for grain products. The current railroad structure allows the railroads to offer competitive pricing, and excellent service. However, Vista is concerned that after the above referenced merger this may no longer be the case.

The Texas Mexican Railway Company is one railroad that Vista Trading utilizes for its service to Mexico. We are very concerned that all of the shippers who utilize this small line may be in jeopardy of receiving diminished service and competition if the merger is completed in its current form.

We believe there is an alternative which would allow the current competitive situation at Laredo to continue, and allow for the merger to be completed. The Texas Mexican Railway Company would like to be granted trackage rights to Houston/Beaumont. Allowing these trackage rights would allow The Tex-Mex to be able to switch with other carriers in Houston/Beaumont which would allow for an increase in competition at Laredo, and continue the service that the railroads are currently able to offer.

Your consideration of conditioning the merger on the above trackage rights request would be greatly appreciated by all of the people who depend on grain exports to Mexico for their livelihood.

Regards,


Gary Brady, Jr.

JS

October 31, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N. W.
Washington, D. C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al.
-- Control and Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Volkswagen of America has previously supported the UP/SP merger with a verified statement with the proviso that competition not be eliminated, especially into and out of Mexico. We believe that further explanation of our position in this matter needs to be presented to you.

The TexMex has identified, and rightfully so, some distinct advantages of the Laredo gateway that should not go unnoticed. We think by allowing access to Laredo from major markets enhances competition and is in the best interest of the shipping public.

Our company has been a major user of rail service for transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is our preferred route for shipments between the two countries for the majority of our international traffic. This gateway also possesses the strongest infrastructure of customs brokers for cross-border operations. It also provides the shortest routing between our plant in Puebla, Mexico and our major markets in the Midwest and Eastern United States.

Our company depends on competition to keep prices down. For many years the Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. The TexMex has been Southern Pacific's partner in reaching Laredo in competition with the Union Pacific, as Southern Pacific does not reach Laredo directly.

We believe that a merger of the Union Pacific and Southern Pacific may seriously reduce our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we are uncertain the BNSF as the only other major rail system remaining the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

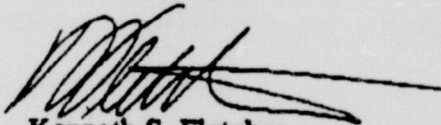
Conrail has also suggested they purchase the old Cotton Belt (they call it the SP East) portion of the SP to allow them competitive access into Mexico to and from the Northeastern United States. This idea is a positive alternative. TexMex has suggested they be given trackage rights (or purchase trackage where possible) from Corpus Christi to Houston to connect with other carriers in Houston to serve all major markets in the United States.

Volkswagen of America strongly urges the Interstate Commerce Commission to address this competition issue in the proposed UP/SP merger by granting TexMex trackage rights allowing them to service Houston. We also submit that the Commissioners consider the Conrail proposal to purchase the old Cotton Belt in essence gaining access to Mexico, firstly via Laredo in conjunction with the TexMex over Houston and secondly, via Eagle Pass directly.

The TexMex puts it best when they say that economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

We hope this clarification of our position on the UP/SP merger is accepted in the context in which it is offered.

Very truly yours,



Kenneth S. Fletcher
Traffic and Transportation
Volkswagen of America



December 6, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I am the Manager of purchasing and distribution of fertilizer for Wilbur-Ellis Company, a retailer of fertilizers and agricultural chemicals in Texas and Mexico. As such, I oversee the shipment of an average of 150,000 tons of fertilizers annually through Texas and about 20,000 tons into Mexico. The Mexico shipments primarily go through Laredo with occasional loads going through Brownsville and El Paso. The Laredo gateway provides the shortest, most direct routing between the fertilizer production points along the U.S. Gulf Coast and the Mexican agricultural centers.

Our shipments through Laredo originate from fertilizer plants served by the Union Pacific as well as from other plants served by Southern Pacific, ATSF, and other rail lines. As you well know, shipments originating on the Southern Pacific reach Laredo via the TexMex Railroad segment from Corpus Christi to Laredo. In the past, freight rates over either the Union Pacific system or the Southern Pacific/TexMex system have been competitive.

