Sheet 40

JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT

Date Jan 20 1997

FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
o 8551	Rd	109		625A	625A	SP yd	East	111		111							-2HONSm[18] Dp: 640A
x [illegible] 5168	Rd	131		741 Am	741 Am	East	West		133		133						[illegible] 511 Am
9362	RO	36		801 Am	801 Am	West	East	38		38							LDNOE By 513 Am
7963	SW	3		821 Am	821 Am	SP yd	McFadden	5	5		5		5				Jct 104
x 6365	RO	20		901 Am	901 Am	ASF yd	East					25	25	25		25	HO NO Dpt 915 Am
x 2891	RO	11		915 Am	915 Am	ASF yd	Winnie					13	13	13			Jct 201 ASF Winnie Locor
2335	RO	10		901 Am	901 Am	East	West		12		12						ENSCAT By 931 Am
w 7963	SW	6		931 Am	931 Am	McFadden	South yd						8	8			Jct 104
x 2893	RO	23		957 Am	957 Am	Lucas	ASF yd					25	25	25		25	NO HO Anr 1010 Am
- 7963	SW	15		1001 Am	1001 Am	South yd	SP yd	20		20							Jct 104
x KESX 753	RO	20		1010 Am	1010 Am	East	West		72		72						541 Am x 20
2257	SW	90		1101 Am	1101 Am	SP yd	South yd	92		92							Jct 103
w 7963	SW	4		1121 Am	1121 Am	SP yd	McFadden	6	6		6		6				JOB 104 to Rice McC
7963	SW	[illegible]		1141 Am	1141 Am	McFadden	SP yd	2	2		2		2				Jct 104
4837	RO	42		1151 Am	1151	West	SP yd	44									to Corsol
2139	RO	86		1210 Pm	1210 Pm	West	SP yd	88									ASTQ Anr 1241 Pm
7836	RO	128/158		1231 Pm	1231 Pm	West	East	160		160							Hdicon Anr 1241 Pm
2033	SW		14 mi 4 sp 5 sp	1241 Pm	1241 Pm	[illegible]	MP x P	6		2	2	2	2				[illegible]
2033	SW		sp	101 Pm	101 Pm	SP yd	Ash yd	7		7	7	7	7				[illegible]
5241	RO	45		101 Pm	101 Pm	East	West	50	50		50						ANLCT By 121 Pm
2137	RO	106		141 Pm	141 Pm	SP yd	[illegible]	108		108							Jct [illegible] Dpt 207 Pm
2 [illegible]	LO	56/44	10	1[illegible]	[illegible]	[illegible]	[illegible]	58	58	58							[illegible] Jct 201 Dp: 345P
2[illegible]	SW		Empty	231 Pm	231 Pm	[illegible] yd	Ash yd					2	2	2		2	Jct 211 ASF L/C to Hdn
up 2613	RO	34		2[illegible]	[illegible]	West	East	[illegible]	[illegible]		36						LBAT By 251 Pm
7637	RO	25		241 Pm	241 Pm	West	[illegible]		27		27						Hdl B By 310 PM
2724	RD	22		350P	350P	BRITSIDING	WEST	24									BS# 2 DP 400 PM
2 9736	RD	24		520?	520?	WEST	EAST		26		26						FLBAT AR 540 PM DP 6358

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 39 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 19 1997 — FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
CNW6889	Rd	116		729p	729p	East	West		118	118	118						LIFP lvg 741pm
E2953	Rd	Eng		742p	742p	Winnie	SFE Yd					2	2	2			RST 202 Hm
SW9697	Rd	26		749p	749p	East	West	28	28	28	28						AILBT lvg 803pm
P2290	SW	58		806p	806p	Amelia	UP Yd		60	60							LHS31
P4810	Rd	28		831p	831p	SP Yd	West	30									69 Local Dp: 835pm
P2290	SW		32	847p	847p	UP Yd	KCS Yd			34							LHS31 ½c to KCS
P2290	SW		Eng	911p	911p	KCS Yd	UP Yd			2							LHS31 1m KCS
P2290	SW		14	923p	923p	UP Yd	SFE Yd			16	16	16	16				LHS31 ½c to SFE
P2290	SW		Eng	954p	954p	SFE Yd	UP Yd			2	2	2	2				LHS31 1m AHSF
P2290	SW		10	1026p	1026p	UP Yd	SP Yd	12		12							LHS31 ½c to SP
P3733	Rd	57		1031p	1031p	West	East		59		59						LOLI lvg 1051pm
P4154	Rd	75		1043p	1043p	West	East		77		77						BLLI7 lvg 1100P
P2290	SW		Eng	1044p	1044p	SP Yd	UP Yd	2		2							LHS31 1m SP
M867	Rd	27		1053P	1053P	West	KCS Yd	29	29	29							MCPSH 19 Ar: 1116P TEXMEX
P2290	SW	26		1117P	1117P	MP Yd	Amelia		28	28							LHS31 Dp: 1133P
P7807	Rd	43/10		1133P	1133P	West	SP Yd / East	72		72							HOCXM Ar: 1230A Dp: 142A STO-0 PLV-27
8175	Rd	29		1138P	1138P	SP Yd	West	31									BTWCQ Dp: 1201A
					— 1-20-97 —												
P3942	Rd	115		1248P	1248P	East	West		117		117						XLIHD Ar 112A
S4352	SW		57	130A	150A	Lacey	MP Yd / SP Yd / ATSF			59	59	59	59	59		59	KCS JOB 305A 32 UP 21/12 SP/13 ATSF STL-4-
P3338	Rd	121		144A	144A	West	East	123	123	123							HOLI Ar: 212A Dp: 223A
P6223	Rd	38		205A	205A	East	West		40		40						FCYEIT Ar: 222A out up
P3820	Rd	142/123		240A	240A	East	West	144		144							NSHOM Ar: 307A Dp: 452A STO-19 PLV-0
S4252	SW		ENG	305A	305A	ATSF Yd	Lacey					2	2	2		2	KCS JOB Home
P7282	Rd	42		307A	307A	East	SP Yd	44	44	44							Bnt Ann 1 Ar: 328A
P7617	Rd	86		405A	405A	West	SP Yd	88									69 Local Ar: 430A
P3825	Rd	61		408A	408A	East	West		63		63						LHOB Dp: 432A
P7787	Rd	104		550A	550A	East	West	106		106							CHM 12 Dp: 608A

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 38 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 19 1997 — FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
P5000	Rd	ENG		223A	223A	Pont	Spyd	2		2							-EPBTU Ar: 234A
P9790	Rd	119/171		315A	315A	West	East	173		173							- HolCM Ar: 344A Dp: 605A PU-52 SO
P7298	Rd	23		336A	336A	East	Spyd	25		25							- Org Swh 2 Ar: 356A
P7298	Rd	ENG		425A	425A	Spyd	East	2	2		2						- Org Swh 2 Dp: 437A
P8108	Rd	112		450A	450A	West	Spyd	114									- ASBTQ Ar: 522A
P6831	Rd	105		613A	613A	East	West	107	107		107						- FNSHOM By: 630A (not SP)
P622	Rd	72		615A	615A	West	East	74	74	74							- Holi By: 643A
P3485	Rd	43		636A	636A	East	West		45		45						- LIHOB By: 1100AM
P3189	RD	7		715A	715A	EAST	WEST		9		9						FNSLB BY 729AM
P8160	RD	27		825A	825A	BMTSIDING	WEST	29									BTASQ DP 836AM
P5030	RD	38		930A	930A	WEST	EAST		40		40						HOLIB BY 1004AM
RGW3084	RD	91		1025A	1025A	WEST	BMTSIDING	93									SRBTM AR 1040AM
P7794	RD	168		1030A	1030A	EAST	WEST	170		170							ICHOM AR 1100AM DP: 305pm
P3573	RD	76		1045A	1045A	EAST	WEST		78		77						LIHO BY 1122AM
P9946	RD	29		1045A	1045A	WEST	EAST	31	31	31							LFNOF BY 1115AM
P5000	RD	2		1130A	1130A	BMTSIDING	WEST	4									EYLCM Ar: [illegible] Dp 1235A
UP2651	RD	125		1140A	1140A	BMTSIDING	EAST	127		127							[illegible] DP 1147AM
PL40	RD	12		1140P	1200P	WEST	EAST	14	14		14						HO 2 Ar 1218PM Dp 1219
P7282	SW	ENG		1230P	1230P	BMTSIDING	MPYARD	2		2							JOB 103
SP7282	SW	48		1240P	1240P	MPYARD	SP YARD	50		50							JOB 103 AR 1250PM
P9672	RD	32		100P	100P	WEST	EAST	34	34		34						LBCXT BY 115PM
P3720	RD	77/78		140P	140P	WEST	EAST	79	79	80		⟨via UP-SP⟩					FHONSM/HOCXM AR: 155pm DP: 405pm (5/068 P14.6)
P7963	SW	38	28	416P	416P	SPYd	UP-KCS-NSS	68		68							#201-14½ UP #23@425pm 14½ KCS-38 NSS
P8551	Rd	91		424P	424P	West	SPYd	93									WCBTQ AR: 435pm
P7875	Rd	119/137		513P	513P	East	West	121	139		139						ICHom-17 AR: 525pm DP: 735pm (5/018 P14.0)
P7243	Rd	77		522P	522P	SPYd	East	79		79	79						BS#1 DP: 530pm
FE2953	Rd	17		611P	611P	SFE Yd	Winnie					19	19	19			RST 202 - MI Local
P7963	SW	11		719P	719P	NSS	SPYd	13		13							#201 Hm

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 37 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 18 19 97 FOHM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
7E2350	SW		Emq	505p	505p	Kcs yd	STE yd					2	2	2		2	RST 211
P2290	SW	31/6	5	527p	527p	Amelia	NMT/SP yd	13	22	6				Abd 550p			Lks 31 -5/05 1c@SP behind 6 cars
P7963	SW	7	29	535p	535p	SP yd	MP-Kcs-NSS	38		38							#201 - 12 1c MP #24 6a1p - 17 1c Lks - 7 NSS
P7798	RD	156/125		540p	540p	SP East	SP West	127	158		158						Custom - 13 Abd: 630p DP 850p PIN 0 5/0 31
P7182	RD	Emq		614p	614p	SP So yd	SP yd	2		2							P+A Local Abd: 625p
P2290	SW	6/20	Emq	6N5p	6N5p	SP yd	NMT/MP yd	8	22	22							Lks 31
P2290	SW		16	630p	630p	MP yd	Kcs yd			18							Lks 31
P7641	RD	22		630p	630p	SP East	SP yd	24		24	24						BS #2 Abd: 650p
P2290	SW		Emq	645p	645p	Kcs yd	MP yd			2							Lks 31
P2290	SW		6	655p	655p	MP yd	STE yd			8	8	8	8				Lks 31
P7963	SW	Emq		700p	700p	NSS	SP So yd	2		2							#201 - (174 ist)
P2290	SW		Emq	710p	710p	STE yd	MP yd			2	2	2	2				Lks 31
P7963	SW	11		726p	726p	SP So yd	SP yd	13		13							#201
P3930	RD	107		730p	730p	SP East	SP West		109		109						XL 1 to Cy 758 P
P2290	SW	80		725p	725p	MP yd	Amelia	82	82	82							Lks 31
P7118	RD	41		645p	908p	SP yd	SP West	43									69 Local DP: 912p < Strang F & Custom
P UP 3111	RD	94		700p	825p	SP West	SP EAST	36	26		36						LANCF Abd: 848p DP 905p < CONS SIGL Custom
P2171	RD	108		755p	755p	UP East	UP West	110	110	110	—						LIFP Cy 919p
8129	RD	47		921p	921p	East	MP yd/SP yd	2		49							ASDTQ-12 Abd: 940p Terminal 5/0p 8 MD 40 21 22
PNS6659	RD	95/58		940p	940p	SP West	SP yd/East	97		60		(5/0 84-NU 47)					1 ONSM-17 Abd: 1022p DP 100A
TK 10	RD	9		955p	955p	SP East	SP West	11	11		11						ATK NO 1 Abd 1012p DP 1014p
7128	Rd	182/161		1145p	1145p	East	West	184		184							-NSHOM 17 Ar: 1208A Dp: 259A 5/0-21 PIN-0
							- 1-19-97 -										
P8180	Rd	101		1207A	1207A	SP yd	West (up)	103	103								- FBTWCQ Dp: 1252 Am
P5000	Rd	29		100A	100A	West	Port	31	31		31						- EPBTU Ar: 120A
2951	Rd	4		115A	115A	Alton yd	Joliet					6	6	6		6	- HONO Dp 117A
P149	Rd	99		130A	130A	West	East		101	101	101						- LOLI Dp 205A
P3945	Rd	69		220A	220A	West	East		71		71						- HILI Dp: 237A

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 36 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 18 19 97 FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
CS 4345	SW		ENG	443A	443A	Mp yd	KCS #5	2		2							-KCS JOB Home
8489	Rd	41		525A	525A	West	East	43		43							-LANOF By: 600A
6395	Rd	47		628A	628A	city yd	Lacey					49	49	49		49	-HONO Dp: 635A
9239	RD	29		700A	700A	EAST	WEST		31		31						FCXC IT BY 725AM
IP 124	RD	128		725A	725A	EAST	WEST		130		130						LIHO BY 737AM
P 8180	RP	96		740A	740A	EAST	BMT SIDING	98	98		98						FASDTO AR 815AM CLEARED 922A
P 5369	RD	73		815A	815A	West	EAST	77	77	77							KULI AR 845AM DP 949A
7658	RD	40		915A	915A	EAST	WEST		42		42						LIHO B BY 945AM
P 3254	RP	44		1000A	1000A	WEST	EAST		46		46		HELD BY KCS				HOLIB AR FLIZ 1010AM BY 1034
CS 4345	SW		19	1015A	1015A	KCS LACEY	SPS-YARD					21	21	21		21	KCS V/C Rel'd 11 SP @ 1025A
S 4345	SW		8	1035A	1035A	SPS-YARD	ATSF YARD					10	10	10			KCS V/C Rel'd SFE @ 1050A.
CS 4345	SW		ENG	1100A	1100A	ATSF YARD	KCS LACEY					2	2	2		2	KCS V/C HOME
FE 2891	RD	7		1120A	1120A	WINNIE	ATSF YARD					9	9	9			RST 201
P 5134	RD	126		1140A	1140A	BMT SIDING	WEST	128									BTAS2 DP 1150AM
7651	RD	117		1220P	1220P	WEST	EAST	119									SRBTM AR 1230PM
7192	RD	ENG		210P	210P	East	Bmt Siding	2	2		2		LOCAL				#1 AR 225PM
7	RP	76		210P	210P	West	BMT SIDING	10									AR 225PM
E 2350	SW		12/31	210P	210P	ATSF YARD	MP YARD	14		33	33	33	33				RST 211 Rel'd 19MPH 14 HC SP 235P
P 3460	RD	77		308P	308P	West	East		79		79						AGLI Cy 327P
P 7290	RD	29/100		310P	310P	SP YD	BMT/East	31		102							CRNSWR#1 DP 515P < ALO SRATIM 71C
P 3464	RD	68		325P	325P	SP West	SP YD	70									68 Local AR: 343P
E 2350	SW		5	340P	340P	SP YD	SFE YD	7		7	7	7	7				RST 211
E 2330	RD	40		344P	356P	SP East	SFE YD					42	42	42		42	NOHO1-18 by 405P <KCS>
P 7641	RD	40		345P	345P	SP YD	East	42		42							BOE 2 DP 348P
P 7282	RD	10		348P	348P	SP YD	SP So YD	12	12	12	12						R+A Local AR 357P
4859	RD	93		406P	406P	SP YD	SP East	95		95							OLHO CLM DP 442P (Cotton crew)
P 8508	RD	26		410P	410P	SP West	SP East	28	28		28						LBCT 15 by 428P
E 2360	SW		10	425P	425P	SFE YD	KCS YD					12	12	12		12	RST 211

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Sheet 35 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 17 19 97 ORM 28405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
867	RD	—	12	608p	608p	KCS #5	UP West	14	14	14							MSHCP1-17 DP 612p
2290	SW	3		620p	620p	16th St TXI	MP YD		5	5							Lks 31
8371	RD	77		621p	621p	SP YD	KCS-NI-East	79		79			(A	dj 230A)			HOCHM-15 DP: 640p
E 2715	RD	13		640p	640p	SPE YD	Winnie					15	15	15			RST 202
8241	RD	31		650p	650p	SP West	SP East	33		33	33						LBWT ARR 655p DP 727p
7641	SW	16	11	710p	710p	SP YD	KCS-NSS	29		29							#201-11/CKCS-16 NSS
7282	RD	9		715p	715p	SP YD	SP 80 YD	11		11							P+A Local DP 722p
UP 2457	RD	34		716p	716p	SP East	SP West	36	36		36						CKC,T by 733p
2290	SW		17	709p	709p	MP YD	SPE YD			19	19	19	19				Lks 31
2290	SW		Emq	734p	734p	SPE YD	MP YD			2	2	2	2				Lks 31
7681	RD	5		805p	805p	SP West	SP YD	7									B2 #2 Add: 925p
2715	RD	8		833p	833p	Winnie	SPE YD					10	10	10			RST 202
2290	SW		45	839p	839p	MP YD	SP YD	47		47							Lks 31
7611	SW	15		850p	850p	NSS	SP YD	17	17		17						#201
2290	SW		Emq	925p	925p	SP YD	MP YD	2		2							Lks 31
7641	SW		20	935p	935p	SP YD	MP YD	22		22							#201 1/CMP #23 945p
7955	RD	63/171		936p	936p	UP West	SP East	65		173			(1020)	(Adj 29A)			FLO ICM-15 Add: 1010p DP 1230A 5/10 0/10 108
7641	SW		Emq	950p	950p	MP YD	SP YD	2	2	2	2						#201
2290	SW	72		1010p	1010p	MP YD	Pipeline		74	74							Lks 31 DP 1053p
7111	RD	18		1040p	1040p	SP 80 YD	SP YD	20	20	20	20						D+A Local Add: 1119p
7103	Rd	56		1057p	1057p	East	SP yd		58		58						-Bnt Awn #1 Ar: 1126p
5016	Rd	126/117		1109p	1109p	West	SP yd/East	128		128							-HONSM Ar: 1120p Dp: 257A 5/10-74 Plu 65
						— 1-18-97 —											
P3030	Rd	105		1210A	1210A	West	East		107		107						-HDLI By: 1240A
7291	SW	52		135A	142A	So yd	SP yd	54		54							-205 Ar: 222A
3243	Rd	103		247A	247A	West	East		105		105						-LDLI By: 203A
8167	Rd	116		315A	315A	West	SP yd		118	118							-FASBTQ Ar: 346A
54345	SW		41	425A	425A	KCS #5	mp yd			43							-K#5 JOB Dep 440A & #21 #26 STC-