I am concerned that a merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

WILBUR-ELLIS COMPANY/SOUTHERN DIVISION

FM 1925 3 MILES WEST U.S. 281
P.O. BOX 1020, EDINBURG, TX 78540
210 383 4901



I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

Jim Hoffmann
Manager of Fertilizer Purchasing

CC: The TexMex Railway Company



WILLIAMS AND COMPANY, INC.

"The House of Metals"

2105 LARRICK ROAD, CAMBRIDGE, OHIO 43725 • PHONE 614-439-5002

January 24, 1996

Mr. Vernon Williams
Surface Transportation Board
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

My name is Donald McGaughey. I am Corporate Traffic Manager of Williams and Company, Inc. located at 2105 Larrick Road, Cambridge, Ohio 43725. I have been with Williams and Company Inc. for nine years and have been involved in transportation for over seven years.

Our company is in the aluminum business and imports annually about five carloads of aluminum extrusions from Mexico. Shipments move over Laredo, TX to Nashville, TN.

Our company has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for our traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing for imported aluminum extrusions moving into Nashville, TN.

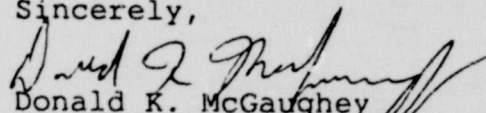
Our company depends on competition to keep prices down and to spur improvements in products and services. For a number of years, Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in cost savings. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

Mr. Vernon Williams
Surface Transportation Board
January 24, 1996
Page 2

A merger of Union Pacific and Southern Pacific most likely will eliminate our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads. Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,


Donald K. McGaughey
Corporate Traffic Manager

DKM:kmb

c: The Texas Mexican Railway Company,
c/o Central Business Services
629 Green Bay Road
Wilmette, IL 60091

WRIGHT MATERIALS, INC.

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ROBSTOWN, TEXAS 78380

TELEPHONE 512/387-1511
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October 19, 1995

OCT 25 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760
Union Pacific Corp., et al-Control & Merger-Southern Pacific Rail Corp., et al

Dear Mr. Williams:

Our company has facilities served by the Tex Mex Railroad. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and service. The only two U. S. carriers connecting with the Tex Mex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years the Union Pacific and the Southern Pacific have competed to handle our shipments to and from the Tex Mex, resulting in substantial cost savings and service improvements. A merger of those two railroads will eliminate that competition. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. I therefore anticipate significant price increases and service deterioration for that portion of our rail service needs beyond Tex Mex.

In addition, Tex Mex itself has historically relied on international traffic interlined with the SP for much of its traffic base. Since the UP/SP merger is likely to eliminate most, if not all, of this traffic, this loss of traffic volume is likely to cause reduced train frequencies on Tex Mex and thus slow down my shipments. There is even a serious question whether Tex Mex will be able to survive with this loss of international traffic.

These price increases and service reductions will seriously reduce our ability to compete both domestically and internationally.

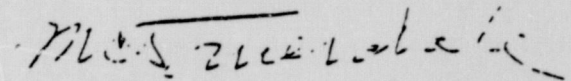
Mr. Vernon Williams
October 19, 1995
Page 2

I understand there is an alternative that will preserve effective competition in this corridor. Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow Tex Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to Tex Mex allowing service to Houston.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Yours truly,

WRIGHT MATERIALS, INC.