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 33 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 16 1997 FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SP NB 5046	RD	102/122		820p	820p	Niwest	SPyd/East	104	104	124		< Pic		1130p?			Elon 3m K16 Hold: 858p DP 113A 3/0 69 1/16 89
SP UP 3189	RD	30		825p	825p	SP West	SP East	32		32							LSMVT Cy 856p
UP 1666	SW		13	859p	859p	MP YD	KCS YD			15							LHS 31
[redacted]																	
UP 1666	SW	4	—	945p	945p	Port	MP YD			6	6						LHS 31
STE 2715	RD	15		950p	950p	Winnie	STE YD					17	17	17			RST 202
UP 4237	RD	106		959p	959p	Elizabeth	East		108		108						KVLI Cy 1040p
SP 7443	RD	18		1009p	1009p	SP 30 YD	SP YD	20		20							P+A local Hold: 1015p K12 W. END
UP 1666	SW		10	1010p	1010p	MP YD	STE YD			12	12	12	12				LHS 31
UP 1666	SW		Eng	1045p	1045p	STE YD	MP YD			2	2	2	2				LHS 31
SP 7253	Rd	158		1100p	1100p	East	West	160		160	160						-CHOM K12 By: 1130p (Langham Eng Pool - DP 1230A
UP 1666	SW	51		1115p	1115p	MP YD	Amelia		53	53							-LHS31 Dp: 1215p
ATSF 2715	SW		21	1145p	1145p	ATSF YD	MP YD			23	23	23	23				-RST 202 21 MP'le #24 STL-OK 1155p
						1-17-97											
UP 2454	Rd	101		1217A	1217A	West	East		103		103						-LDLI By: 125A
ATSF 2715	SW		ENG	1219A	1219A	MP YD	ATSF YD			2	2	2	2				-RST 202 Home
SP 8170	Rd	72		1225A	1237A	SP YD	West	74									-BTWCQ Dp: 1250A
UP 3444	Rd	107		1243A	1243A	East	West	109	109	109							-XLIHO By: 120A
SP 7123	SW	49		243A	243A	SO YD	SP YD	51		51							-205 Ar: 250A
UP 3177	Rd	108		312A	312A	West	East		110		110						-HOLI By: 325A
SP 7963	Rd	66		314A	314A	East	SP YD	68		68							-BNT #1 Ar: 335A
SP 4834	Rd	142		415A	415A	East	West	144		144							-ICHOM K14 Ar: 445A Dp: 608A S/O-AM-8
SP 8371	Rd	123		455A	455A	West	SP YD/East	125	125		125						-HOCKM Ar: 515A (Dispatch)
SP 7956	Rd	64		516A	516A	West	SP YD	66									-68 LOCAL Ar: 525A
UP 3782	Rd	115		622A	622A	West	East		117		117						-KVLI By:
AES 4709	Rd	13		642A	642A	West	KCS #5	15	15	15							-MCPSH1 K16 Ar: 701A
SP 8257	Rd	46		645A	645A	East	West		48	48							LIHOB By: 701Am
[redacted]																	

(FOR INSTRUCTIONS SEE REVERSE SIDE)

FORM 29405

Sheet 32 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 16 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
7103	SW	5		1031 Am	1031 Am	South yd	Sp yd	7		7							Jas 103
7103	SW	5		1131 Am	1131 Am	Sp yd	South	7		7							Jas 103
ATK #10	RO	9		1201 Pm	1201 Pm	west	East	11	11		11						ATK #2 Arr: 1211 Pm Dpt 1213
4237	RO	106		1210 Pm	1210 Pm	South main	Eliz	108	108	108							ICVL: Rock to Eliz 1221 Pm
9700	RO	57		101 Pm	101 Pm	west	East	59	59								Lane F By 118 Pm
2891	RO	4		931 Am	931 Am	Arst yd	Winnie					6	6	6			do 201
8190	RO	53		131 Pm	131 Pm	Sp yd	West	55									BTOSQ Dpt 141 Pm
7243	RO	5		231 Pm	231 Pm	Sp yd	West	7									Unit #2
UP 3810	RD	23		312 p	312 p	UP West	UP East		25		25						HOLIB Arr: 335 p Dp 345 p <Recs
SP 7243	RD	6		321 p	321 p	SP West	SP yd	8									135 #2 Arr: 348 p
SP 8170	RD	105		355 p	355 p	SP West	SP yd	107									AGBTQ Arr 405 p
SP 7862	RD	Eng		410 p	410 p	SP West	SP yd	2		2							Hogan Historic Power only
UP 3399	RD	46		440 p	440 p	UP West	UP East	42	42	42							AGLI Eng 539 p
SP 7963	RD	15		505 p	505 p	SP yd	SP East	17		17							BS #1 DP 511 p
SP 4810	SW	3	4	506 p	502 p	SP yd	MP yd	9		9							#201-4 1/2 Cut #2 505 p-3 cuts
SP 4810	SW	3		520 p	520 p	MP yd	Westfield Wye			5	5		5				#201
SP 7862	RD	122		535 p	535 p	SP yd	SP East	124		124			<die	1215 A>			OZ HONSM-16 DP: 620 p
UP CNW 2068	RD	97		540 p	540 p	UP East	UP West		99		99	die	1000 A>				LIFP Eng 622 p
SP 4810	SW	Eng		545 p	545 p	West Fallon Wye	SP So yd			2			2	2			#201
SP 4810	SW	14		625 p	625 p	SP So yd	NSS			16							#201
SP 8107	RD	Eng		631 p	631 p	SP yd	Ports	2	2		2						BTMCU Power only
SP 7243	RD	5		648 p	648 p	SP yd	SP So yd	7	7	7	7						P+A local DP: 653 p
SP 8107	RD	57		725 p	725 p	Ports	SP yd/West	59	59		59						BTMCU DP 930 p
SPE 2715	RD	6		730 p	730 p	SPE yd	Winnie					8	8	8			RST 202
SP 9751	RD	24		738 p	738 p	SP West	SP East	26		26			<die	1730 A>			LBGIT Arr: 745 p DP 820 p <#201
UP 1666	SW	37		720 p	739 p	Amelia	MP yd		39	39							LHS 31 <LHS-07> Arr: 815 p
SP 4810	SW	3		750 p	750 p	NSS	SP yd	5		5							#201

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 31

JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT

Date Jan 15 19 97

FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
UP 1666	SW		13	826P	826P	MP YD	SFE YD			15	15	15	15				LHS 31
SP 8682	RD	78		837P	837P	SP West	SP East	80		80							ET NO U ARR: 920P DP 1145P CATK NO 1
UP 2448	RD	Emp		849P	849P	SP YD	Port			2	2		2	2			GEBE VP-10 Power
SFE 2893	RD	36		908P	908P	SP East	SFE YD					38	38	38		38	NO HOI-14 Cny 930P
UP 2448	RD	75		910P	910P	Port	West		77		77						GEBE VA-10 DP 1137P
UP 1666	SW		Emp	940P	940P	SFE YD	MP YD			2	2	2	2				LHS 31
SFE 2716	SW	9		908P	948P	Winnie	SFE YD					11	11	11			RST 202 Cny 950P
ATK RTS 40	RD	9		1055P	1055P	SP East	SP West	11	11	11							ATK NO 1 ARR: 1123 PM DP 1126PM
SP 4810	SW	3		1030P	1030P	NSS	SP YD	5		5							#201
SP 7291	RD	24		1110P	1137P	SPS-YARD	BMTSIDING	26		26							PTA LOCAL AR 1215AM
UP 1666	SW	82		1150P	1150P	MP YARD	AMELIA	84	84	87							LHS 31 DP 1215AM
						1-16-97											
SP 7253	RD	60		1201A	1201A	BMTSIDING	EAST	62	62		62						HOCKM DP 1215AM
SP 6531	RD	31		1230A	1230A	WEST	EAST	33		33							L BAUT BY 1245AM
UP 3157	SW	118		1230A	1230A	WEST	EAST		120		120						BLNL AR 1250P DP 124AM
SP 5294	RD	72 159		10SA	10SAM	WEST	EAST	72/161		161							HOICM AR 115AM DP 701AM
UP 3574	RD	90		330A	330A	WEST	EAST		92	92							HOLI BY 353AM
SP 7243	RD	56		445A	445A	EAST	BMTSIDING	58		58							BS#1 AR 514AM
SFE 2314	RD	40		615A	615A	ATSF YARD	KCS					42	42	42		42	HHONO1-14 BY 630AM
PX 2641	KO	109		721AM	721AM	WEST	EAST	111	111	111							LOLI AR 731AM
PX 4237	KO	106		741AM	741AM	WEST	EAST	108	108	108							ICVL AR 801AM
PS 4320	SW		39 for UP	801AM	801AM	KCS Lacey	MP YD			41	41	41	41			41	I/C TO MP
PS 4320	SW		Emp	831AM	831AM	MP YD	KCS Lacey			2	2	2	2			2	I/C Emp 1400
PS 4320	SW		18 for MP	910AM	910AM	Lacey KCS	ATSF YD					20	20	20		20	I/C TO ATSF
PX 3522	RD	44		931AM	931AM	EAST	WEST		46		46						LINO BY 941AM
PX 5011	RD	182		1011AM	1011AM	EAST	WEST		134		134						LINO BY 1031AM
PS 4320	SW		Emp	1031AM	1031AM	ATSF YD	Lacey Four					2	2	2		2	I/C Emp 1400

(FOR INSTRUCTIONS SEE REVERSE SIDE)

FORM 29405

Sheet 29 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 14 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
IP CNW 4626	SW		Eng	1050p	1050p	SP YD	MP YD	2		2							LHS 31
CNW 4625	SW	ENG		1135p	1135p	MP YARD	AX SIDING		2	2							LHS 31
CNW 4625	SW	9		1144p	1144p	AX SIDING	MP YARD		11	11							LHS 31
SFE 2853	RD	5		1145p	1145p	KCS LACEY	ATSF YARD					7	7	7		7	NO HOI-G BY 1151PM
CNW 4625	SW	10		1159p	1159p	MP YARD	AMELIA		12	12							LHS 31 DP 1205AM
					1-15-97												
SP 7651	RD	46		1245A	1245A	SPS-YARD	BMT SIDING	48		48							PTN LOCAL AR 1255A
KCS 4349	SW		41	100A	100A	KCS #5	MP YARD			1/3							KCS 1/C Dnd 41 MP# 1 TO @ 120A
KCS 4349	SW		ENG	120A	120A	MP YARD	KCS #5			2							KCS 1/C HOME
KCS 4349	SW		34	140A	140A	KCS LACEY	SPS-YARD					36	36	36		36	KCS 1/C Dnd 34 SP TO SY1 @ 21
KCS 4349	SW		5	200A	200A	SPS-YARD	ATSF YARD					7	7	7			KCS 1/C Dnd 5 STP @ 215A
SSW 8077	RD	31		210A	210A	WEST	EAST	33		33		HELD FOR BS #1			26		LANOF AR 245AM DP 309A
KCS 4349	SW		ENG	220A	220A	ATSF YARD	KCS LACEY					2	2	2		2	KCS 1/C
UP 3240	RD	125		230A	230A	EAST	WEST		127		127						LIHO BY 248AM
UP 2493	RD	60		300A	300A	WEST	EAST		62		62						HOLI BY 335AM
SP 8524	RD	26		325A	325A	WEST	EAST	23		23							LANOF BY 403AM
SP 7247	RD	63		300A	300A	EAST	BMT SIDING	65		65							BS #1 AR 340AM
SFE 2346	SW		20	340A	340A	ATSF YARD	MP YARD			22	22	22	22				BMT TURN 1/C Dnd 20 MP# 21 @ 4A
SFE 2340	SW		ENG	405A	405A	MP YARD	ATSF YARD		2	2	2	2	2				BMT TURN
SFE 2340	SW		20	500A	500A	ATSF YARD	SP YARD	22		22	22	22	22				BMT TURN
SP 7963	RD	ENG		525A	525A	WEST	BMT SIDING	2									68'S LOCAL AR 540AM
SFE 2340	SW		12	600A	600A	SP YARD	ATSF YARD	14		14	14	14	14				BMT TURN
SP 7875	RD	71/159		634A	634A	WEST	EAST	73		161							(EN-OP 1-6-98) HOICM AR: 645AM DP: 1130AM
UP 3382	RD	79		754a	754a	West	Elig-East	81	81	81	—						LOLI AE: 810am DE: 4N P by 430 P
SP 8113	RD	66		847a	847a	SP yd	West	68									BTASA DP: 855am
SPSSW 7641	SW	3	20	922a	922a	SP yd	UP-KCS yds	25		25							#104-5 1/C UP#25 @ 935am 15 KCS
SPSSW 7641	SW	3	15	941a	941a	UP yd	KCS Lacey			20	20		20	20		20	#104-15 1/C KCS-3 Beer (Exit Julich Curve)
SP 9157	RD	38															

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 27

FORM 29405

JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT

Date January 13 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
UP2290	SW	30		1102p	1102p	Amel-Eliz	UP Yd		32	32							LHS31
SFE2715	RD	12		1113p	1113p	Winnie	SFE Yd					14	14	14			RST202 Hm
UP2290	SW		11	1154p	1154p	UP Yd	KCS Yd			13							LHS31 ½c to KCS
					January 14, 1997												
SP9778	RD	25							29		25						
UP2290	SW		Eng	107a	107a	KCS Yd	UP Yd			2							LHS31
SP8147	RD	68		129a	129a	SP Yd	West	70									BTASA DP: 140am
UP2290	SW		7	130a	130a	UP Yd	SP Yd	9		9							LHS31 ½c to SP
UP2290	SW		Eng	152a	152a	SP Yd	UP Yd	2		2							LHS31
UP3460	RD	57		233a	233a	West	East		59		59						HOLT by 258am
AAK815	RD	9		351a	351a	East	West	11	11		11						AAK#1 AR: 358am DP: 400am
UP2290	SW	6		532a	532a	UP Yd	Amelia		8	8							LHS32 - via Limo P/U LHS31-13
[illegible]	RD	[illegible]															
SP7794	SW	Eng		537a	537a	South M.T.	SP Yd	2									#302
SP7794	SW	16		621a	621a	SP Yd	South M.T.	18		18							#302
x 2201	RD	26		5[illegible]	5[illegible]	[illegible]	[illegible]					28	20	25		25	ABF Home DP: 15[illegible] a3p
SSW 7694	RO	24		831a	831a	West	East		26		26						LOAD CY 931am
x 5468	RO	3		1001a	1001a	WEST	EAST	3	3		3						TOSF Spot CY 1011
4810	SW	12		1021a	1021a	SP yd	SOUTH yd	14		14							Jan 103
x 3174	RO	37		1031a	1031a	[illegible]	[illegible]		39		39						LOAD CY 1051am
x 3161	RO	118		1051a	1051a	East	West		12[illegible]		11[illegible]						LOAD
x 8519	RO	26		1115a	1115a	[illegible]	[illegible]	1	25	25		25					LOAD CY ——
x 7636	RO	21		1115a	1115a	SP yd	East	23		23							ONTG #1
FX 2330	RO	6		1131a	1131a	East	MOJ Yd					8	8	8		8	610-610 ABF DP 1201pm
x AAK #2	RO	9		1250p	1250p	WEST	EAST	11	11		11						AAK#2 AR: 1[illegible] DP 210pm
SP7959	RO	60		310p	310p	SP Yd	SP West	12									BSF#2 DP 320p
SP8140	RO	86		338p	338p	SP West	SP Yd	88	—		—						ASAT Q, Add: 40 N.P
UP2654	RD	105		230p	340p	SP West	UP East		107		107						GLWT Arr: 10-Loy 3 5 70 < Kcs Bridge

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 25 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 12 19 97 — FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SPNS7009	Rd	79/96		254p	254p	West	East	81		98							HonSm AR:305pm Dp:600pm (5051 P1068)
SPUP3671	Rd	104		327p	327p	East	West	106	106		106						CxHom lvy 337pm
SP4869	Rd	5		423p	423p	SP Yd	West	7									69 Local Dp: 425pm
UPSXT8471	Rd	55		452p	452p	East	West		57		57						KAVBNV lvy 503pm
SP7651	Rd	4		523p	523p	SP Yd	West	6									BS#1 Dp: 525pm
SPUP3712	Rd	10		544p	544p	East	West	12	12		12						NSLBT lvy 552pm
SP7794	Rd	23		603p	603p	East	West	25	25		25						AVLBT lvy 612pm
SP7651	Rd	Eng		657p	657p	West	SP Yd	2		2							BS#1 AR: 705pm (via East End)
UP3259	Rd	85		701p	701p	West	East		87		87						LDLI lvy 721pm
TM8177	Rd	7		716p	716p	West	KCS#5		9	9							MCPSH1-11 lvy 732pm
SP8186	Rd	33		724p	724p	SP Yd	West	35									BTASQ Dp: 730pm
SP7282	Sw		18	735p	735p	SP Yd	UP-KCS Yds	20		20							#201-6 UP ½c #24 @ 740pm 12 ½c KCS
UP2290	Sw	58		751p	751p	Amelia	UP Yd		60	60							LHS31
SP7282	Sw		Eng	807p	807p	KCS Yd	SP Yd	2		2							#201
SPNS5046	Rd	86/167		808p	808p	East	West	88		169	169						NSHom AR: 820pm Dp: 1105pm (5/1081 P1140)
UP3544	Rd	106		827p	827p	East	West		108		108						LIFP AR: 835pm Dp: 910pm (NSHom LHS31)
SP7651	Rd	117		854p	854p	SP Yd	East	119	119		119						BS#1 Dp: 915pm (wait LIFP)
UP2290	Sw		28	856p	856p	UP Yd	KCS Yd			30							LHS31 ½c to KCS
UP2290	Sw		Eng	929p	929p	KCS Yd	UP Yd			2							LHS31 Fm KCS
UP2290	Sw		16	938p	938p	UP Yd	SFE Yd			18	18	18	18				LHS31 ½c to SFE
[redacted]																	
UP2290	Sw		Eng	1012p	1012p	SFE Yd	UP Yd			2	2	2	2				LHS31 Fm SFE
UP2290	Sw		9	1043p	1043p	UP Yd	SP Yd	11		11							LHS31 ½c to SP
UP9036	Rd	51		1051p	1051p	West	East		53		53						BLLI7 lvy 1105pm
UP2290	SW		ENG	1123P	1123P	SP yd	MP yd	2		2							LHS31
UP2290	SW	35		1131P	1131P	MP yd	Amelia		37	37							LHS31 DP: 1214A

(FOR INSTRUCTIONS SEE REVERSE SIDE)

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FORM 29405

JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT

Date Jan 11 19 97

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
~~SP 7192~~	~~RD~~	~~16~~						-	18	-							
SP 7190	RD	1		1047P	1047P	SP SO YD	SP YD	3		3							P+A Local ARR: 1050P
up 2290	SW	44		1100P	1100P	MP YD	Amelia		46	46							-LHS31 Dp: 1129P
atsf 2886	RD	28		1124P	1124P	atsf yd	Lacey					30	30	30		30	-HOND Dp: 1128P
SP 7797	RD	141/125		1144P	1144P	West	East	143		143							-HONSM10 Ar: 1217A Dp: 345A 5/10 89 Plu 73 Patch crew
						- 1-12-97 -											
~~SSW 9657~~	~~RD~~	~~18~~															
SSW 9657	RD	18		135A	135A	West	East	20	20		20						-LANDF By: 150A
SP 4869	RD	68		415A	415A	West	SP yd	70									-68 Local Ar: 326A
SP 7131	RD	42		400A	447A	West	SP yd	44									-SRBTM Ar: 450A
up 3597	RD	37		404A	404A	East	West		39		39						-LIHOB By: 440A
SP 8029	RD	32		447A	447A	East	West	34	34		34						-AVLBT By: 518A
atsf 2870	RD	5		518A	518A	Lacey	atsf yd					7	7	7		7	-NOHO Ar: 525A
SP 7895	RD	150/131		543A	543A	East	West	152		152							-CXHOM10 Ar: 728A Dp: 1025A 5/10-19 Plu-0
SP 7356	RD	85		558A	558A	West	East		87		87						-KVLI By: 616A
SP 7131	RD	107		740A	740A	BMT SIDING	WEST	109									BTHOM DP 754 PM
UP 955	RD	106		830A	830A	WEST	EAST		108		108	ENGR BRK	HAD TO BOARD		USE		HOLI AR 858AM DP 945AM
KCS 4349	SW		49	840A	840A	KCS LACEY	MP YARD			51	51	51	51	51		51	KCS I/C Dlvd 30 MP #17K @ 915A
KCS 4349	SW		19	920A	920A	MP YARD	SPS-YARD			21	21	21	21				KCS I/C Dlvd 19 SP @ 1005AM
UP 3174	RD	88		925A	925A	EAST	WEST		90	90	90						LIHO BY 955AM
KCS 4349	SW		FM 8	1005A	1005A	SPS-YARD	KCS LACEY						2	2		2	KCS I/C HOME
SP 8583	RD	46		1000A	1000A	EAST	WEST	48		46							EXCIT AR: 1030A DP: 1230P
UP 2117	RD	22		1000A	1000A	WEST	EAST		24		24						HOLIB BY 1030AM
KCS 4349	SW		11	1035A	1035A	KCS LACEY	ATSF YARD					13	13	13		13	KCS I/C Dlvd [illegible]
ATK 815	RD	12		1200A	1200P	WCS	EAST	14	14		14						RD 2 AR 1210P DEPT: 1216P (Plu 35)
~~SP 7190~~	~~RD~~	~~49/84~~															
SP 7190	RD	49/84		116P	116P	WEST	EAST	51/86		35							HOCXM Ar: 125P DP 215PM
~~SP 7488~~	~~RD~~	~~37~~															
SP 8186	RD	97		233P	233P	West	SP YD	99									WCBTO AR: 245PM

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 22 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date June 11 19 97 — FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SSW 9692	Rd	78		1252A	1252A	East	West	80		80							-NOETU Bzy: 101A
SP 7636	SW	9		102A	102A	NSS	SP yd	11		11							-303 Ar: 112A (Relief crew)
SP 9715	Rd	140/114		109A	109A	East	West	142		142		RES ARR WIRE LO.		STOPPED			-CXHOM9 AR: 211A Dp: 345A S/O-26 Plu 0
SP 7641	Rd	28		120A	127A	So yd	SP yd.	30		30							-PTA Local AR: 137A
SP 7243	SW	19		139A	139A	S. yd	SP yd.	21		21							-205 Ar: 149A
SP 7263	Rd	104		158A	158A	SP yd	East	106	106		106						-HOICM Dp: 200A
SP 7959	Rd	107		215A	215A	East	SP yd.	109		109							-Bmt 2 Ar: 235A
ATSF 2893	Rd	22		425A	425A	Lacey	ATSF yd					24	24	24		24	-NOHO Ar: 435A
[redacted]																	
UP 3318	Rd	132		540A	540A	West	East		134		134						-HOLI Bzy: 632A
NS 2520	Rd	95/130		545A	545A	West	East	132		132							-HONSM Ar: 558A Dp: 910A S/O 65 Plu 100
SP 7123	Rd	78		602A	602A	West	SP yd.	80									-SRSTM Ar: 618A
ATSF 2314	Rd	14		615A	615A	ATSF yd	Lacey					16	16	16		16	-HONO Dp: 620A
SSW 9695	Rd	114		630A	630A	SP yd	West	116									-BTWEQ Dp: 710A
[redacted]																	
CNXT 5141	RD	96		925A	925A	WEST	EAST		98		98						KVLI BY 900AM
SP 7636	SW	ENG		955A	955A	BMTSIDING	SP SIDING	2		2							JOB 104 DP 1000AM
SP 5160	RD	87		1005A	1005	BMTSIDING	WEST	89									BTPS2 DP 1020AM
CNW 5517	RD	89		1020A	1020A	EAST	WEST		91		91						LIHO BY 1035AM
UP 230	RD	50		1100A	1100A	WEST	EAST		52		52						HOLIB BY 1123AM
SFE 2591	RD	10		1123A	1123A	WINNIE	ATSF YARD					12	12	12			RST 201
SFE 2715	SW		25	1155A	1155A	ATSF YARD	MP YARD			27	27	27					RST 211 Dlvd 22 MPH: 3@1215A
SFE 2715	SW		3	1215P	1215P	MP YARD	SP YARD	5		5							RST 211
UP 3459	RD	93		1215P	1215P	WEST	EAST	95	95	95							GSFWMX BY 1235PM
[redacted]																	
UP 3558	RD	41		1245P	1245P	West	EAST	43		43							LINUF BY 100PM
[redacted]																	
SFE 2715	SW		4	1250P	1250P	SP YARD	ATSF YARD	6		6	6	6	6				RST 211

(FOR INSTRUCTIONS SEE REVERSE SIDE)

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Sheet 20 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 10 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SP 7636	SW	ENG		538A	538A	mp yd	SP yd	2		2							-303
UP 4302	Rd	87		558A	558A	East	West		89		89						-LIHOB By: 616A
UP 6188	Rd	21		637A	637A	West	East	23	23		23						-LANDF By: 650A
[illegible]	Rd	20		745 Am	745 Am	[illegible]	West		22		22	22	22				B+L PP Rock Dept 1021 Am
UX 3275	RO	93		821 Am	821 Am	East	West		97		97						LIHO By 911 Am
SP 7636	SW	49		901 Am	901 Am	SP yd	South yd	51		51							SP03 10
KCS 4345	SW		23 sps	915 Am	915 Am	Lacey	SP South					25	25	25		25	I/P from KCS to mp+SP
KCS 4345	SW		Eng	951 Am	957 Am	SP South yd	Lacey					2	2	2		2	I/E Eng Home
UX 8127	RO	28		951 Am	957 Am	West	East		30		30						I-LB Arr 959 Am Dept 1121 Hrs
UX 4292	RO	29		951 Am	957 Am	West	East	31	31	31							HOL:B By 1041 Am
KCS 4345	SW		40 mps	951 Am	951 Am	Lacey	mp yd			42	42	42	42	42		42	I/E to mp
SP 7636	SW	23		1001 Am	1001 Am	South yd	SP yd	25		25							SP Jct 10+
UX 8148	RO	61		931 Am	931 Am	SP yd	West	63									L+25 a Dept 941 Am
KCS 4345	SW		Eng	1031 Am	1031 Am	mp yd	KCS Lacey			2	2	2	2	2		2	IK Eng Home
SP 7743	SW	13		1201 Pm	1201 Pm	SP yd	South yd	15		15							SP03 123
[illegible] 2715	SW		12 [illegible]	1210 Pm	1210 Pm	ATSF yd	[illegible]					14	14	14		14	[illegible] 211 ATSF I/E TO KCS
[illegible] 2711	SW		Eng	1231 Pm	1231 Pm	KCS yd	[illegible]					2	2	2		2	[illegible] 211 ATSF I/E Eng Home
UX 7853	RO	28		101 Pm	101 Pm	East	West	30		30							Expect by 127 Pm
[illegible]	RO	24								24							
ATSF 2711	SW		20 ICW SP Eng	131 Pm	131 Pm	ATSF yd	SP yd	22	22		22	22	22				[illegible] 211 ATSF I/E to SP
[illegible] 2711	SW			201 Pm	201 Pm	SP yd	ATSF	2	2		2	2	2				[illegible] 211 ATSF I/E Eng Home
UX 7697	RO	76		141 Pm	141 Pm	West	SP yd	28									WCRT Q
[illegible]	RO	28															
UX 8274	RP	168/131		241 Pm	241 Pm	East	West	133		170							NS Horn 08 Arr 350p Dep 525p 3/0 37 P/U 17
SP 7947	RD	9		326p	500p	SP yd	West	11									BS#2 DP 602 P<026> NS Hrn
UP 3165	RO	61		358p	358p	UP West	KC East	—	62	—	63						AGLI Cy 459p Arr 213 425p Dep 213 445p KCS 734
TM KCS 734	RD	—	73	359p	359p	East	UP West		25		25						KCS 734 (65 MM X1-10) Cy 427p
[illegible]	RD	89		432													

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 19 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 9 1997 — FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SP 7299	RD	62		651P	651P	SP-West	SP YD	64									SRBTM Arr: 705P
SP 7103	RD	6		655P	655P	SP YD	SP So YD	8		8							PTA Local Dp 701P
SP 8148	RD	43		715P	715P	SP-West	SP YD	45									ASBTQ Arr: 740P
SP NS 2520	RD	139/90		720P	720P	SP-East	SP-West	92	141		141						NSHOM-K07 Arr: 801P Dp 810P 51049 PIU 0
SP RG 3147	RD	39		750P	750P	SP YD	SP-West	41									69 Local Dp 810 P
SP 7636	SW	48		830P	830P	Port	Westfallin Wye						50	50		50	#201
SP 7636	SW	Emp		852P	852P	SP No Main	SP YD	2	2								#201
SFE 2715	RD	12		855P	855P	Winnie	SFE YD					14	14	14			RST 202
UP 3927	RD	67		928P	928P	West	East		69		69						HOLI63 Cy 951 P
SFE 2951	RD	20		950P	950P	SFE YD	East					22	22	22		22	HONOI-09 Cy 958P
SP 7103	RD	24		1010P	1010P	SP So YD	SP YD	26		26							PtA Local Arr: 1020P
atyf 2715	SW		26	1106P	1106P	Atyf yd	mpyd/Soyd			28	28	28	28				RST 201 17-UP 9-SP
atyf 2715	SW		9	1118P	1118P	mpyd	SPyd	11		11							RST 201
SP 7243	Rd	58		1119P	1119P	East	SPyd	60		60							Bnt #1 Ar: 1215A
RG 3104	SW	26		100A	100A	Soyd	SPyd	28		28							205 Ar: 1240A
atyf 2715	SW		3	1155P	1155P	SPyd	atyf yd	5	5	5		5	5				RST 201
						— 1-10-97 —											
SP 8504	Rd	164/129		1215A	1215A	East	West	166		166							ICHOM Ar: 1250A Dp: 340A 51o-35 PIU-0
UP 3283	Rd	50		121A	121A	West	East		52		52						KVLI By: 152A
NKCX 9030	Rd	92		224A	224A	West	East		94		94						HOLI By: 315A
SP 7810	Rd	48		226A	226A	West	SPyd	50									68 Local Ar: 235A
[redacted]	Rd	30		[redacted]													
UP 3237	Rd	91		311A	311A	West	East		93		93						LDLI By: 345A
SP 8700	Rd	23		400A	400A	West	East	25		25							LANOF Ar: 417A Dp: 433A
atyf 2853	Rd	31		414A	414A	Lacey	Atyf yd					33	33	33		33	NOHOJ 109 Ar: 430A
SP 8858	Rd	111/129		440A	440A	West	East	181		181	(Hi Wide all 17'10" wide)						HOICM Ar: 447A Dp: 715 51o-0 PIU-68
SP [redacted]				506A	506A	[redacted]			26		26						[redacted]
SP 7636	SW	40		513A	513A	SPyd	mpyd	42		42							303 (for Stg in mpyd)

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Sheet 18 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 9 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
2166	SW	Eng		1121 Am	1121 Am	Amelia	Mp yd	2		2							LH 507
2166	SW		21 Mp	1210 Pm	1210 Pm	Mp yd	A351 yd			23	23	23	23				LH 507 to A351
BS 104	SW	8		1231 Pm	1231 Pm	SP yd	504 & 2d	10		10							Eng 105
7636	SW	6		1241 Pm	1241 Pm	N/S	504 & 2			8							#104
K#2 504	RD	10		1241 Pm	1241 Pm	west	~~SP~~ ST	12	12		12						ATK #2 Arr 111 Pm Dep 115 Pm
7636	SW	32		210 Pm	210 Pm	504 & yd	SP yd	34		34							#104
2166	SW	29		231 Pm	231 Pm	Mp yd	Amelia		31	31							LH 507
~~K#175~~	RD	91		1231 Pm	1231 Pm	west	SP yd	93									WEST Q Arr 111 Pm
[illegible]																	
UP 2192	RD	114		245P	245P	East	West		114		114	<Die 3P>					Lifted Arr 258P Dp 345P <Die 2A>
UP 3376	RD	17		300P	300P	East	West	59	59	59							LIFT by 318P
SP 7651	RD	83		330P	330P	West	SM T/SP YD	85	85		85	Die 430P					68 Local Arr: 344P <503 701 To YD
SP 7114	RD	2		350P	350P	SP yd	SP West	4									BS#2 Dp 355P
SP 2956	RD	19		355P	355P	SP yd	SP West	21									BTASB Dp 400P
[illegible]																	
[illegible]																	
UP 2166	SW	21		445P	445P	Amelia	MP YD	23	23	23							LH 31
SP 8175	RD	109		512P	512P	SP yd	West	111									BTWEQ Dp 520P
SP 7143	RD	39		513P	513P	SP yd	SP East	41		41							BS#1 Dp 520P
UP 2166	SW		13	539P	539P	MP YD	KCS YD			15							LH 31
UP 2166	SW		Eng	600P	600P	KCS YD	MP YD			2							LH 31
SP ~~K~~ 2550	RD	92/107		550P	550P	SP West	SP East	94		109		<Die 115A>					HONSM Arr: 608P Dp 815P 3/049 P/U64
SP 7114	RD	3		602P	608P	SP West	SP YD	5									BS#2 Arr: 620P
UP 2166	SW		7	615P	615P	MP YD	SP YD	9		9							LH 31
UP 2166	SW		Eng	630P	630P	SP YD	MP YD	2		2							LH 31
SP 7636	SW	6	7	635P	635P	SP YD	MP-KCS-Belt	11		11							#701 - 6"CMP#23.64PP - 1"CKCS-6 BR
SPE 2715	RD	21		636P	636P	SPE YD	Winnie					23	23	23			KST 702
UP 2166	SW	8		644P	644P	MP YD	Amelia		10	10							LH 31

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet #17 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 8 1997 FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
LIP 2166	SW		16	945P	945P	MP YD	SP YD	18		18							LHS 31
LIP 2166	SW		Emty	1010P	1010P	SP YD	MP YD	2		2							LHS 31
ATK 814	RD	9		1010P	1010P	SP East	SP West	11	11		11						ATK NO1 Abt: 1025 P or 1027 P
SP 6827	RD	120		1020P	1020P	SP East	SP West	111	111		111						Clifton Cny 1053 P
SP 4830	SW	15		1045P	1045P	SPS-YARD	BMTSIDIN	17		17							JOB 205 AR 1105PM
SFE 6395	RD	11		1140P	1140P	ATSFYARD	KCSLACEY					13	13	13		13	HONOJ-08
UP 2166	SW	69		1145P	1145P	MP YARD	AMELIA	71	71	71							LHS 31 DP 1152PM
SP 7243	RD	79		1145P	1145P	EAST	BMTSIDING	81		81							BSH 1 AR 1215AM
							1-9-97										
SFE 2346	SW		13	125A	125A	BMTSIDING	ATSFYARD	15	15		15	15	15				BMT 7.11.N DP 1220AM
SP 7951	RD	27		1215A	1215A	SPS-YARD	BMTSIDING	29		29							PTA LOCAL AR 1225 AM
SP 7452	RD	87							38		38						EL BMT AR 1145PM ½ DP
SP 8093	RD	35		1245A	1245A	EAST	WEST	35		35							AVLBT BY 108AM
TF 3171	RD	20		115A	115A	KCS LACEY	ATSF YARD					22	22	22		22	NO 105 BY 130A
SP 7782	RD	96/156		135A	135A	WEST	EAST	98/158		158							HOLEM AR. 145PM
[illegible]	RD	ENG		150A	150A	BMT SIDING	SP S-YARD	2		2							F BT MCU
SP [illegible]	RD	[illegible]															[illegible] OP 320
KCS 4345	SW		31	352A	352A	KCS LACEY	MP YARD			33	33	33	33			33	KCS ½ Dbd 11 MPA 3TL @ 420A
DRGW 3147	RD	83		420A	420A	WEST	BMTSIDING	85									SRBTM AR 445AM
KCS 4345	SW		19	420A	420A	MP YARD	SP S-YARD			21	21		21	21			KCS ½ Dbd 10 SA @ 430A
KCS 4345	SW		9	435A	435A	SPS-YARD	ATSF YARD					11	11	11			KCS ½ Dbd 9 TO SFE
SP 7818	RD	55		545A	545A	EAST	WEST		57		57						LIHOD BY 603AM
UP 4140	RD	70		635A	635A	WEST	EAST		72		72						KVLI BY
SP 4762	RD	11		801 Hm	801 Hm	ICG #-	WEST	13	13	13							T [illegible] Train NEHOPA 09
SP 80[illegible]	RD	18		[illegible]	[illegible]				20		20						[illegible]
UP 8254	RD	13		731 Hm	731 Hm	EAST	WEST	15	15	15	15						LVC Loop
UP 7636	SW	7 N/S	12 ICGS	1001 Hm	1001 Hm	SPYd	ICGS Y N/S	21		21							DOB 104
UP 124	RD	122		1021 Hm	1021 Hm	WEST	[illegible]		124		124						Hol. Am. 1031 Hm

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JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT

Date Jan 8 19 97

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
UP 2166	SW	40		1230P	1230A	[illegible] YARD	[illegible]		[illegible]								LHS 31 DP 1255AM
SP 9762	RD	24		1230A	[illegible]	[illegible]	EAST	26	26	26			OVER				[illegible] DP 1255AM
SFF 2556	RD	11		100A	100A	ATSF YARD	KCS LACEY					13	13	13		13	HOHO1-7 BY 110AM
MKCX 9014	RD	112		155A	155A	LVPST	EAST		114		114						LDI 7 BY 223AM
SP 7183	RD	61		300A	300A	EAST	BMTSIDING	63		63							BS# 1 AR 330AM
CNW 6926	RD	79		315A	315A	WEST	EAST		81		81		HELD BY KCS				HOLI AR 400P DP 417AM
SP 9647	RD	137		330A	330A	EAST	WEST	139		139							CXHOM AR 417A DP 610AM
SFE 2838	RD	9		430A	430A	KCS LACEY	ATSF YARD					11	11	11		11	HOHOO7 BY 445AM
SP 9370	RD	108		440A	440A	WEST	EAST		110		110						KVLT BY 500AM
SP 7783	RD	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]										[illegible]
KCS 4345	SW		29	535A	535A	KCS LACEY	SPS YARD					31	31	31		31	KCS I/C NB wd 11 SP @ 625AM
KCS 4345	SW		18	625A	625A	SPS YARD	ATSF YARD					20	20	20			KCS I/C [illegible] 71 SFF
KCS 4345	SW		ENG	645A	645A	ATSF YARD	KCS LACEY					2	2	2		2	
x 8029	RO	162		701Am	701Am	East	west	164		164							I/C Hom Arr 751Am
KCS 4345	SW		36 FOR	721Am	721Am	KCS N/S	ATSF YARD			38							I/C delivered to Track #1 741Am
KCS 4345	SW		ENG	741Am	741Am	yard	KCS N/S	2		2							I/C ENG Home
[illegible]	RO	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]										[illegible]
P 7636	SW	115	9 KCS	831Am	831Am	SP yd	KCS N/S	12		12							Arr 104
2 7636	SW			1021Am	1021Am	N/S	SP South yd			2							Arr 104
4630	SW	23		1031Am	1031Am	SP yd	South yd	23		23							Arr 103 and 1051Am
7636	SW	11		1101Am	1101Am	South yd	SP yd	13		13							Arr 104
ORGW 3079	RO	83		1121Am	1121Am	East	West		85		85						L Hom By 1151Am
x 3628	RO	51		1121Am	1121Am	WEST	East		53		53						Lv Lin Am 1221Pm Exempt
SP 2115	SW		11 KCS	141Pm	141Pm	ATSF yd	Lacey Pm					13	13	13		13	[illegible]
X 3431	RO	94		201Pm	201Pm	East	west	26	96	96							L Hom By 221Pm
8336	RO	36		221Pm	221Pm	west	East	38		38							L 2nd I= Arr 245P DP 315P KCS
X 7794	RO	52		241Pm	241Pm	west	East	59		59							Hom Exempt DP
SF 2715	SW		Eng	241Pm	241Pm	KCS Lacey	ATSF yd					2	2	2		2	Arr [illegible] 241