M. C. Truesdale
President

MCT:jg

LIST OF ABBREVIATIONS AND DEFINED TERMS

Act	The ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803
Applicants	Union Pacific Corporation, Union Pacific Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corporation, and The Denver and Rio Grande Western Railroad Company
BN/Santa Fe	Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company
BN/Santa Fe Agreement	The agreement between the Applicants and BN/Santa Fe dated September 25, 1995 as supplemented by the Supplemental Agreement between the Applicants and BN/Santa Fe dated November 18, 1995, both appearing in Volume I of the Applicants' Railroad Merger Application, UP/SP-22
Board	The Surface Transportation Board
FNM	Ferrocarriles Nacionales de Mexico
HB&T	Houston Belt & Terminal Railway Company
KCSI	Kansas City Southern Industries
KCS	Kansas City Southern Railway Company
Mexrail	Mexrail, Inc.
PTRA	Port Terminal Railway Association
Railroad Merger Application	UP/SP-22 through UP/SP-28, as supplemented by UP/SP-36
SP	Southern Pacific Transportation Company
UP	Union Pacific Railroad Company

UP/SP

Union Pacific Corp., Union Pacific Railroad Co., and
Missouri Pacific Railroad Co. -- Control and Merger --
Southern Pacific Rail Corp., Southern Pacific Transp.
Co., St. Louis Southwestern Railway Co., SPCSL Corp.,
and The Denver and Rio Grande Western Railroad Co.,
F.D. No. 32760

Tex Mex

The Texas Mexican Railway Company

TMM

Transportacion Maritima Mexicana S.A. de C.V.

BEFORE THE
SURFACE TRANSPORTATION BOARD

THE TEXAS MEXICAN RAILWAY COMPANY
-- TERMINAL TRACKAGE RIGHTS OVER THE LINES OF
THE HOUSTON BELT & TERMINAL RAILWAY COMPANY

Finance Docket No. 32760, Sub No. 14

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202/298-8660

Attorneys for Texas Mexican Railway
Company

Dated: March 29, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

THE TEXAS MEXICAN RAILWAY COMPANY
-- TERMINAL TRACKAGE RIGHTS OVER THE LINES OF
THE HOUSTON BELT & TERMINAL RAILWAY COMPANY

Finance Docket No. 32760, Sub No. 14

APPLICATION FOR TERMINAL TRACKAGE RIGHTS

The terminal trackage rights sought in this proceeding are related to and contingent upon the grant of the conditions sought in the Responsive Application of The Texas Mexican Railway Company ("Tex Mex") in Finance Docket No. 32760, Sub No. 13.

In this Application, Tex Mex respectfully requests that the Board enter an order pursuant to 49 U.S.C. § 11103^{1/} permitting Tex Mex to use two short segments of the Houston Belt & Terminal Railway Company ("HB&T") terminal trackage in Houston, Texas. Use of these segments by Tex Mex is necessary in order for Tex

^{1/} The ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803 (the "Act"), enacted on December 29, 1995 and effective January 1, 1996, abolished the Interstate Commerce Commission ("ICC") and transferred certain functions and proceedings to the Surface Transportation Board ("Board"). Section 204(b)(1) of the Act provides, in general, that proceedings pending before the ICC on the effective date of that legislation shall be decided under the law in effect prior to January 1, 1996, insofar as they involve functions retained by the Act. This request for terminal trackage rights is related to and contingent upon the grant of a responsive application that relates to a proceeding that was pending with the ICC prior to January 1, 1996, and to functions that are subject to the Board's jurisdiction pursuant to Sections 11323 through 11325 of the Act. Therefore, this request for terminal trackage rights is submitted pursuant to the law as it was in effect prior to the Act, and citations are to the former sections of the statute and regulations, unless otherwise indicated.

Mex to effectuate the pro-competitive goals of the Responsive Application filed by Tex Mex in the underlying UP/SP merger proceeding.

In the Responsive Application, Tex Mex is seeking trackage rights over certain lines of the primary Applicants--Union Pacific Railroad Company ("UP") and Southern Pacific Transportation Company ("SP")--from Robstown and Corpus Christi, Texas to Houston, Texas, over SP lines within Houston, and over either the SP or UP line from Houston to a connection with the Kansas City Southern Railway Company ("KCS") at Beaumont, Texas. In order to facilitate efficient operation of Tex Mex through Houston and interchange of Tex Mex with other railroads in Houston, Tex Mex is hereby seeking terminal trackage rights over HB&T, as described below, within the Houston Terminal area.

Board approval of Tex Mex's Responsive Application should constitute sufficient authority to permit Tex Mex to use the subject trackage, regardless of whether HB&T consents to such use. The Interstate Commerce Act (the "Act"), in 49 U.S.C. § 11341(a), provides that a person participating in an approved railroad merger transaction is exempt from the antitrust laws and from all other law . . . as necessary to let that person carry out the transaction." The Act further provides, in 49 U.S.C. § 11344(c), that the Board "may impose conditions governing the transaction. . . ." HB&T is owned in equal parts by BN/Santa Fe and by Missouri Pacific Railroad Company ("MPRR"). See Burlington Northern Inc. and Burlington Northern Railroad Co. --

Control and Merger -- Santa Fe Pacific Corp. and The Atchison, Topeka and Santa Fe Railway Co., F.D. No. 32549, slip op. at 10, n.17, served August 23, 1995. Both BN/Santa Fe and MPRR are parties to this proceeding. Nevertheless, out of an abundance of caution, Tex Mex herein also requests terminal trackage rights under Section 11103 to eliminate the possibility that HB&T may oppose implementing the rights requested in the responsive application filed by Tex Mex.

DESCRIPTION OF THE TERMINAL TRackage RIGHTS

Terminal trackage rights over the following terminal tracks of HB&T are sought in this application: (1) The HB&T line from the Quitman Street connection with SP to the HB&T's connection with UP at Gulf Coast Junction, a distance of 2.1 miles; and (2) the HB&T line from its connection with the SP at T. & N.O. Junction (Tower 81) to HB&T's connection with UP at Settegast Junction, a distance of 13.4 miles. These lines are depicted on a map attached hereto.

DISCUSSION

Under 49 U.S.C. § 11103(a), the Board may require the use of "terminal facilities . . . to be used by another rail carrier if the [Board] finds that use to be practicable and in the public interest without substantially impairing the ability of the rail carrier owning the facilities or entitled to use the facilities

to handle its own business." The requested terminal trackage rights satisfy each of these criteria.

The short segments of track subject of this application are terminal facilities. Both sections are located in metropolitan or industrial areas. The train operations over the lines are a combination of through train and switching. The Interstate Commerce Commission generally referred to HB&T in total as a "terminal railroad" that "maintains and operates lines and terminal facilities in the greater Houston area." United Transportation Union v. Burlington Northern Railroad Co. and Houston Belt & Terminal Railway Co., Docket No. 40074, 1987 ICC LEXIS 384, March 25, 1987.

The requested terminal trackage rights are clearly in the public interest. The purpose of the terminal trackage rights is to permit Tex Mex to provide the pro-competitive rail services contemplated by the Tex Mex responsive application. The rights requested are necessary to fulfillment of those pro-competitive rail services. Unless Tex Mex obtains the rights requested herein, the pro-competitive conditions sought in the Tex Mex responsive application that are also clearly in the public interest will be frustrated.

The rights requested herein will accomplish the following:

- (a) permit Tex Mex to bridge a gap in Houston between the trackage rights it is seeking between Corpus Christi and Robstown to Houston and the trackage rights it is seeking between Houston and Beaumont;
- (b) provide Tex Mex with an alternative route

through Houston in the event of congestion on the main east-west SP route through Houston (over which Tex Mex is seeking trackage rights); and (c) permit Tex Mex to utilize HB&T as its switching carrier in Houston and gain access to HB&T's New South yard.

Tex Mex's use of the HB&T terminal track is practicable without substantially interfering with the ability of HB&T and its owning carriers to handle their own business. Tex Mex's representatives have consulted with HB&T and have developed an operating plan that is feasible without substantial interference with HB&T and its owning carriers' traffic. Tex Mex's anticipated operations over these terminal trackage rights are described with greater particularity in the Verified Statement of R. J. Spear which is being submitted in support of the Tex Mex's Responsive Application (TM-23) in Finance Docket No. 32760 Sub. No. 13, and which details Tex Mex's proposed operating plan.