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Sheet 14 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 7 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SP RS 3085	SW	1	12	709P	709P	SP YD	MP YD	15		15	5		5	5		5	#201-10 CMP #WP 710P - 2 LCKS - 1 city
SP RO 3104	RO	24		727P	727P	SP YD	SP So YD	26		26							Pick load SP 729P
SP RO 3085	SW	1		743P	743P	KCS YD	McFaddin Wye						3	3		3	#201
UP 2166	SW	56		823P	823P	Amelia	SMT-MP YD	58	58	5							LHS 31 - Add 850P
SP RO 3085	SW	3		824P	824P	N. Wye	SP YD	5		5	5	5	5				#201
UP 2166	SW	12		909P	909P	MP YD	AX Siding		14	14							LHS 31
UP 9163	RO	96		910P	910P	UP East	UP-West		98		98		<die 3A>				YLIKO Add: 933P Dp: 1206A (ATW)
SPE 2715	RO	12		918P	918P	Winnie	SPE YD					14	14	14			RST 202
UP 2166	SW	Emp		918P	918P	AX Siding	SMT	2	2	2							LHS 31
SP 7296	RO	3		935P	935P	SP West	SP YD	5									135 #2 Add: 955P
UP 2166	SW	53		930P	930P	SMT	MP YD	55		55							LHS 31
UP 2166	SW		39	952P	952P	MP YD	KCS YD			41							LHS 31
UP 2166	SW		Emp	1025P	1025P	KCS YD	MP YD			2							LHS 31
UP 2166	SW		10	1032P	1032P	MP YD	SPE YD			12	12	12	12				LHS 31
SP 7290	SW	24		1038P	1038P	SP So YD	SP YD	26		26							#205
DPU 3104	RO	22		1105P	1105P	SP SYD	BRITSON	24		24							OFF LOCAL AC 41-SP
UP 2166	SW		Emp	1105P	1105P	AYSIDING	MP YD			2	2	2	2				LHS 31
SP 8[illegible]	RO	66		1110P	1110P	WEST	EAST	66	66	66							AGLI BY 1155PM
[illegible]	[illegible]	[illegible]															

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Sheet 13 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date January 7 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SP 7131	RD	Eng		441a	441a	West	SP Yd	2									68 Local AR: 445am
UP 3373	RD	78		508a	508a	East	West		80		80						LIHOB by 518am
SPNS 2550	RD	165		532a	532a	East	West	167		167							NSHome6 by 546am
PxRG 312	Rd	99		701am	701am	SP yd	East	101		101							HOC x m Dep 721am
Px 8136	Rd	63		701am	701am	West	SP yd	65									ASOTQ Arr. 721am
P 7956	SW	1		741am	741am	SP YD	N/S	3		5							Jug 104
Px CNW 8693	RD	20		821am	821am	West	East	22		22							KOS signals protection LDroF Arr 831 Dep 841am
Px 3828	RD	132		841am	841am	East	West		134		134						LiHo by 901am
P 7956	SW	4		931am	931am	N/S	South yd			6							Jug 104
Px MKT 9026	RD	52		1001am	1001am	West	East		54		54						HOC RJ 1111 KOS
x GTW 9401	RD	40		1015am	1015am	West	SP yd	42		42							IRRAIR Arr 1031am
Px 5150	RD	63		1031am	1031am	SP yd	West	65									B-25Q Dep 1041am
P 7956	SW	40		1051am	1051am	South yd	SP yd	42		42							Jug 104
P 7290	SW	13		1121am	1121am	SP yd	South yd	10		10							Jug 103
Px 2893	RD	27		1231pm	1231pm	East	ATSF (NW)					29	29	29		29	HOHO ATSF Gen Rev 1212
Px 824	RD	9		101pm	101pm	West	[illegible] 1		11		11						AT [illegible] Arr 1[illegible] Dep 123pm
P 2711	SW		19 loads	231pm	[illegible]	ATSF yd	[illegible] yd					21	21	21		21	Jug [illegible] ATSF 1/c TOK
P 8010	RD	130		308p	308p	SP East	UP West		132		132						ICHOM Arr: 329p Dep 340p
SP 7296	RD	15		315p	315p	SP SP yd	SP West	17									135 #2 DP 348p
SP 8[illegible]	RD	21		[illegible]	[illegible]	[illegible]	[illegible]										[illegible]
SZE 2715	SW		Eng	344p	344p	Kos yd	SZE yd					2	2	2		2	RST 211 Home
SP 7291	RD	21		436p	436p	SP West	SP SP yd	23									132 #2 ARR: 452p
SP 8[illegible]	RD	29		[illegible]	[illegible]	[illegible]	[illegible]	31	31	31							[illegible]
LIPM Ket 9010	RD	101		440p	440p	UP East	UP West		103		103						LIFP.07 by 530p
SP 7243	RD	55		505p	521p	SP yd	SP-East	57		57							135 #1 DP 541p
SZE 2715	RD	8		635p	635p	SZE yd	Winnie					10	10	10			RST 202 by 650p
[illegible]	RD	34		[illegible]	[illegible]	[illegible]	[illegible]		36		36						[illegible]
SP 7296	RD	10		703p	703p	SP yd	West	12									135 #2 DP 715p

(FOR INSTRUCTIONS SEE REVERSE SIDE)

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Sheet 11 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 6 — 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
) 7956	SW	5		810 Am	810 Am	SP Yd	East	7		7							Jos 104 to N/S SP signal does not control status of
x PRW 4169	RD	115		821 Am	821 Am	East	West		117		117						L. HO Arr 910 am Dep 945
GF x 2814	RD	2		931 Am	931 Am	ATSF Yd	Winnie					4	4	4			Jos 201 ATSF Winnie Local
x 7505	RD	31		810 Am	810 Am	East	West	33	33		33						SP signal does not control status of CxPCT Arr. 820 am Dep 914 am
7956	SW	24		1115 Am	1115 Am	East	West	26		26							Jos 104 From N/S
x 4639	RD	142/137		1121 Am	1121 Am	West	East	144		144							Howson Arr 1201 pm Dep 615 PM
9051	RD	33		1121 Am	1121 Am	West	East		35		35						Hold By 1011 pm
4830	SW	21		1141 Am	1141 Am	SP Yd	South Yd	23		23							SP Jos 103
[redacted]																	
GF 2715	SW		5 Pm Jos Eng	1210 Pm	1210 Pm	ATSF Yd	Loc'g Power					7	7	7		7	Jos 211 ATSF Yd to Jos
GF 2715	SW			1251 Pm	1251 Pm	Loc'g Power	ATSF Yd					2	2	2		2	Jos 211 ATSF Yd to Eng from
68 Local	RD	23		1131 Pm	1131 Pm	West	SP Yd	25									68 Local
SP 7243	RD	39		320P	320P	BMT SIDING	WEST	41									BS #2 DP 330 PM
SP 6019	RD	22		422P	422P	West	EAST	24	24		24						LBAVT BY 437PM
SP 7941	RD	77		530P	530P	BMT SIDING	EAST	79		79							BS #1 DP 540PM
TM 563	RD	38		530P	530P	KCS #5	WEST		40	40	40				OUT BLK 6508 AT		BTF MEX BY 555PM
GFE 2715	RD	1		615P	615P	ATSF YARD	WINNIE					3	3	3			RST 202 BY
UP 2537	RD	46		645P	645P	WEST	EAST		48		48						LDLF BY 705PM
SP 221	RD	147		705P	705P	WEST	BMT SIDING	149									WC BTQ Arr 715pm
SSW 7636	RD	38		737P	737P	BMT SIDING	SP S-YARD	40		40							PTA LOCAL DP 742 PM
UP 4154	RD	122		730P	730P	EAST	WEST		124		124						LIFP BY 755AM
UP 2166	SW	45		730P	730P	AMELIA	MP YARD	47	47	47							LHS 31 Arr 815PM
UP 2166	SW		11	835P	835P	MP YARD	KCS YARD			13							LHS 31
DRGW 3054	RD	6		830P	830P	BMT SIDING	WEST	8									691S LOCAL DP 840 PM
UP 2166	SW		ENG	855P	855P	KCS YARD	MP YARD			2							LHS 31
UP 2166	SW		11	905P	905P	MP YARD	ATSF YARD			13	13	13	13				LHS 31
SP 8686	RD	117		845P	845P	EAST	WEST	119		119	119						CXHOM BY 920PM
SFE 2715	RD	15		915P	915P	WINNIE	ATSF YARD					17	17	17			RST 202

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 10 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 5 1997 — FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SP2290	SW	1	3	936p	936p	UP Yd	SP Yd	6		6							LHS31 ½c to SP-1 to ¾o@AX
UP2290	SW	1		953p	953p	SP Yd	AX Siding	3	3		3						LHS31
SP4830	SW	52		1004p	1004p	Port Yd	McFad Yd						54	54		54	#201 (via Lacey)
UP2290	SW	Eng		1005p	1005p	AX Siding	UP Yd		2	2							LHS31
PNS6574	Rd	129/197		1022p	1022p	East	West	131		149							NSHom AR: 1030pm DP: 1153P (3/018 Huo)
SP4830	SW	Eng		1033p	1033p	SP No Main	SP So Yd		2	2	2						#201
SP7956	Rd	41		1047p	1047p	East	SP Yd	43		43							BS#1 AR: 1100 pm
SP8191	Rd	107		1106p	1106p	SP Yd	West	109									BTWCB Dp: 1132P
Atf 2715	SW		5	1107p	1109p	Atf Yd	MP Yd			7	7	7	7				RST202 5 up ½c
Atf 2715	SW		ENG	1113P	1113P	MP Yd.	Atf Yd			2	2	2	2				RST202 Home
UP3756	Rd	50		1125P	1125P	West	East		52		52						BLLI7 By: 1215A
UP2290	SW	55		1120P	1120P	MP Yd	Amelia		57	57							LHS31 Dp: 1147P
SP4830	SW	21/25		1158P	1158P	SO Yd	NO Main/SP Yd	27	6	23							-201 Ar: 1240A P/u 4 cars off No Main
Atf 2951	Rd	4		1159P	1219A	Atf Yd	Lacey					6	6	6		6	HOND Dp: 1225A
						-1-6-97-											
UP3161	Rd	102		1258A	1258A	West	East		104		104						HOLI Bry: 200A
SP6827	Rd	31		145A	145A	West	East	33		33							LHNOF By: 155A
TM863	Rd	22		153A	153A	West	KCS #5	24	24	24							McPSH2 TEXMEX Ar: 215A
SP7108	Rd	104		208A	208A	West	SP Yd	106									SRBTM Ar: 218P
UP2477	Rd	99		209A	209A	West	Port		101		101				(65'/AE)		GSTPBE Ar: 228A / TO PORT @ 245A
UP2477	Rd	ENG		408A	408A	Port	MP Yd			2	2						GSTPBE Ar: 415A
SP8325	Rd	159/145		419A	419A	East	West	161		161							NSHom Ar: 450A Dp: 711 3/014 P/u-0
Atf 2853	Rd	17		459A	459A	Lacey	Atf Yd					19	19	19		19	NOHO Ar: 456A
UP3520	Rd	51		510A	510A	West	East		53		53						LDLI By: 641 Hold @ El13 for LIHOB
UP3126	Rd	82		533A	533A	East	West		84		84						LIHOB By: 615A
SP8190	Rd	37		545A	715Am	SP Yd	West	39									BTASB Dp 721Am
[illegible]	Rd	28		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	20		28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7426	Rd	36/97		731Am	731Am	West	East	99		99							HOCX Ar: 801Am Dp 1054

(FOR INSTRUCTIONS SEE REVERSE SIDE)

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Sheet 8 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 4 — 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
NW 5077	RD	Eng		850P	850P	Port	West		2	2							EBEHO - Lite Engine
SP 7103	RD	Eng		920P	920P	SP yd	EAST	2		2							OSW#2 dept 925P
AK 815	RD	9		930P	930P	EAST	West	11	11		11						AUKAI Ar 943 dept 944P
SP 8102	RD	33		1010P	1010P	West	EAST	35									ASBTQ Ar 1030P
						- 1-5-97-											
SP 7883	Rd	147		1220A	1220A	East	West	149		149							ICHOM Ar: 1246A Dp: 144A (Set Aspen Work only)
tky 6395	Rd	18		1221A	151A	Atly yd	Lacey					20	20	20		20	HONO Dp: 1258A
SP 8535	Rd	90		119A	119A	West	East		92		92						LDLI By: 142A
SP 3298	Rd	135		136A	136A	West	East		137		137						HOLI By: 204A
SP 9611	RD	19		[illegible]													[illegible]
[illegible]	RD	[illegible]		[illegible]													[illegible]
SP 8012	Rd	30		435A	435A	East	West	32	32	32							CXC IT By: 515A
SW 9647	Rd	28		547A	547A	West	East	30		30							LANOF Ar: 610A Dp: 633A
tky 6375	Rd	26		558A	558A	Lacey	Atly yd					28	28	28		28	NOHO Ar: 629A
SP 8102	Rd	25		612A	612A	SP yd	West	27									BTASQ Dp: 617A
SP 8113	RD	12		620A	620A	SP yd	West	14									BTWCQ Dp: 625A
UP 7016	RD	24/84		705A	705A	WEST	EAST	35/82		82							HOCXM AR 720AM DP 730A (PIU SD)
UP 5007	RD	96/91		720A	720A	WEST	EAST	98/92		93							HONSM AR 735AM DP 1033A
UP 3350	RD	56		710A	710A	WEST	EAST		58		58						KULI BY 738AM
SLR 7402	RD	ENG		815A	815A	BMT SIDING	TMIX MPLT	2		2	2	2	2				ROCK TRP IN
UP 4830	SW	33		850A	850A	BMT SIDING	CPS-YARD	35		35							JOB 104
SP 6596	RD	4		850A													[illegible]
SLR 7402	RD	20/45		910A	910A	TMIX MPLT	BMT SIDING/WEST	21/2	23		22	22	22				ROCK TRP IN AR 920A DP 1002A
UP 3161	RD	108		1025P	1025P	EAST	WEST		110		110						LIHO BY 1045AM
SP 4830	SW	3		1055A	1055A	SP S-YARD	BMT SIDING	5		5							JOB 104
LCS 4345	SW		43	1100A	1100A	LCS #3	MP YARD			43							LCS XC D 2nd 43 MP # 1 = 1110A
MP 9005	RD	96		1100A	1100A	WEST	EAST		98		97						HOLI B AR 1130AM DP 1154AM
SP 8020	RD	23		1100A	1100A	WEST	EAST	25		25							L BAUM AR 1125AM DP 1137AM

(FOR INSTRUCTIONS SEE REVERSE SIDE)

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JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT

Date Jan 4 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
SP 7282	SW	39		1244A	1244A	So yd	SP 40.	41		41							-205 Ar: 200A
SP 7296	Rd	55		118A	118A	East	SP yd	57		57							Brnt Swn #1 Ar: 206A
SP 8129	Rd	40		155A	155A	West	SP yd	42									TASBTQ Ar: 209A
SP 9744	Rd	86		254A	254A	West	East		88		88						HOLI By: 318A
KCS 4366	SW		32	325A	352A	Lacey	up/sp/atsf			34	34	34	34	34		34	KCS JOB 17-1-up 6 SP 9 atsf (4 up E^N)
SP 7529	Rd	33		355A	355A	Wilbt	East	35		35							HOCXT Ar: 415A Dp: 419A out up as FHOCXT
KCS 4366	SW		2	436A	436A	atsf yd	Lacey					2	2	2		2	-KCS Home
up 9000	Rd	103		440A	440A	West	East		105		105						LDLI By: 456A
up 3965	Rd	7		451A	451A	West	KCS #5	9	9	9							MCASH1 Ar: 509A (TEXMEX
SSW 8064	Rd	18		513A	513A	East	West	20		20							AVLBT By: 535A
up 4276	Rd	114		610A	610A	West	East		116		116						-KVLI By: 633A
SP 8129	Rd	86		641A	720A	Spyd	West	88									BTASQ Dp: 735AM
SP 8113	Rd	22		651A	651A	West	East	24		24							LANOF By: 725AM
UP 7836	RD	70		705A	725A	ATSF YARD	KCS LACEY		KCS	BY		32	32	32		32	HOVO1 BY 735A
SP 7956	RD	130		800A	800A	WEST	DNTSDS	132									SRBTM AR 830 AM
UP 7772	RD	37		815A	815A	FAST	WEST		2[illegible]		2[illegible]						LIHOB BY [illegible]
UP 7[illegible]	SW	12	19	835A	835A	DNTSDS	MP YD/[illegible]	36		36							JOB 163 YC Dbl [illegible] #5 [illegible]
SP 9627	RD	15		915A	915A	EAST	WEST	17	17		17						NSLBT BY 932 AM
ATSF 2[illegible]	RD	21		915A	915A	KCS LACEY	ATSF YARD					23	23	23		23	[illegible] BY [illegible]
SP 9694	RD	27		934A	934A	WEST	EAST	29	29		29						LBCXT BY 951A
SP 8698	RD	42		1025A	[illegible]	[illegible]	[illegible]		44		[illegible]						BCXOT BY 1030 AM
[illegible]	RD	21		[illegible]	1005A	WEST	EAST	29	29	[illegible]							HOLIB BY 1025AM
SP 8[illegible]	RD	32		1015A	[illegible]	[illegible]	[illegible]			32	34						FBAUT DP 1100 DP MOA
SFE 2[illegible]	RD	6		1130A	1130A	WINNIE	ATSF YARD					8	6	6			RST 201
ATSF 2[illegible]	SW		22	1145A	1145A	ATSF YARD	MP YARD			24	24	24	24				RST 211 Dbl 155P
UP 3459	RD	95		1145A	1145A	WEST	EAST		37	9	9						GSFVBE BY 1212 PM
SFE 2[illegible]	SW		15	1205P	1205P	MP YARD	SP YARD	17		17							RST 211
SFE 2715	SW		6	1235P	1235P	SP YARD	ATSF YARD	8		8	8	8	8				RST 211