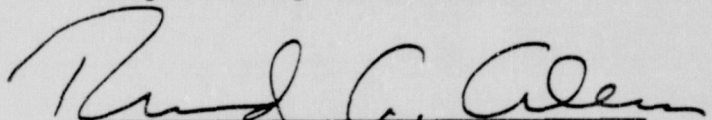
Section 11103(a) of the Act provides that compensation for joint use of terminal track is to be established by the parties thereto or, if the parties are unable to agree, by the Board. The section further provides that the compensation be "paid or adequately secured before a carrier may begin to use the facilities of another carrier under this section." Tex Mex is prepared to negotiate compensation terms with HB&T as provided in that section. However, the Board should not require that the compensation be established before Tex Mex begins use of HB&T track since this will simply delay the pro-competitive public benefits of the conditions Tex Mex seeks to have imposed upon any

approval of the underlying proposed merger. Tex Mex agrees that any compensation later established either by agreement of the parties or set by the Board will accrue from the initiation of operations over the terminal trackage, and be payable after final determination of the terms thereof. See Southern Pacific Trans. Co. v. ICC, 736 F.2d 708 (D.C. Cir., 1984), cert. denied, 469 U.S. 1208 (1985), aff'g Union Pacific Corp., Union Pacific RR & Pacific Rail System, Inc. -- Control -- Missouri Pacific Corp. & Missouri Pacific RR, 366 I.C.C. 459 (1982).

CONCLUSION

For the reasons stated above, Tex Mex respectfully requests that the Board order that the HB&T terminal trackage described herein may be used by Tex Mex.