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Sheet 5

JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT

Date Jan 3 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
KCS 4366	SW		Eng.	206p	206p	SFE Yd	KCS Lacey					2	2	2		2	KCS Hm
SFE 2715	SW		18	213p	213p	SFE Yd	UP-SP Yds	6		20	20	20	20				RST 211 1/c 14 UP #24 @ 230pm 4 1/c SP
SFE 2715	SW		Eng.	257p	257p	SP Yd	SFE Yds	2		2	2	2	2				RST 211 Hm
NRGW 3104	RD	7		3p	3p	SP yd	West	9									BSW #2 dept 310p
SP 7872	RD	75		335p	335p	SP yd	East	77		77							Hoem dept 356p
UP 5077	RD	31		340p	340p	West	East		33		33						HoLib by 416p
UP 6080	RD	101		420p	420p	West	East		103		103						AGLI by 447p
AtSF 2715	RD	8		540p	540p	AtSF yd	Winnie					10	10	10			RST 202 by 550p
NRGW 3104	RD	8		550p	550p	West	SP yd	10									BSW #2 Arr 6pm
SP 7626	RD	79		625p	625p	SP yd	East	81		81							BSW #1 dept 640p
AtSF 2715	RD	9		735p	735p	Winnie	AtSF yd					11	11	11			RST 202 by 740p
SP 4830	RD	13		740p	745p	SP yd	SP Sub yd	15		15							Alt Local dept 747p
SP 9674	RD	24		[illegible]	[illegible]	[illegible]	[illegible]		24		24						[illegible] 845p Covne
UP 2290	SW	63		850p	905p	Amelia	UP yd		65	65							LHS 31 Arr 925p
AHSF 2715	SW		8	910p	910p	AtSF yd	UP yd			10	10	10	10				RST 202
AtSF 2715	SW		Eng	930p	930p	UP yd	AtSF yd			2	2	2	2				RST 202 Loh
UP 2290	SW		26	10p	10p	UP yd	KCS			22							LHS 31 1/c 20 KCS
UP 2166	RD	65		1005p	1005p	Amelia	East		67		67						XAMLI by 1050p
UP 3503	RD	73		1030p	1030p	West	East		75		75						BLNL by 1104p
SP 8154	RD	126		1030p	1030p	SP yd	West	128									BTNCQ dept
UP 2290	SW		Eng	1034p	1034p	KCS	UP yd			2							LHS 31
SP 7838	Rd	73/171		1058P	1058P	West	East	173		173							HOICm Al: 1130P Dp: 320A 5/10-0 Pkp-98
up 2290	SW		28	1135P	1135P	mp yd	atsf yd			30	30	30	30				LHS31
up 2290	SW		13	1050P	1050P	mp yd	SP yd	15		15							LHS31
SP 4830	Rd	24		1157P	1157P	So yd	SP yd	26		26							PTA Local. 1220A
					1-4-97												
up 2290	SW		2	1210A	1210A	atsf yd	mp yd			2	2	2	2				LHS31 Home
up 2290	SW	43		1230A	1230A	mp yd	Amelia		45	45							LHS31

(FOR INSTRUCTIONS SEE REVERSE SIDE)

Sheet 4 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 3 — 1997 — FORM 29405

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
+2715	SW		5	135A	135A	SP yd	Alaf yd	7	7		7	7	7				202
P7617	Rd	96		154A	154A	West	SP yd	98									-68 Local Ar: 332A
P9036	Rd	109		317A	317A	West	East		109		109						KUKI By: 340A
P7626	Rd	64		332A	332A	So yd	SP yd	66		66							PTA Local Ar: 409A
P7823	Rd	126/46		346A	346A	West	East	128	128		128						HAICm 2nd Ar: 356A Dp: 525A 3/0 80 ON REAR Plu-O
LX2593	Rd	78		511A	511A	West	SP yd.	80									SRBTM Ar: 546A
LP2490	Rd	109		526A	526A	West	East		111	111							HOLI By: 550A
P9783	Rd	43		557A	557A	West	East	45		45							LANOF Ar: 601A Dp: 700am (Plu Pilots)
P8555	Rd	86		624A	624A	East	West		88		88						LIHOB By: 650am
UP5045	Rd	31		716a	716a	West	East	33	33	33							SBLLI-02 Dep 731am
SP9744	Rd	111		742a	742a	East	West		113		113						LIHO Dep 752am
SP7617	Rd	49		818a	818a	SP Yd	West	51									BTASQ Dp: 825am
SP7103	SW	6		836a	836a	SP Yd	McFad Yd	8		8	8		8				#104
SAT2893	Rd	11		901a	901a	Lacey	SFE Yd					13	13	13		13	NOHOL-31 Dep 906am
[redacted]																	
SP7103	SW	3		929a	929a	McFad Yd	NSS			5	5		5				#104
SP9740	Rd	129		934a	934a	East	West	131	131		131						2CKHom-02 Dep 946am
SP7863	Rd	77/130		1042a	1042a	West	East	79		132							HONSM AR: 1055am Dp: 110pm (3/054 SP1W107)
SP7103	SW	6		1121a	1121a	NSS	SP Yd	8		8							#104
SFE2715	SW		9	1134a	1134a	SFE Yd	KCS Lacey					11	11	11		11	RST 211 1/c to KCS
SFE2715	SW		Eng	1201p	1201p	KCS Lacey	SFE Yd					2	2	2		2	RST 211 Hm.
SP7282	SW	45		1203p	1203p	SP Yd	SP Sou Yd	47	47	47	47						#103
KCS43166	SW		6	1254p	1254p	KCS Lacey	SP Sou Yd						8	8		8	KCS 1/c to SP
KCS4366	SW		Eng	102p	102p	SP Sou Yd	KCS Lacey						2	2		2	KCS Hm
KCS43166	SW		42	123p	123p	KCS Lacey	UP-SFE Yds			44	44	44	44	44		44	KCS 1/c 19 UP #23 @ 135pm 1/c 23 AT&F
SP8154	Rd	51		136p	136p	West	SP Yd	53									HOCKM AR: 145pm
KCS43166	SW		23	144p	144p	UP Yd	SFE Yd			25	25	25	25				KCS 1/c to AT&F
UP3600	Rd	78		201p	201p	East	West		80		80						LIF @ Dep 211pm

(FOR INSTRUCTIONS SEE REVERSE SIDE)

FORM 29405

Sheet 3 JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT Date Jan 2 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
W 7629	Rd	83		5 40 P	5 40 P	EAST	WEST	86	85		85						NSHOM Dp: 6PM
D 2166	Sw		32	5 50 P	6P	MP-Yd	KCS WAIT ST			34							LHS-31
P 2166	Sw		Eng.	6 [illegible] P	6 [illegible] P	KCS WAIT ST	MP-Yd			2							LHS-31
D 9725	Rd	35		[illegible]	[illegible]	[illegible]	[illegible]		37		37						[illegible] Hold for [illegible]
P 2166	Sw		15	6 32 P	6 32 P	MP-Yd	SFE-Yd			17	17	17	17				LHS-31
E 2814	Rd	3		6 50 P	6 50 P	SFE-Yd	WINNIE					5	5	5			SFE 202
P 7103	Rd	13		7 [illegible] P	7 [illegible] P	WEST	SP-Yd	15									Bmt Swn #2 Arv: 7 35 P
P 3777	Rd	126		7 [illegible]	7 [illegible]	WEST	EAST		128		128						LDL1 Dp: 7 35 P
P 2166	Sw		Eng	7 20 P	7 20 P	SFE-Yd	MP-Yd			2	2	2	2				LHS-31
P 7291	Rd	39		7 35 P	7 35 P	SP-Yd	WEST	41									#69 Dp: 7 49 P
P 7626	Rd	18		7 [illegible] P	7 [illegible] P	SP-Yd	SP-[illegible] Yd	20		20							X Swn Dp: 7 49 P
P 2166	Sw		3	7 50 P	7 50 P	MP-Yd	SP-Yd	5		5							LHS-31
P 4830	Rd	Eng		7 55 P	7 55 P	SP-Yd	WEST	2									Bmt 2 Dp: 8 07 P
P 7103	Sw	Eng		8P	8P	SP-Yd	Bmt Rec SW Conn.	2		2		–	2	2			SP 201 Job.
C 2166	Sw		Eng	8 10 P	8 10 P	SP-Yd	MP-Yd	2		2							LHS-31
P 7103	Sw	Eng		8 25 P	8 25 P	Bmt Rec	SP-Yd	2	2		2		2				SP 201 Job
P 2166	Sw	Eng.		8 40 P	8 40 P	MP-Yd	Goldfield-T		2	2	2						LHS-31
P 2166	Sw	1		8 55 P	8 55 P	Goldfield-T	MP-Yd		3	3	3						LHS-31
P 4830	Rd	59		9 05 P	9 05 P	WEST	SP-Yd	61									Bmt Swn #2 Arv:
E 2774	Rd	25		9 50 P	9 50 P	WINNIE	SFE-Yd					27	27	27			SFE-202 Dp 10P
P 2166	Sw	1		10 20 P	10 20 P	MP-Yd	SAMPSON [illegible]		3	3	3						LHS-31
P 2166	Sw	87		10 35 P	10 35 P	MP-Yd	WEST-Amelia		89	89							LHS-31 Dp: 1158P
3421	Rd	6		1150 P	1150 P	Atk yd	Lacey					8	8	8		8	HON01 Dp: 1157P
						-1-3-97-											
P 7131	Sw	35		1231A	1231A	So yd	SP yd	37		37							205 Ar: 1241A
2715	Sw		24	1235A	1235A	Atk yd	SP yd	26		26	26	26	26				202
P 7114	Rd	160		1251A	1251A	East	SP yd	162		162							Bmt #1 Ar: 232A
P 7778	Rd	100/78		112A	112A	West	East	102		80							HOICM31 Ar: 135A Dp: 351A Sto 69 Plu 47 (Bakersfield Spyd)

(FOR INSTRUCTIONS SEE REVERSE SIDE)

FORM 29405

Sheet 2 — JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT — Date Jan 2 — 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
[illegible]		125		1245A	1245A	EAST	WEST		127		127						FIEHom 101 BY 632 AM
GSW 7257	SW		51	330A	330A	BMTSIDING	MP YD / KCS YARD	53		53							JOB 302 ½c Dlvy 16MM# 40359
SFE 2314	RD	41		415A	415A	ATSFYARD	KCS LACEY					43	43	43		43	HONOJ BY 430AM
GSW 7257	SW		ENG	430A	430A	KCS YARD	BMTSIDING	2		2							JOB 302
UP 3292	RD	137		555A	555A	EAST	WEST		139		139						LIFP BY 617AM
UP 2497	RD	109		615A	615A	EAST	WEST		111		111						LIHO BY 632AM
SFE 2814	RD	1		814a	814a	SFE Yd	Winnie					3	3	3			RST 201
SSW 9698	RD	168/118		838a	838a	East	West	170		120							CX Hom AR: 850am DP: 102Dam (402 DUS2)
SP 4830	SW	7		841a	841a	SP Yd	NSS	9		9							#104
[illegible]	RD	120		[illegible]	[illegible]	[illegible]	[illegible]										[illegible] Dlvy 814am
UP 3197	RD	110		929a	929a	East	West		112		112						LIF@Dlvy 941am
SP 7131	SW	29		1118a	1118a	SP Yd	SP South Yd	31		31							#103
AHK 810	RD	12		1128a	1128a	West	East	14	14		14						AHK#2 AR: 1136am DP: 1140am (Bears 890M P1442)
SP 7860	RD	112/144		1144a	1144a	East	West	114		146							2/ICHom AR: 1155am DP: 125pm
SP 8162	RD	115		1144a	1144a	SP Yd	West	117									BTASA DP: 1145am
UP 3165	RD	60		1231p	1231p	West	East		62		62						HOLIB AR: 1250pm DP: 140pm (wait KCS)
SP 4830	SW	20		1249p	1249p	NSS	SP Yd	22		22	22						#104
SFE 2814	RD	Engs		113p	113p	Winnie	SFE Yd					2	2	2			RST 201 Hm
SFE 2716	SW		34	250p	250p	ATSF-Yd	MP-Yd			36	36	36	36				SFE 211
SFE 2715	SW		Engs	310p	310p	MP-Yd	ATSF-Yd				2	2	2	2			SFE 211
SP 8258	RD	37		315p	315p	SP-Yd	WEST	39									BTW 3p DP: 315p
SP 7103	RD	11		325p	330p	SP-Yd	WEST	11									Bmt Swv #2 DP: 347p
SFE 2715	SW		15	347p	349p	SFE-Yd	KCS-LACEY					17	17	17		17	SFE 211
SFE 2715	SW		Eng	4p	4p	KCS-LACEY	SFE-Yd					2	2	2		2	SFE 211
SP 8544	RD	114		410p	410p	WEST	EAST		116		116						AC-41 Dlvy: 438p
SP 787	RD	61		440p	440p	WEST	EAST		63		63						BLNL Dlvy: 510p
SP 2166	SW	51		5p	5p	WEST	MP-Yd		53	53							LHS-31
SP 7114	RD	39		512p	510p	SP-Yd	EAST	41		41							Bmt Swv #1 Dp: 5 1/2p

(FOR INSTRUCTIONS SEE REVERSE SIDE)

FORM 29405

SHEET #1 **JOINT MP-SP TRAIN ORDER AND CTC OFFICE – BEAUMONT** Date 1-1- 1997

TRAIN	ROAD OR SWITCH	ROAD PORT OR IND CARS	INTER-CHANGE CARS	TIME ASKED	TIME GRANTED	FROM	TO	ZONES USED 1	2	3	4	7	8	9	10	11	REMARKS
P8356	RD	45		1203A	1203A	WEST	BMTSIDING	47									WC BTR AR 1220AM
P 72-3	RD	73		130A	130A	EAST	BMTSIDING	75		75							BSH2 AR 150AM
P 7872	RD	38		[redacted]					40								[redacted]
IP3259	RD	121		600A	600A	EAST	WEST		123		123						LIHO BY 620AM
SP 7876	RD	118		[redacted]					[redacted]								[redacted]
5 4366	SW		20 mi: 10 SP	713 Am	713 Am	IRES Loop	MP & SP			32	32	32	32	32		32	L/E FROM ICES 20 MP & SP
4366	SW			751 Am	751 Am	SOUTH yd	Loco					2	2	2		2	L/E ENG HUNG
4830	SW	40		751 Am	751 Am	SP yd	SP ASM 1	42	42								BOS 10Y
LX 2014	RD	5		801 Am	801 Am	ATSF YD	WIRING					7	7	7			ATSF BOS 201 WIRING LOCAL
4830	SW			810 Am	810 Am	NORTH wye	SP yd	1	2		2	2	2				BOS 10Y
4830	SW	10		1101 Am	1101 Am	SP yd	NORTH SIDE	12		12							BOS 10Y
4830	SW	34		1215 Pm	1215 Pm	N/S	SOUTH yd			36	36						BOS 10Y
4830	SW	44		1231 Pm	1221 Pm	SOUTH yd	SP yd	46		46							BOS 10Y
2X 5076	RD	108		1205 Pm	1205 Pm	WEST	EAST		110		110						C LWT 2am BY 1241
7665	RD	92		145 Pm	445P	[illegible]	EAST	94		94			<VIA SP>				DP 505P <AIR TRACE
P4846	RD	37		328P	328P	East	West	39	39		39		<VIA SP>				OKCHCLIT-31 - by 358P
SP 9740	RD	25		414P	414P	West	East	27		27			<VIA SP>				LEANT by 437P
SP NK66771	RD	129/96		436P	436P	West	East	131		98			<VIA KAS-UP>				HONSM ARR: 446P DP 517P 5107 PIU 38
SP 7756	RD	102		444P	444P	East	West		107		104						GSAMS1-31 by 517P
TK824	RD	9		1026P	1026P	East	West	11	11		11						ATKNO1 ARR: 1046P DP 1042P

(FOR INSTRUCTIONS SEE REVERSE SIDE)

EXHIBIT 1 E

UTU TRAFFIC REROUTE REPORT

TRAIN ID 1-SFCHO-28 DATE 3-19-97

ENGINE #CNW5515, UP3706, UP9247 CONDUCTER E.Helbrick

ENGINEER Morris

TRAIN TYPE Empty Potash ON DUTY TIME 10:15 Am

LOADS 0 EMPTYS 70 TONS 2169 LENGTH 4314

R.R. REROUTED FROM SPCSL R.R. REROUTED TO UP(CNW)

LOCATION OF REROUTE Proviso TIME OF REROUTE 7:15 pm

TRAIN ORGINATED AT Bloomington TERMINATED AT Proviso

OTHER SPECIFIC DETAILS Took empty Potash train to Joliet, Cat on Metra Rock Islande at 2:40pm. Then got on IHB at Grand Trunk Tower at 5:15pm. Took IHB to Melrose to CNW. Arrived Proviso at 7:15pm took train down #19 main to number 9 yard. Tied train down in #1 track in yard #9 at 9:30pm then deadheaded back to the BRC. Tied up at 11:00pm.

UTU TRAFFIC REROUTE REPORT

TRAIN ID ICHSFP-25 DATE 3-25-97

ENGINE # UP9247, UP3706, CNW 5515 CONDUCTER M.A. WEPPRECHT

ENGINEER B.E. RUHLFS, PILOT CHARLIE TURNER

TRAIN TYPE Potash ON DUTY TIME 400 pm

LOADS 70 EMPTYS 0 TONS 9171 LENGTH 4355 w/E

R.R. REROUTED FROM BRC YARD PROVISO YARD R.R. REROUTED TO PROVISO YARD

LOCATION OF REROUTE 20M TIME OF REROUTE

TRAIN ORGINATED AT TERMINATED AT SPRINGFIELD, IL.

OTHER SPECIFIC DETAILS ON DUTY BRC AT 400p, DEADHEAD TO PROVISO, WAIT TILL 845p TO DEPART.

IC LINES

HOURS OF SERVICE AND TRAIN REPORT

IC&S 25 ENGINE NO. UP 9247 ENGINEER R.E. Reiks DATE 3-25 19 91

ALL DELAYS MUST BE SHOWN AND DIVIDED BETWEEN CAUSES

PLACE ATION NUMBER	DURATION OF DELAY			FULL EXPLANATION OF CAUSE AND DELAYS
	TIME BEGAN	TIME ENDED	AMOUNT (HRS. MIN)	CAUSE
C...	4	~~6 3~~ 5:30	1 30	wait for Outerwork.
RC...	5 30	6 30	1 00 H	Deadhead to Proviso
...viso	6 30	8 45	2 15	WAIT 20 min
...close	9 [illegible]	10 15	45	signal
2 Street	10 45	11 [illegible]	15	W/C Traffic
...ago Ave	10 [illegible]	12 5	25 m	Traffic
...rnd Trunk	13 [illegible]	3 05	1 35	signal 200ft Termirom #4 metro #1
				block #2 + Robins C/P Richards
				I HB would not handle use for
				back-up move
Joliet Yard		4 00 A	~~1 00~~ H	
"	4 00 H	5 30 A	1 30	(UP 6414) To Ign switch + protect sleeve
				Deadhead to Lockport (switch
				runs for Chicago Terminal), Lockport
				to Bloomington
				9K=12 130=16 (230) + 2 45 5 15
				8 45 - 2 = 6 45 7 15 - 2 = 5 15

ENGINEER'S SIGNATURE

CONDUCTOR'S SIGNATURE

INSTRUCTIONS

OUTBOUND CALL SHEET CO.8032

TRAIN-ID [redacted] CHSFP 25

POOL [redacted] BC BLOOM/CHICAGO
CALL DATE AND TIME [redacted] 03/25/97 [redacted] 1400
DIVISION [redacted] SPCSL
TERMINAL DEPARTING [redacted] CHICAGO
SCHEDULED TO DEPART [redacted]

* IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF COMBINE DH AND SVC **

R/C	X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAHT
V	X	BE	ROHLFS	360-58-3398	BC134	1403	0325	1600	0326	0400	0230
D	X	MA	WEPPRECHT	319-50-5155	BC136	1403	0325	1600	0326	0400	0230

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
ELEMETRY DEVICE:

OMMENTS: ....

****

NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **

****

UP 9247
UP 3706
CNW 5515
7080 9171T 4355 W/E

SOUTHERN PACIFIC LINES
FORM CS-3924
REV. 10/93

HOURS OF SERVICE AND TRAIN REPORT

AIN NO. 1-SFCHP-28 ENGINE NO. SS15 ENGINEER MORRIS DATE 3-27 19 97

ALL DELAYS MUST BE SHOWN AND DIVIDED BETWEEN CAUSES

PLACE STATION NUMBER	DURATION OF DELAY			FULL EXPLANATION OF CAUSE AND DELAYS
	TIME BEGAN	TIME ENDED	AMOUNT (HRS. MIN)	CAUSE
BLTN	1015A	12 NOON	1:45	FUEL ENGS. - TRN - AIR
BALLARD	12:10P	110P	:30	BLKD. L
~~ANFORD BNE~~	3:10P	5:45P	1:35	WAIT ON HARBOR TO HANDLE
PROVISO YD	7:15P	9:50P	2:35	YD TRN - DEADHEAD PROVISO-BRC
BRC		11:00P		TIE UP.