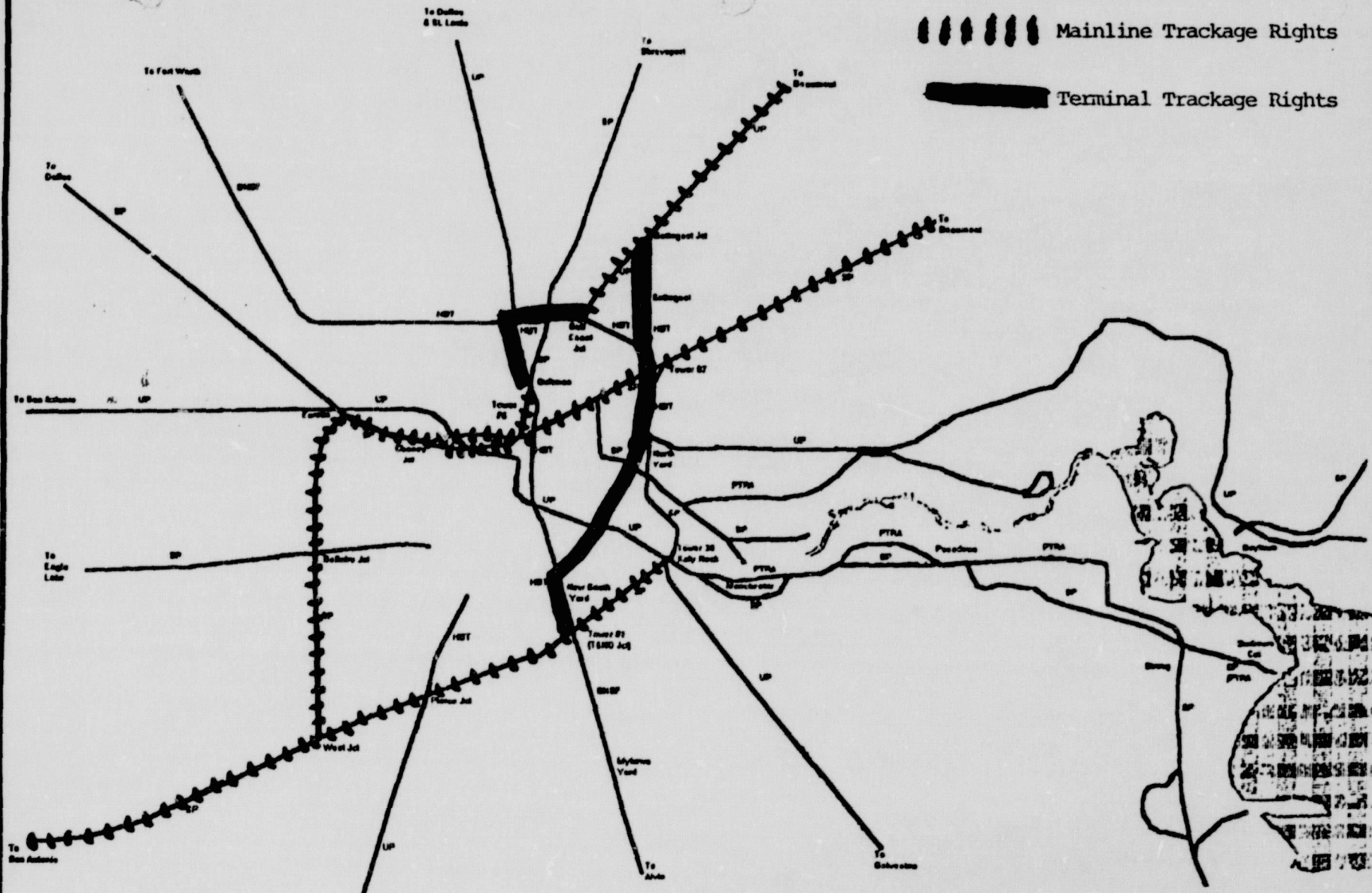
Respectfully submitted,



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Attorneys for Texas Mexican Railway
Company

Dated: March 29, 1996



**Railroads of Houston, Texas
And the Surrounding Area**

*Industry trackage and some unclassified routes through Houston are not shown for reader readability.

CERTIFICATE OF SERVICE

I certify that I have served a conformed copy of the foregoing responsive application in Finance Docket No. 32760, and conformed copies of verified statements, appendices and exhibits in support of the responsive application, by first class mail, properly addressed with postage prepaid, or by more expeditious manner of delivery, upon all persons required to be served as set forth in 49 C.F.R. § 1180.4(c)(5), namely:

- (i) The Governor of the State of Texas:

Governor George W. Bush, Jr.
P.O. Box 12428
Austin, TX 78711

- (ii) The Texas Railroad Commission:

Jerry L. Martin
Director, Rail Division
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

- (iii) The Texas Department of Transportation:

Thomas A. Griebel
Texas Department of Transportation
125 E. 11th Street
Austin, TX 78701

(iv) The Secretary of the United States Department of Transportation:

Docket Clerk
Office of Chief Counsel
Federal Railroad Administration
Room 5101
400 7th St., S.W.
Washington, D.C. 20590

(v) The Attorney General of the United States:

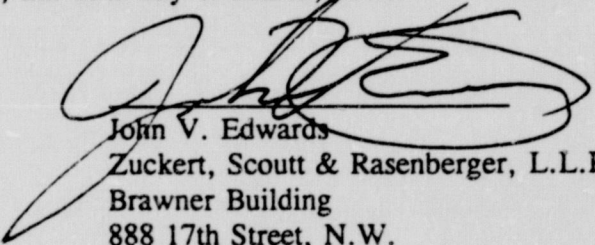
Director of Operations
Antitrust Division
Room 9104-TEA
Department of Justice
Tenth Street and Constitution Ave., N.W.
Washington, D.C. 20530

(vi) The Federal Trade Commission:

Premier Notification Office
Bureau of Competition
Room 303
Sixth Street and Pennsylvania Ave., N.W.
Federal Trade Commission
Washington, D.C. 20580

(vii) All persons on the official service list published by the Surface Transportation Board in Decision No. 15 (served February 15, 1996), as modified by Decision No. 17 (served March 7, 1996), and as further modified by Decision No. 26 (served March 25, 1996).

Dated in Washington, D.C., this 29th day of March, 1996.



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