SP

EMPLOYEE'S SIGNATURE

INSTRUCTIONS

May 5, 1997

FAX

Brenda J. Council, Senior Counsel
Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179
FAX (402) 271-5610

Dear Brenda:

On the SPCSL, UTU General Chairperson C. W. Downey was advised by phone last week by Mr. Richard McInally (?) of Timekeeping in Omaha that UP is going to implement a new timekeeping system (computer) next month. UP has sent a handful of conductors to computer training, and some of the more senior conductors have complained that UP is trying to squeeze two (2) years of training into two (2) days.

The UP has moved payroll and General Chairperson Downey personally has been short for two pay periods in a row, the most recent being a $661.99 shortage (see enclosed voucher). Many UTU represented employees have complained of shortages and were told UP policy was not to afford them vouchers, according to General Chairperson Downey.

Rule 8(c) of the SPCSL Agreement states: - "Paydays"

> "(c) Vouchers for pay shortages not due to the fault of the employee which are equal to one (1) basic days pay or more shall be issued upon request, with payment to be made (postmarked or delivered) within forty eight (48) hours of the request, excluding Saturdays, Sundays, and holidays."

In my view this is either a violation of the "usual manner" under Section 3 First(i) of the Act [45 U.S.C. § 153 First(i)] and/or once again, early merger implementation.

Please advise.

Very truly yours,

Clinton J. Miller, III
General Counsel

Enclosure
cc: R. D. Meredith, UP Gen. Dir.-Employee Relations Planning (Fed. Ex.) (w/encl.)
C. W. Downey, General Chairperson (FAX) (w/out encl.)

FAX and UPS NEXT DAY AIR May 16, 1997

Brenda J. Council, Senior Counsel
Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179

Dear Brenda:

This is a supplement to my April 17, 1997 letter to you regarding the carrier's early implementation of the merger without implementing agreement(s). This information which relates to the matters discussed in my previous letter was recently brought to my attention.

First, operating officers in the El Paso Terminal have initiated a new practice for handling interchange between the Southern Pacific and the Union Pacific. Specifically, the historical application of the clear and unambiguous language of the interchange agreement(s) covering movements between SP and the UP has provided for "reciprocal interchange," i.e., the SP delivers to the UP and the UP delivers to the SP. To date, the liability of the Carrier is escalating based on "penalty claims" filed by the SP employees who are instructed to go to the UP yard and gather cars and then move the same cars to the SP yard. In a disingenuous attempt to circumvent the current agreement, local officers have posted bulletins designating all tracks in both yards as interchange tracks, which is permissible under the agreement. However, this does not change the provision of the agreement which provides that the SP will deliver to the UP and the UP will deliver to the SP. This type of arrangement is an obvious attempt by the carrier to prematurely implement the merger without benefit of an implementing agreement required by the *New York Dock* conditions.

Also, on the SPCSL, UTU General Chairperson C. W. Downey was advised by phone last week by Mr. Richard McInally (?) of Timekeeping in Omaha that UP is going to implement a new timekeeping system (computer) next month. UP has sent a handful of conductors to computer training, and some of the more senior conductors have complained that UP is trying to squeeze two (2) years of training into two (2) days. The UP has moved payroll and General Chairperson Downey personally has been short for two pay periods in a row, the most recent being a $661.99 shortage (see enclosed voucher). Many UTU represented employees have complained of shortages and were told UP policy was not to afford them vouchers, according to General Chairperson Downey.

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In my view this is either a violation of the "usual manner" under Section 3 First(i) of the Act [45 U.S.C. § 153 First(i)] and/or once again, early merger implementation, as I stated in my earlier correspondence to you, with respect to which I have still not received a reply. Moreover,

recently General Chairperson Downey reported that an employee was noticed for disciplinary investigation over this computer training. I am most anxious to receive a reply with respect to that matter, which I discussed earlier in the week with Dick Meredith.

Also, related to premature implementation, it has also been brought to my attention that cars are being moved via over the road trains and also being switched and then delivered to an industry in the El Paso Terminal containing the commodity "copper concentrate" (Hazardous Commodity Code 4966326). All such cars appear to originate "west of El Paso." In transit, these cars have dropped copper concentrate in the track bed of the mainline, along the tracks on the main line, and in and around tracks in the El Paso Terminal. In addition, the material which is dropped on the property of this railroad presents a walkway hazard, becomes airborne when employees get on or off moving equipment, becomes part of the soil and substrata in periods of rain, is inhaled and ingested by the employees, and also comes in contact with the skin of the employees. The significant quantities of the commodity cause it, when airborne, to come in contact with the on and off duty points of the employees, the lunch areas, inside of locomotives, and automobiles. As part of Finance Docket No. 32760, the Union Pacific was required to file an Environmental Impact Statement (EIS) and further to supplement the same periodically to inform the Surface Transportation Board (STB) of ongoing compliance. In light of this requirement, this dangerous situation should be addressed and remedied as soon as possible.

These incidents, in addition to the matters addressed in my previous letters, must cease. As I have mentioned, I will have to consider filing for a cease and desist order at the Surface Transportation Board if these incidents continue to occur. I will need a written response in fairly short order to this and my previous correspondence, or else we must prepare a request for such an order because of the legitimate inquiries and demands of the General Chairpersons.

Sincerely,

Clinton J. Miller, III
General Counsel

cc: C. L. Little, International President
B. A. Boyd, Jr., Assistant President
R. W. Earley, Vice President-Administration
P. C. Thompson, Vice President (Fax)
M. B. Futhey, Vice President (Fax)
C. L. Crawford, General Chairperson (Fax)
L. W. Parsons, General Chairperson (Fax)
C. W. Downey, General Chairperson (Fax)
D. L. Hollis, General Chairperson (Fax)
R. J. Rossi, General Chairperson (Fax)
W. E. Biedenharn, Director-Membership Services
R. D. Meredith, General Director-Employee Relations Planning (Fax)

L.W. PARSONS, SR., GENERAL CHAIRPERSON
A.B. MAY, VICE CHAIRPERSON
R.C. WATSON, VICE CHAIRPERSON
S.G. HIBDON, SECRETARY

515 NORTH SAM HOUSTON PKWY EAST
SUITE 130
HOUSTON, TEXAS 77060
TELEPHONE (281)991-1536
FACSIMILE NO.(281)991-2907

EXHIBIT
1 7

united transportation union

GENERAL COMMITTEE OF ADJUSTMENT - GO 577
UNION PACIFIC RAILROAD - SOUTHERN DISTRICT
THE TEXAS - MEXICAN RAILWAY

IN REPLY
REFER TO: 2115 E

FAX AND U.S. MAIL

July 17, 1997

Mr. G. N. Garrison
Superintendent
Union Pacific Railroad
24125 Aldine-Westfield Road
Spring, Texas 77373

Dear Mr. Garrison:

I would like to communicate to you in the strongest terms that this office does not agree with your officer's actions of the last two weeks. Your officers are insisting on initiating an early implementation of the UP/SP Merger Implementing Agreement. I have, in past letters, and will in this present letter give examples of your officers flagrant violations of the STB's restriction on merging these two railroads prior to there being an implementing agreement. The sad part of this is, as bad as you want this implementing agreement, you are allowing your officers to take action that is in danger of killing any chance this agreement has of being ratified.

I have received reports that the transfer job out of Lloyd Yard, LHR-02, is being sent to Englewood Yard to get the automobiles for Westfield. There are jobs on the SP at Englewood that are being run Conductor Only under our UP Crew Consist Agreement. They are sending transfer jobs from Settegast Yard to Englewood Yard and being required to switch out their pick ups in the SP yard. Last weekend they were using UP crews on SP trains out of Englewood Yard in the directional flow eastbound. This was a flagrant violation that almost kept the Organization from agreeing with the directional flow temporary agreement. I told Mr. Olin during negotiations that the field officers could not and would not live up to the agreement which does not allow mixing and matching UP/SP crews and trains. He assured me that the field officers could restrain themselves. Mr. Malone assured me the field officers would restrain themselves. Both of them were wrong.

I have requested one time already that UTU International file a "cease and desist" order with the STB over this division's violations of the STB's restrictions on merging these railroads.

Mr. G. N. Garrison
2115 E

July 17, 1997
Page 2

Now, the violations are occurring so fast and in such numbers it is hard to keep up with them. I am forwarding to the International office a copy of this letter again requesting they take action with the STB to stop your officers since apparently you are unable to do so. There is no sense in allowing your officers to kill an agreement that would be beneficial to both the Carrier and the Organization. If this agreement fails to ratify, then it will just be that much longer before the Carrier can realize the benefits of this merger.

I must insist that you take some action to control your officers. I ask that you advise this office of what actions you are taking and what actions are being required of your officers as it relates to adherence to the STB restrictions. I ask for your answer at your earliest opportunity.

Sincerely,

L. W. Parsons, Sr.

Larry W. Parsons, Sr.
General Chairman

LWP/djm

cc: Mr. Clint Miller, Chief Counsel, UTU
Mr. Charles Malone, General Manger-UP
Mr. A. T. Olin, General Director-UP
Mr. Mark Payne, Superintendent-UP
All Local Chairpersons, UTU/Locals 524, 756, 937, 1205, 1458

L.W. PARSONS, SR., GENERAL CHAIRPERSON
A.B. MAY, VICE CHAIRPERSON
R.C. WATSON, VICE CHAIRPERSON
S.G. HIBDON, SECRETARY

515 NORTH SAM HOUSTON PKWY EAST
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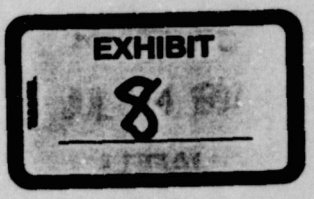
united transportation union

GENERAL COMMITTEE OF ADJUSTMENT - GO 577
UNION PACIFIC RAILROAD - SOUTHERN DISTRICT
THE TEXAS - MEXICAN RAILWAY



IN REPLY
REFER TO: GCL-C-46-1-97

FAX AND U.S. MAIL

July 19, 1997

Mr. A. T. Olin
General Director Labor Relations Operating South
Union Pacific Railroad
1416 Dodge Street, Room 332
Omaha, Nebraska 68179

Dear Mr. Olin:

There have been further violations of the temporary agreement dated June 24, 1997, under which directional flow traffic was allowed between Houston and Beaumont.

UP crews are still being used on SP trains. As pointed out in several discussions and letters this should not be allowed and cannot be tolerated.

The Union Pacific is sending HB&T crews from Settegast Yard and requiring them to do switching on their pickups before hauling what is supposed to be transfer work back to Settegast. I also understand that the Carrier has instituted Conductor Only Hump Yard assignments at Englewood Yard on the SP, I suppose under my Crew Consist Agreement, but that is a violation to be handled by Mr. Rossi's Committee.

Our temporary agreement stated our UP agreements would be adhered to. There was particular discussion that DeQuincy crews, in exchange for permitting this agreement to be implemented, would be paid Belt Time or ITD/FTD in line with our UP agreements. You and I discussed this and agreed that this item and the protective periods were the two main selling points to get this agreement signed. Needless to say, Timekeeping is not paying one penny of either Belt Time or ITD. These crews are running all over Houston just as we agreed they would and just as we discussed, it is taking long hours to get off the UP and through Englewood Yard. This is causing an increase in ITD. We gave you an agreement and you need to live up to what you promised in exchange for that agreement. Two employees to check on this are C. M. LaFargue and R. L. Redden.

L.W. PARSONS, SR., GENERAL CHAIRPERSON
A.B. MAY, VICE CHAIRPERSON
R.C. WATSON, VICE CHAIRPERSON
S.G. HIBDON, SECRETARY

515 NORTH SAM HOUSTON PKWY EAST
SUITE 130
HOUSTON, TEXAS 77060
TELEPHONE (281) 591-1536
FACSIMILE NO.(281) 591-2907

united transportation union

GENERAL COMMITTEE OF ADJUSTMENT - GO 577
UNION PACIFIC RAILROAD - SOUTHERN DISTRICT
THE TEXAS - MEXICAN RAILWAY

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The Carrier is running the LHR-02, which is a transfer hauling job from Lloyd Yard at Spring, down to and out on the SP railroad. They are sometimes going as far as Englewood Yard to get their cars. This crew is not even covered by the temporary agreement of June 24, 1997 and definitely should not be going on the SP for anything!

Another problem is a conflict between Ms. Alexander in your office and my Local Chairman J. P. Clem concerning the Carrier's blanking of certain assignments on the Baytown Sub. The Organization agrees that the Carrier has the right to blank assignments as long as they do it in the prescribed manner under our agreements. The Carrier is supposed to give 24 hour notice of a job assignment being blanked. In times past, we have given a certain amount of leeway in the application of this rule and allowed the notice to be valid as long as the Carrier notifies the crew prior to their tying up the day before the one being blanked. The Carrier should be able to tell 12 hours in advance when an assignment does not need to work. However, when an employee shows up for work and is held for several hours before the Carrier releases them, the Carrier has lost the option to "blank" the job. One thing to remember is these men sometimes have performed service on the ground but are also Footboard Yardmasters and during the wait for the Carrier to find an engineer have marked lists, PICL'ed cars, directed traffic, and other parts of their assignments prepatory to switching cars with the engineer. These are items they would normally do whether they had an engineer or not. I would also like to point out that these assignments are covered by the protective period under the temporary agreement and it is probably a moot point to blank the job since the Conductor has protection under items 9 and 10 anyway.

Please research these incidents and advise this office at once of the handling and resolution of them. These are the exact items and the type of items that concerned me during discussions of the allowance of the temporary agreement. These are the very incidents that you assured me either would not happen or that you would stop immediately if they did. They have now happened and I am holding you to your promise to stop them.

Sincerely,

Larry W. Parsons, Sr.
General Chairman

LWP/djm

cc: Mr. G. N. Garrison, Superintendent, UPRR
Mr. Charles Malone, General Manager, UPRR
Mr. C. L. Crawford, General Chairperson, UTU
Mr. R. J. Rossi, General Chairperson, UTU
✓ Mr. C. J. Miller, III, General Counsel, UTU

Mr. M. B. Futhey, Jr., Vice President, UTU
Mr. P. C. Thompson, Vice President, UTU
Local Chairpersons/Secretaries: UTU/524, 756, 937, 1205 &1458
Mr. A. L. Polvadore, Local Chairperson, UTU
Mr. L. L. McBride, Local Chairperson, UTU
Mr. D. D. Dodsen, Local Chairperson, UTU

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UNION PACIFIC RAILROAD - SOUTHERN DISTRICT
THE TEXAS - MEXICAN RAILWAY

IN REPLY
REFER TO: GCL-C-46-1-97

RECEIVED
JUL 24 1997
LEGAL

FAX AND U.S. MAIL

July 19, 1997

Mr. A. T. Olin
General Director Labor Relations Operating South
Union Pacific Railroad
1416 Dodge Street, Room 332
Omaha, Nebraska 68179

Dear Mr. Olin:

On July 17, 1997 I had a conversation with Superintendent Gregg Garrison in reference to my letter of that date listing several violations that are occurring in the Houston area pertaining to the UP/SP Merger. In the course of the discussion, we came to the item concerning the use of DeQuincy UP crews being used to man SP trains out of Englewood Yard when operating eastbound out of Houston under the temporary agreement allowing directional traffic. You can imagine my surprise when I was told that I had nearly shut down the area with the threat of a strike if the Carrier had used any Officer crews on the Fourth of July weekend. You can imagine my further surprise when Mr. Garrison informed me that he was under instructions from Labor Relations that this use of UP crews was still to be done prior to the use of such officer crews.

I am sure you will remember our conversations on July 2nd which covered this same topic. You and I both know that I was very adamant that the temporary agreement was explicit in it's restriction on the use of UP crews to man SP trains and visa versa. I was very emphatic that the members of my Lodge were upset with me to a certain extent for signing the temporary agreement and that the only reason I had done so was the fact that I had the personal assurances of both yourself and General Manager Charles Malone that this mixing and matching of crews would not happen!! You and I, in our conversations of July 2nd, discussed at length about the BLE wanting to use craft crews in preference to officer crews and you expressed surprise that I was taking a different tack. I explained to you that this sort of action by the Carrier in direct contradiction to what is allowed in our temporary agreement would jeopardize not only this temporary agreement but the proposal out for ratification on the Houston Hub itself.

Mr. Garrison also expressed surprise by my insistence on the Carrier using officer crews and assured me that he was under instructions from all of his superiors (I can only assume this includes Mr. Malone) to use officer crews only in the last ditch circumstance. Someone is lying in UP management, and I want to know who. I am getting sick and tired of being run in circles between your group of Labor Relations officers and field officers under Mr. Malone. There seems to be either absolutely no communication between these two groups or else there is total collusion between the two groups to play games of "who me" or "I didn't know that" in an effort to circumvent the various agreements. I was plain to you and Mr. Malone during talks to establish this temporary agreement that our biggest fears were you would mix and match crews and that you would run crews past Beaumont on different railroads. I was plain to you in our conversations on July 2nd that you could do anything you wanted to with the BLE or officer crews but I wanted you to do what you and Mr. Malone promised me and adhere to what the temporary agreement required. As you know, the conversations concerning the temporary agreement were on a conference call which included UTU Vice Presidents Futhey and Thompson and Mr. Malone. This conversation was being done under the threat of General Counsel for the UTU Clint Miller filing with the STB for a "cease and desist" order because of threats by the Carrier to implement the temporary agreement without our consent.

I must insist that instructions be given to the Carrier officers in the field and that some proof of this be shown to me so that I can be comfortable that you and the carrier are going to live up to the agreements that have been made and will live up to the agreements that we are attempting to make. We have attempted for the last two years or more to convince this Carrier they were desperately short of employees. I do not know nor am I responsible for what has occurred on the SP. Nor am I responsible for any crew shortages on the SP. That shortage and crew supply should be handled with Carl Crawford and his Committee. When you violate the agreement and use my crews on SP trains, it simply runs my Committee out of men and what follows is an appropriate increase in the agreement violations such as those that occur with the RT46 Pool both in Houston and Livonia. I need to know what actions are being taken as soon as possible so that I can accurately assess what actions I need to take to protect my agreements.

Sincerely,

Larry W. Parsons, Sr.
General Chairman

LWP/djm

cc: Mr. G. N. Garrison, Superintendent, UPRR
Mr. Charles Malone, General Manager, UPRR

Mr. C. L. Crawford, General Chairperson, UTU
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Mr. A. L. Polvadore, Local Chairperson, UTU
Mr. L. L. McBride, Local Chairperson, UTU
Mr. D. D. Dodsen, Local Chairperson, UTU

united transportation union

July 03, 1997

Clinton J. Miller III
General Council
14600 Detroit Avenue
Cleveland,Ohio 44107

Dear sir:

For your review documents showing that the Union Pacific is using Southern Pacific crew in areas that they do not have the right to do so at this time.

The first problem area is Yermo, California, the away from home terminal for UP LA freight crews. The SP crews are handling trains from Yermo to Mojave.These are trains that UP crews would normally handle.

The second problem area is LA/San Pedro. San Pedro is a branch line that runs twenty miles from La to the ports at the harbor. The SP crews are handling unit coal trains and intermodal trains that UP crews normally handle. They are handling these trains to and from the port facilities with no apparent pattern.

These issues are difficult to track as the Up does not show these moves on the UP computer system as they show all their other trains. They are doing a very good job of hiding these trains and separating the SP crews from the UP crews.

Enclosed are documents showing this is happening. Of special note is copy of instructions issued by the carrier as to how they want the crews to be co-mingled at the San Pedro area. We have no agreements that would allow for the carrier to operate crews this way.

Yours for handling as you deem necessary.

Sincerely,

J.P.Walker
Road Local Chairman
UTU#1422
16246 Annatto Court
Chino Hills, Ca.91709

cc: R.E.Carter

4. CSRLA-17	IVANPAH 6/17/97 0923
5.	

METRO

1. CSVLB-07	ON SPOT 6/15/97
~~CSVLB-11~~	~~ON SPOT 6/17/97 1200. R/W CLRSR-15 TO UPELA~~
2. CBGLB-11	WILL RUN OUT OF YERMO 6/17/97 VIA SP MOJAVE SUB CALL THRU
3. CWDLB-11	WILL RUN OUT OF YERMO 6/17/97 VIA SP MOJAVE.
4. CSRLB-12	YERMO N/P
5. CSVLB-06	YERMO N/P
6. CSVLB-12	IVANPAH 6/17/97 1312P
7. CSRLB-13	BASIN 6/17/97 0606P

LONG TERM NOTES

1. DOLORES YARDMASTERS IT IS YOUR JOB TO READ AND UNDERSTAND THIS REPORT. IF YOU NEED HELP WITH IT TALK TO KENT OR BILL. IT SHOULD BE UPDATED BY THE DOLORES TRAINMASTER TWICE DAILY.

2. IT IS CRITICAL THAT DOLORES, UPELA AND YERMO INTERFACE ON THE MOVMENT OF ALL COAL TRAINS. THE DOLORES YARDMASTER WILL BE HELD RESPONSIBILE FOR CALLING TRAINS OUT OF UPELA. THAT MEANS THAT :

   A. UPELA YARDMASTER PLEASE CALL DOLORES YARDMASTER AND LET HIM KNOW WHEN A COAL LOAD IS GETTING CLOSE, WHAT THE SYMBOL IS AND WHEN IT WILL ARRIVE AT UPELA. DOLORES YARDMASTER PHONE # IS 8-490-7012.

   B. DOLORES YARDMASTER CAN THEN CHECK THIS TURNOVER AND DECIDE WHEN TO CALL CMS FOR A CREW TO TAKE THE TRAIN FROM UPELA TO WHEREVER IT NEEDS TO GO. IF THE THE DOLORES YARDMASTER IS NOT SURE, THEN CHECK WITH A TRAINMASTER AT DOLORES TO GET IT CLEAR. CMS PHONE # 8-997-3243 FOR UP CREWS.

      1. IF THERE ARE NO UP CREWS RESTED IN TIME THEN USE AN SP CREW. IF YOU DO USE AN SP CREW, THEN BRING THE TRAIN OUT OF UPELA VIA REDONDO.

      2. IF YOU USE A UP CREW THEY NEED A THREE (3) HR. CALL, AND WILL RUN OUT OF UPELA VIA HOBART. CALL UP CREWS WITH A BRAKEMAN.

   C. DOLORES YARDMASTER WILL ALSO PATCH (DOG CATCH) ALL TRAINS THAT ARE SOUTH OF REDONDO OR HOBART. IF YOU NEED TO PATCH A UP CREW IT NEEDS TO BE DONE APROX. 5 HRS BEFORE CREW IS ON THE LAW. 3 HR CALL PLUS 2 HRS TRAVEL TIME TO DELIVER NEW CREW AND RETURN DEAD CREW TO UPELA.

1. WHEN A TRAIN IS HEADED BACK

2. WHAT TIME THE CREW IS DEAD ON THE L..W

3. WHAT THE MT SYMBOL IS.

****

PHONE NUMBERS

DOLORES 8-490-7012 UPELA 8-725-2111 YERMO 8-254-1203 COAL DESK 8-636-7502

CMS-UP 8-997-3252 KAISER 310 514-2084 METRO 983-8497 LAXT

++++++++++++ ++

1. SP110/SP122/CNW8675 ARE TO BE USED TO SHUTTLE TRAINS

4. CSRLA-17	IVANPAH 6/17/97 0923
5.	

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CMS-UP 8-997-3252 KAISER 310 514-2084 METRO 983-8497 LAXT

++

1. SP110/SP122/CNW8675 ARE TO BE USED TO SHUTTLE TRAINS

Track Warrant.

3902 SP DETOUR TRAINS BARSTT TO MOJAVE June 24,1997

7CSRL 19 SP 283 WEST at BARSTOW CA YERMO

Track Warrant No, ____ of / / No ____ of / / is/are void.

Proceed from _____ to _____ on _____ trk

Proceed from _____ to _____ on _____ trk

Work between _____ and _____ on _____ trk

Not in effect until _____.

This authority expires at _____.

Not in effect until after arrival of _____

_____ at _____

Hold main track at last named point.

Do not foul limits ahead of _____ _____

Clear main track at last named point.

Between _____ and _____ make all movements

at restricted speed. Limits occupied by train.

Between _____ and _____ make all movements

at restricted speed. Limits occupied by men or equipment.

Flag protection not required against following trains on the same track.

0 track bulletins in effect

- 5043 5045 5209 5803 5819 5838 501 500 8281 8311

Other specific instructions

_____

_____

_____

Track condition messages delivered

Train message delivered

Items marked 16 18

OK 23.45.44 Dispatcher DMB

Its reported clear at _____ By _____

YERMO YARD TURNOVER

2200HRS 06-24-97 (SW USE YERMOTO11 YERMO)

SW USE DELAY YERM

++
104 _____
408 CSVLB-14 NO/POWER____N/WKD_____
407 AKSLA 21 N/PWR 3 B/O W/E 1 B/O E/E__
405 CSRLA 20_____N/WKD_____
404 LZN57-24 NO/POWER____N/WKD N/CKD____
403 CSRLB 13 NO/POWER____YD AIR_____
402 2CSRLA19 WITH POWER____WKD_____
NO.MAIN _____
SO.MAIN _____
MP166 AKSLA13 FILL I/B FORD TRAINS_____
MP166 _____
_____
DAGGETT_____
****
********** NEW YARD **********
201 _____
202 LZN59 24 T/S 97 CARS N/WKD N/CKD___
203 MHKYR 22 55 CRS N/WKD N/CKD MYRAR 25
204 MYROG-24 C/F 2215_____
205 LZN56 24 T/S 42 CARS___WKD___CKD___
206 MLAYR 24 T/S 68 CARS N/WKD ___CKD___
207 LZN57X23 ADD PWR(HLPR)_WKD___CKD___
208 LZN57 25 SET N/PWR __N/WKD N/CKD___
003 MYRLA 24 C/F 2145_____
103 _____
521 _____
FR#1 _____
FR#2 _____
F/R PKT _____
PWR STG _____
_____
*******SWITCHERS AT YERMO**********
E/E SWT 2126E-2114W_____
W/E SWT SP7365E-3920W_____
W/E SW ENG GO TO F/R ON 2ND SHIFT_____
********** POWER NOTES **********
_____
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_____
_____
**********VICTORVILLE HELPERS*********
1ST HELPER 6308E-SP8254W_____
2ND HELPER NONE_____
3RD HELPER NONE_____
_____
_____
1) DUVALL/VALENTINE_____
2) FULKERSON/SINKO_____
3) PATIN/DOSSMAN_____

++
(LV YERMO CREWS ZB CX650 RT55 W T1
01 GARRISH_____OK_____
02 BREWER_____OK_____
03 HARRISON_____0330_____
04 DEVOGE_____OK_____
05 HARKER_____0330_____
06 ERTLE_____0245_____
07 WHITEHEAD____MHKYR 20_____
08 LEAVITT_____????_____
09 BURNS_____MNPYR 20 1415_____
10 MORGAN_____MHKYR 20 1800 H-G____
11 DODGE_____ANPLA 22 190_____
12 COVERDELL____MHKYR 21 1930_____
13 OTTEY_____ZG1LA 22 2115_____
14 _____
15 _____
********PHONE NUMBERS**********
ATSF HOTLINE 1-847-995-5950_____
CTN MECHANIC 1-909-873-3125_____
SP CREW CALLED 8-812-5528_____
SP TRK WARRANTS 8-812-5854_____
SP REROUTE 8-812-7748_____
_____
MOJAVE WARRANTS ATSF 1-708-995-6712
_____
_____
_____
CLBBG-21 WORK'S AT YERMO!!_____
_____
_____
**********HAZARDOUS NOTES**********
_____
_____
_____
_____
_____
****
****
***LA-YERMO CREW (ZB CX650 RT51 W T**
01 FERRARI_____OK_____
02 ARNSTRONG____OK_____
03 MARSHALL_____OK_____
04 LUETH_____OK_____
05 SMITH_____OK_____
06 NAVA_____OK_____
07 PERALTA_____2100_____
08 WICKS_____2145_____
09 MALONE_____????_____
10 FRAZIER_____????_____
11 GREEN_____CLXBR 14 1315_____
12 EMPEY_____CLBSR 20 1630_____
13 SALAZAR____ILASC 24 2000_____
14 ROBINSON___LZN5624 2055_____
15 MARTIN_____ILAG1 24 2200____
16 ????_____ALAKC 25 2330__
17 _____
18 _____

B
6/02/97 13:07:54 OUTBOUND CALL SHEET CD.5032
BA

TRAIN-ID : 1SOAMJ 02

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/02/97 - 1430
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART:

* IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **

C	R/X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAUL
N	X	CK GEORGE	545-72-7964	MU136	1307	0602	1430	0603	0230	
O	X	CF MACIAS	571-96-6011	MU138	1307	0602	1430	0603	0230	
1	X	RL SCHAEFER	560-44-8574	MU136	1307	0602	1430	0603	0230	
2		VACANT TURN		MU136						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
ELEMETRY DEVICE:

OMMENTS: OFFICER SPECIAL TO YERMO...DH TO BA ON ARRIVAL

****
****
NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****

B
06/18/97 13:18:34 OUTBOUND CALL SHEET CD.B032
E BA

SRCB-13

TRAIN-ID : 52BABAPB18

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/18/97 - 1445
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART:

** IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **
** COMBINATION DEADHEAD & SERVICE **
** HOT MEAL NOT AVAILABLE -- BRING LUNCH **

CC	R/X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HART
EN	X	PT GUERRERO	571-51-8721	MU137	1317	0618	1445	0619	0245	
CO	X	BJ PRICE	568-50-6752	MU137	1317	0618	1445	0619	0245	
B1		VACANT TURN		MU137						
B2		VACANT TURN		MU137						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
TELEMETRY DEVICE:

COMMENTS: ICSRLB12, CMB SVC, D/H TO SANDBORN, P/U TAKE TO MOJAVE, D/H TO BA,
THANKS....

****
****
* NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
* THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****
END

6/19/97 12:44:00 OUTBOUND CALL SHEET CD.B032
LA

TRAIN-ID : 1CCSRB 12

POOL : LA L.A.-INDIO
CALL DATE AND TIME : 06/19/97 - 1440
DIVISION : LOS ANGELES
TERMINAL DEPARTING : LOS ANGELES
SCHEDULED TO DEPART: 1440

IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **
COMBINATION DEADHEAD & SERVICE **
HOT MEAL NOT AVAILABLE -- BRING LUNCH **

R/X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAHT
R	SD COUSINO	569-58-1023	LA293	1243	0619	1440	0620	0240	
R	WL GARTH	567-62-1223	LA276	1236	0619	1440	0620	0240	
	TEMP BLANK		LA276						
	TEMP BLANK		LA276						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
TELEMETRY DEVICE:

COMMENTS: OD LA, DH TO E. LA-UP. TAKE TRAIN TO METRO LONG BEACH

****
****
NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****

1000 0 6 1331 06/19/97 U353 X8 N042 VB99801

Left 1210
240P
310P

~~out of~~ in E. LA
CSRLB-12
Units SP 131
159
LP 5033
Shuttle Power

B
06/22/97 15:15:31 OUTBOUND CALL SHEET CD.B032
E BA

TRAIN-ID : 52BAVAPB22

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/22/97 - 1635
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART: 1635

** IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **

CC	R/X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAHT
EN	X	DA ARELLANO	557-80-1250	MU137	1513	0622	1635	0623	0435	
CO	X	BA PENA	555-70-1095	MU137	1513	0622	1635	0623	0435	
B1		VACANT TURN		MU137						
B2		VACANT TURN		MU137						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
TELEMETRY DEVICE:

COMMENTS: 1 CSRLA 19 TAXI TO YERMO
TRAIN TO BA 8 HRS REST

****
****
** NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
** THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****
END

B
06/22/97 15:05:58 OUTBOUND CALL SHEET CD.B032
E BA

TRAIN-ID : 51BAVAPB22

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/22/97 - 1630
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART: 1630

** IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **

CC	R/X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAHT
EN	X	PT GUERRERO	571-51-8721	MU138	1505	0622	1630	0623	0430	
CO	X	KS BUNTING	571-68-4651	MU138	1505	0622	1630	0623	0430	
B1		VACANT TURN		MU138						
B2		VACANT TURN		MU138						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
TELEMETRY DEVICE:

COMMENTS: 1 CSVLB 14 TAXI TO YERMO
TRAIN TO BA 4 HOURS OFF

****
****
** NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
** THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****
END

Track Warrant.

3902 SP DETOUR TRAINS BAGGETT TO MOJAVE June 24,1997

2CSRL 19 SP 283 WEST at BARSTOW CA YERMO

Track Warrant No. of / / No of / / is/are void.

Proceed from to on trk

Proceed from to on trk

Work between and on trk

Not in effect until .

This authority expires at .

Not in effect until after arrival of

at

Hold main track at last named point.

Do not foul limits ahead of

Clear main track at last named point.

Between and make all movements

at restricted speed. Limits occupied by train.

Between and make all movements

at restricted speed. Limits occupied by men or equipment.

Flag protection not required against following trains on the same track.

10 track bulletins in effect
- 5043 5045 5209 5803 5819 5838 501 500 8281 8311

Other specific instructions

Track condition messages delivered

Train message delivered

Items marked 16 18

OK 23.45.44
Units reported clear at Dispatcher OMR
By

B
06/22/97 15:15:31 OUTBOUND CALL SHEET CD.B032
E BA

TRAIN-ID : 52BAVAPB22

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/22/97 - 1635
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART: 1635

** IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **

CC	R/X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAHT
EN	X	DA ARELLANO	557-80-1250	MU137	1513	0622	1635	0623	0435	
CO	X	BA PENA	555-70-1095	MU137	1513	0622	1635	0623	0435	
B1		VACANT TURN		MU137						
B2		VACANT TURN		MU137						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
TELEMETRY DEVICE:

COMMENTS: 1 CSRLA 19 TAXI TO YERMO
TRAIN TO BA 8 HRS REST

****
****
** NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
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****
****
END

B
06/24/97 18:59:57 OUTBOUND CALL SHEET CD.B03
E BA

TRAIN-ID : 52BAVADB24

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/24/97 - 2020
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART: 2020

** IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC *
** THIS IS A DEADHEAD TRAIN **
** HOT MEAL NOT AVAILABLE -- BRING LUNCH **

CC	R/X		NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAUT
EN	X	DA	ARELLANO	557-80-1250	MU136	1855	0624	2020	0625	0820	
CO	X	DC	ROSS	376-42-5377	MU137	1855	0624	2020	0625	0820	
B1			VACANT TURN		MU137						
B2			VACANT TURN		MU137						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
TELEMETRY DEVICE:

COMMENTS: COMBO SCR DH TO YERMO ON CONT TIME OR 4 HRS OFF
BACK ON 2CSRLA 19, HAVE A GOOD NIGHT & A SAFE TRIP CORRECTION

****
****
** NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
** THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****
END

SCHEDULED TRAIN SUMMARY---LAST 2 EVENTS

TRAIN/JOB CSKTA 22 CTASK 18 ORIG STA SKYLINE UT UW720

CATEGORY - C-COAL TYPE-THRU

CONDUCTOR T BROUGH ENGINEER J ROBBINS

****LINK ORIGIN****		******LINK DEST******		D#PCDAAS BLSSPTXT	SCHED TONS	PROJ TONS	P M	VAR %%%	REQ HTT	GS GD	REQRD H-PWR
MILFORD	UT CX236	LENWOOD	CA CX668	Y..1..6.	11076	11076	C	000	0.7	C5	7753

	ST CD	LOCOMOTIVE INIT NUMBER	ACTL HPWR	COMP HPWR	D	PICKUP CIRC-7	SETOUT CIRC-7	RECV ROAD	*NEXT ASSIGNMENT DEPCDAAS ****OR NOTES**** BTSSPTXT	DP
X	SP	000163	4390	4687	F	UW720				YYY...63
X	UP	007047	4390	4687	B	UW720			P1(26) NX284	YYYU..65
X	SP	000332	4390	4687	B	UP076				YYY.Y.63
TOTALS:			13170	14061		HP/TTON: (SCHED TONS) = 1.3			(PROJ TONS) = 1.3	

CABOOSE ID-- NONE REPORTED

FRONT TRAIN UNITS: END TRAIN UNITS: UPRQ 021107 WK

CUR STATS 78LDS 0MTYS 11083TONS 4434FT WO AT YERMO CA CX650

LAST AEI SITE 320 CX649 E YERMO AEI CAR COUNT 081
CONSIST VALIDATED BY AEI

EVENT	CITY/ST	STA/YD	MO-DA-YR-TIME	TIM DIF	LOADS	MTYS	GR-TONS	LENGTH
A	BASIN	CA CX616	06-24-97-0856	17'11"				
A	YERMO	CA CX650	06-24-97-1034	16'44"	78	0	11076	4434
C	YERMO	CA CX650	06-24-97-1510					
D	YERMO	CA CX650 #	06-24-97-1640		78	0	11076	4434
A	LENWOOD	CA CX668	06-24-97-1825		78	0	11076	4434
S	LENWOOD	CA CX668			78	0	11076	4212
OM								

Hi John,

This is a COAL Train
that Just Left YERMO with
a S.P. Crew
6-24-97 Bill

1335
TIME

B
06/24/97 18:59:57 OUTBOUND CALL SHEET CD.B
E BA

TRAIN-ID : 52BAVADB24

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/24/97 - 2020
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART: 2020

** IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC
** THIS IS A DEADHEAD TRAIN **
** HOT MEAL NOT AVAILABLE -- BRING LUNCH **

CC	R/X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HA
EN	X	DA ARELLANO	557-80-1250	MU136	1855	0624	2020	0625	0820	
CO	X	DC ROSS	376-42-5377	MU137	1855	0624	2020	0625	0820	
B1		VACANT TURN		MU137						
B2		VACANT TURN		MU137						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
TELEMETRY DEVICE:

COMMENTS: COMBO SCR DH TO YERMO ON CONT TIME OR 4 HRS OFF
BACK ON 2CSRLA 19, HAVE A GOOD NIGHT & A SAFE TRIP CORRECTIC

****
****
** NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
** THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****
END

5/97 06:40:48 OUTBOUND CALL SHEET CD.B032

TRAIN-ID : 51BAVADB25

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/25/97 - 0600
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART:

F DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **
OMBINATION DEADHEAD & SERVICE **
OT MEAL NOT AVAILABLE -- BRING LUNCH **

/

NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HAHT
PT GUERRERO	571-51-8721	MU137	0640	0625	0800	0625	2000	
EL HATCHER	560-60-1097	MU137	0640	0625	0800	0625	2000	
VACANT TURN		MU137						
VACANT TURN		MU137						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOOSE:
METRY DEVICE:

ENTS: 1CSRLA21, D/H TO YERMO WORK BACK CONT TIME TO MOJAVE, THANKS.....
****
****
NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****

06/30/97 07:26:01 OUTBOUND CALL SHEET CD.E032
PA

TRAIN-ID : S1BKVADB30

POOL : BY BAK/YERMO
CALL DATE AND TIME : 06/30/97 - 0700
DIVISION : LOS ANGELES
TERMINAL DEPARTING : BAKERSFIELD
SCHEDULED TO DEPART:

** IF DEADHEAD IS IN CONNECTION WITH HRS OF SVC RELIEF, COMBINE DH AND SVC **
** COMBINATION DEADHEAD & SERVICE **

C	X	NAME	EMP-SSA-NBR	TURN	CALL TIME	ON DUTY DATE	ON DUTY TIME	DEAD DATE	DEAD TIME	HART
ON	X	GL MATHERLY	224-68-6142	BY130		0630	0700	0630	1900	
20	X	RG HOFFMAN JR	545-68-8171	BY130		0630	0700	0630	1900	
21		VACANT TURN		BY130						
22		VACANT TURN		BY130						

UNITS:

LOADS: EMPTIES: TONS: FEET:
CABOUSE:
TELEMETRY DEVICE:

COMMENTS: DH TO YERMO FOR 1LZN5726 TO MOJAVE

****
****
** NO JOB IS SO IMPORTANT, NO SERVICE SO URGENT, **
** THAT WE CANNOT TAKE TIME TO PERFORM ALL WORK SAFELY. **
****
****

D

NITL-3

D

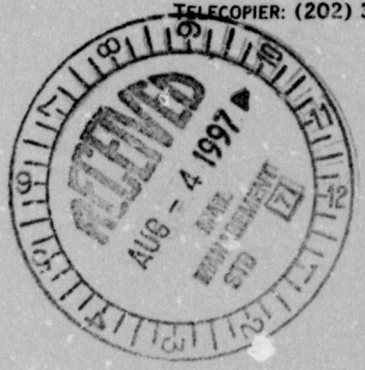
DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW
SUITE 750
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

180909



August 4, 1997

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K St. N.W.
Washington, D.C 20423

Re: Finance Docket No. 32760 (Sub-No. 21), *Union Pacific Corportation, et al -- Control and Merger -- Southern Pacific Rail Corporation, et. al., [OVERSIGHT]*

Dear Secretary Williams:

This letter is to request leave to file with the Board the Comments of the National Industrial Transportation League ("League") in the above proceeding one business day after they were due, that is, on Monday, August 4, 1997, rather than on Friday, August 1, 1997. Due to an administrative error in delivering the filing to the Board, the Comments of the League arrived at the offices of the Board after 5:00 P.M. on August 1, and therefore were not filed on that day.

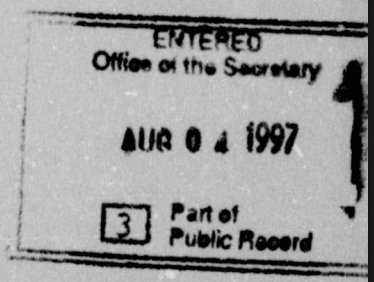
No party will be prejudiced by this request, since copies of the League's Comments were served via first class mail on all parties of record on August 1, and in fact copies of those Comments were hand-delivered to counsel for the Union Pacific Railroad Company and counsel for the Burlington Northern Santa Fe Railroad Company on August 1, to permit those parties maximum time to review the League's comments and to respond by the due date for replies. To minimize the effect of the late filing on the Board, these Comments are being filed on the morning of August 4.

We very much regret any inconvenience this has caused.

Sincerely,

NICHOLAS J. DIMICHAEL

cc: All parties of record



NITL-2

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760 (Sub-No. 21)

UNION PACIFIC CORPORATION, et al.

— CONTROL AND MERGER —

SOUTHERN PACIFIC RAIL CORPORATION, et al.
[OVERSIGHT]

ENTERED
Office of the Secretary
AUG 04 1997
Part of
Public Record

RECEIVED
AUG - 4 1997
MAIL
MANAGEMENT
STB

COMMENTS

submitted on behalf of

THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

Original

Nicholas J. DiMichael
Frederic L. Wood
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W.
Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

Attorneys for The National Industrial Transportation League

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760 (Sub-No. 21)

UNION PACIFIC CORPORATION, et al.

— CONTROL AND MERGER —

SOUTHERN PACIFIC RAIL CORPORATION, et al.
[OVERSIGHT]

COMMENTS

submitted on behalf of

THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

INTRODUCTION

In accordance with the provisions of Decision No. 1 in this proceeding (served May 7, 1997), these Comments are submitted on behalf of The National Industrial Transportation League ("League"). The Board has instituted this oversight proceeding pursuant to the terms of the conditions imposed on approval of the control and merger by UP of SP.[1] *UP/SP* at 146-47.

In order to develop information for assessing the effectiveness of the merger and its conditions, the League conducted a survey of the members of its Railroad Transportation Committee. The survey requested information on the

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[1] Abbreviations used in these comments are the same as those used in Decision No. 44 in Docket No. 32760, *Union Pacific Corp., et al.— Control and Merger —Southern Pacific Rail Corp., et al.*(served Aug. 12, 1996) at 254 ("*UP/SP*").

effect of the merger, and on the implementation and effectiveness of the conditions imposed by the Board in *UP/SP* to protect competition from harm.

The results of the survey indicate two things: (1) there has been a significant deterioration in the quality of rail service provided in the western United States by the merged BNSF and UP/SP systems; (2) it is still too soon to evaluate the effectiveness of most of the conditions imposed to allow BNSF to replicate the competition lost because of the merger of SP into UP.

COMMENTS

A compilation of the NITL confidential survey of the members of its Rail Transportation Committee is attached to these comments.[2] The survey focused on two major areas: the benefits of the merger, and the implementation of the conditions. Each of those areas is discussed below.

Service Improvements from the Merger Are Not Yet Evident

As indicated in the responses to the questions in sections A and B of the survey, for many shippers there has been a significant deterioration in the quality of service on both UP/SP and on BNSF. For many others, there has yet to be any improvements. The expected benefits to service from the mergers promised by the applicants are not yet evident. One of the major benefits the Board expected as a result of this transaction was that the financial resources of UP would be available to improve the physical plant of SP, thus improving the service levels to shippers on the SP. *UP/SP* at *114-116.* Some improvements in recent months have been noted by some of the survey respondents.

---

[2] The responses to the survey have been tabulated and the results provided in numerical form where appropriate. Where narrative responses have been provided, relevant excerpts have been included.

It Is Premature to Determine The Effectiveness of the Conditions to Preserve Competition

It is clear from the results of the survey, as well as from a review of the quarterly reports from UP/SP and BNSF, that it is still too soon to evaluate the effectiveness of the conditions imposed by the Board to ensure the replacement of the competition lost because of UP's acquisition of SP. One particular point from the survey responses highlights that conclusion. None of the respondents to the survey have as yet been able to take advantage of the competitive alternatives provided by either the new facilities/transload condition or the build-in/build-out condition. *See* survey sections E and F. These conditions clearly require longer lead times for planning and implementation before any such opportunities can be realized.[3] See BNSF July 1, 1997 Quarterly Report ("Quarterly Report"), Rickershauser VS at 14.

BNSF, in its Quarterly Report, has raised particular concerns about UP's use of Guideline #9, the contract termination option, adopted by the Board in Decision No. 57, at 12. This cancellation option, as indicated by some respondents to the survey, has been an impediment to utilization of the contract reopener condition. *See* responses to survey question D.3. BNSF has requested that Guideline #9 be removed so that the contract reopener condition can be effective. BNSF Quarterly Report at 10-12. The League strongly supports that request.

One of the main concerns that the League, and other parties, had about the trackage rights operations by BNSF under the BNSF Settlement Agreement in

---

[3] It has only been just over 10 months since the UP's control of SP was consummated. The Board had originally indicated that it would wait until October 1 of this year before initiating the first oversight proceeding, subject to holding a proceeding prior to October 1 "if circumstances warrant." *UP/SP* at 147. Waiting until October 1, 1997, before commencing this proceeding might have enabled the League and other parties to have the benefit of additional experience and traffic data to present a more comprehensive picture to the Board.

UP/SP was whether there would be sufficient traffic and revenue available to BNSF to enable it to be a viable competitor to the combined UP and SP. Those concerns were based on the expectation that, at best, BNSF would be able to generate only minimal traffic to support its operations over the trackage rights lines. *See, e.g.*, NITL Comments NITL-9 at 31-39. These concerns were addressed by the Board, in part, by adding broad-based conditions to ensure that "BNSF will have sufficient traffic to compete effectively." *UP/SP* at 106, 145-146. BNSF's quarterly reports indicate that, in the two principal corridors where BNSF received trackage rights, traffic volume has slightly exceeded the League's predictions on one but falls woefully short on the other. The League believed that such a traffic volume, which was significantly below that predicted by the BNSF, would not permit BNSF to compete vigorously with the UP. NITL Comments, NITL-9, at 37-39. Specifically, the NITL forecasted, even accepting UP/SP's adjustments, that BNSF would be able to move 22,853 loaded cars per year in the Houston to Memphis corridor. NITL Brief, NITL-19 at 26. Summarizing the Train Volume Reports in Att. 14 to the BNSF Quarterly Report shows that BNSF is moving traffic in that corridor at an annualized rate of 26,300 loaded cars. In the Central Corridor, the League had forecast an annual volume of loaded cars of 29,700. NITL Comments, NITL-9, Crowley VS at 62. The Train Volume Reports in Att. 18 of the BNSF Quarterly Report show an annualized volume of only 11,144 loaded cars.

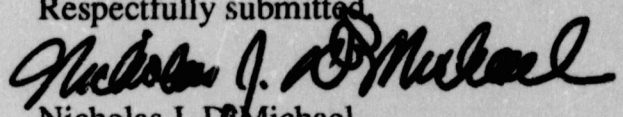
This analysis shows that there is reason to be concerned about the economic viability and competitiveness of BNSF's trackage rights operations, with its limited access to shippers and lack of traffic density, notwithstanding the Board's efforts to assure sufficient traffic for BNSF. Removal of the Guideline #9 option would be a useful step in opening up additional opportunities for BNSF to compete effectively and on a level playing field with UP. Another point affecting

the contract reopener condition revealed in the responses to the survey is the surprising lack of notice provided by UP about the right of shippers at 2-to-1 points to obtain a modification of existing contracts under this condition. *See* survey question D.1.

CONCLUSION

The expected improvements in service from the UP/SP merger (and the prior merger of the BNSF) have not yet occurred. Recent experience with other mergers have indicated that there is likely to be a considerable period of time before the process of integrating the operations of the two merging carriers yields substantial benefits. Moreover, the ability of BNSF to ameliorate the competitive harm that would have occurred if UP had been permitted to merge with SP without conditions remains to be seen. A useful step would be the removal of Guideline #9 under the contract reopener condition. Clearly there are reasons for the Board and the parties to continue to closely monitor the BNSF's capability to compete for traffic against the combined UP and SP systems.

Respectfully submitted,



Nicholas J. DiMichael
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Attorneys for The National Industrial Transportation League

August 1, 1997

RESULTS OF CONFIDENTIAL NITL SURVEY OF RAIL TRANSPORTATION COMMITTEE MEMBERS

A. UP Operations Post Merger-- In General

1. *Do you have a facility located anywhere on the lines of the Union Pacific or the former Southern Pacific to which rail service is provided by the now-merged UP/SP?*

57 Yes 11 No

2. *If the answer to Question No. A-1 is "yes," how many facilities do you have, and what is the nature of these facilities?*

1 customer; 2 bulk storage; dozens of customer warehouses; 1 specialty chemicals; 72 fertilizer receipt; 1 factory, 1 warehouse/distribution; 1 refinery; 2 mining plants; 10 refineries or chemical plants; 2 manufacturing plants; 2 major production; 4 transfer; 3 wood treating; 2 lumber/plywood manufacturing; 5 chemical manufacturing; 1; 4 warehouses; 1 manufacturing serving 7 terminals, 1 distribution; 1 switching for refinery; 4 manufacturing/warehousing; 12 chemical manufacturing; 3 manufacturing; 2 bulk terminals; 10 chemical; 5 manufacturing; 7 mines/smelters/refineries; 2 manufacturing; 3 transload; 1 GSA contract; 7 refineries/chemical/plastics; 1 production, 4 corn starch processing; 5 liquid bulk transfer; 1 chemical manufacturing, 1 plastics manufacturing; 5 raw material supply; 1 ore shipping; 1 rice milling; 4 manufacturing (interchange with private railroads); 3 manufacturing; 1 warehouse; 7 grain elevators, 1 beef processing plant, 6 warehouses, 4 fertilizer plants, 6 feed mills, 1 petroleum refinery, 1 chemical plant; 1 ferrous metals processing/management; 2 warehouses, 1 warehouse/manufacturing; 3 chemical manufacturing; 1 chemical manufacturing; 5 petroleum refining; 4 chemical manufacturing; 1 fertilizer production, 1 warehouse; 2 major chemical manufacturing; 3 chemical manufacturing; 2 refineries; 4 plants; 30 manufacturing; 2 plywood/lumber mills, 2 newsprint mills; 6 cement/sand and gravel production plants/terminals; 3 bulk commodity; 5 paper and pulp manufacturing/converting; 1 manufacturing; 3 bulk material receiving; 2 manufacturing unspecified.

3. *Has UP/SP rail transportation service to these facility(ies) identified in question No. A-2 since the merger of the UP and SP gotten better, gotten worse, or remained about the same? Please explain the basis for your answer.*

8 Gotten better 28 Gotten worse 25 Remained about the same
[Total greater than the 55 responses in Question A-1 because of existence of multiple facilities]

Explanation: Still room for improvement; backlogs of cares in major cities, SP customer service very bad; still bad; SP not fully integrated with UP, poor communication and operating practices between KCS, SP, UP. ATSF; bad in Iowa after UP took over CNW; still poor; still poor service at SP-served facility; many problems with SP service; cars billed but not moved, more lost cars, longer transit times, car storage issues; transit longer; information tracking worse; plant switching very erratic; excellent; car supply increased; lost billing, misrouting, worse customer service, excessive transit times; wrong interchanges, severe yard congestion; some the same, some worse; still poor where SP served; service in Houston area atrocious; service worse but pricing better;

California to Portland and Texas to California terrible; worse on both loaded and empty moves, requires much shipper input; very responsive, working with shipper on suggested improvements, better customer service; unit trains from Nebraska to California improved; transit times and consistency improved for one plant, SP Customer Service Center increasingly ineffective and unresponsive; cars sit for days due to "no manpower"; closed Phoenix yard--must travel farther and cars not weighed at origin; delays of 4-5 extra days Sacramento to Stockton, labor conflicts between UP and SP crews; changed internal routing; manifest traffic second to TOFC traffic, line congestion, lack of power; inconsistent transit time; power is main restraint, consolidation process still underway; originally served by CNW/not affected by sale; harder to get equipment moved, especially empties at quarter end; erratic service, unilateral changes to service plans, poor communications; decreased switching performance, increased dwell times on departures, increased number of "lost cars", confusion with computer systems, decline in accurate/timely response from National Customer Service Center; ex-SP service went from bad to worse, does not meet expectations, ex-UP service acceptable most of the time; better service due to company-to-company efforts and not merger; service to west coast about the same, service to gulf coast has longer transit times and more mishandling of cars; increased transit times, interchange with railroads slow, lost cars, billing errors, wrong or no CLMs; no improvement; suitable equipment less available; congestion in Houston area has caused service delays; about 30+ days for a car to make a round trip; service has deteriorated, have converted to truck transport; from UP origin transit to major gateways essentially unchanged, from SP origins transit time to major gateways about 25% longer, from either origin to Houston transit times have increased about 50%, some shipments to Houston taking 2 to 3 weeks

B. BNSF OPERATIONS POST MERGER-- IN GENERAL

1. *Do you have a facility located anywhere on lines owned by the BNSF, to which rail service is provided by BNSF? (NOTE: the questions in this section B are not asking about facilities actually located on lines owned by UP/SP over which BNSF received trackage rights in the UP/SP merger -- for facilities directly served by these "trackage rights" lines, see section C below)*

46 Yes 21 No

2. *If the answer to Question No. B-1 is "yes," how many facilities do you have, and what is the nature of these facilities?*

1 customer; origin lumber reloads, shipping origins; 1 specialty chemicals; 3 refineries or lube plants; 1 manufacturing plant; 2 corn processing; 2 transfer; 2 wood treating; 2 lumber/plywood manufacturing; 1 manufacturing serving multiple terminals, 3 distribution; 1 switching for refinery; 3 manufacturing/warehousing; 10 chemical manufacturing and 2 customer; 1 manufacturing, 2 bulk terminals; 5 chemical; 2 manufacturing; 1 manufacturing , 1 mining; 1 refinery; 1 liquid bulk transfer, 1 dry bulk transfer; 2 chemical manufacturing; 4 raw material supply; 2 mining/manufacturing; 2 manufacturing; 2 grain elevators, 2 lube oil blending plants, 3 pork & beef processing plants, 7 feed mills, 7 warehouses, 6 fertilizer plants; 2 warehouses, 1 warehouse/manufacturing; 1 transloading; 3 petroleum refining; 1 chemical manufacturing; 1 fertilizer production; 2 chemical manufacturing; 1 chemical manufacturing; 1 refinery; 2 plants; 17 manufacturing; 2 paper mills; 1 bulk commodity; 2 paper and pulp manufacturing/lumber manufacturing; 1 mine, 1 refinery; 4 bulk materials; 3 unspecified.

3. *Has BNSF rail transportation service to these facility(ies) since the merger of the UP and SP gotten better, gotten worse, or remained about the same? Please explain your answer.*

1 Gotten better 30 Gotten worse 21 Remained about the same
[Total greater than 46 responses in Question B-1 because of existence of multiple facilities]

Explanation: Service east of the Mississippi River not affected; penalized by KCS, UP, and SP operating practices; satisfactory; poor trip planning, cars on wrong trains, increased travel time due to improve 7/5; new staff and non-interacting computers; car supply sporadic; billing and routing problems, held-up movements, internal BNSF problems; worse in all areas, including administration; transit longer, poor internal communications and operations; poor before, terrible after; car supply better; information services terrible, lost cars, no communication, defensive employees, no cooperation; communication, power to move trains; severe imbalance of power, lost equipment; incompatibility; miscellaneous service issues; worse on both loaded and empty moves, requires much shipper input; Aurora, IL service has completely fallen apart; reliability and transit times deteriorated; Kansas City yard congestion, poor internal communications, lack of motive power, infighting between ATSF and BN staff are all major problems; computer misidentifies car status; worse transit times, far more delays and misrouted cars; since rail volume is small, service not an issue; BNSF remain service focused, consolidation process still underway; harder to get equipment moved, especially empties at quarter end; periods of poor service recently improved; unreliable switching performance, increased transit time, lack of adequate locomotive power; problems across the board: service/operations, information, and customer service; initially got worse, some improvement in last two months; equipment problems: either not enough power or insufficient car supply; switching failures; response to price inquiries has slowed but overall service is stable; difficulty on car supply; lack of rested crews and empty cars, delays last spring of 10-14 days; untimely delivery

4. *Does BNSF rail service since the UP/SP merger to or from your facilities located on the BNSF-owned lines utilize, for at least part of the movement, BNSF service on (a) the UP/SP lines over which BNSF received trackage rights in the UP/SP merger proceeding; or, (b) track that BN purchased from UP as a result of the merger proceeding? That is, has traffic to or from your facilities located on BNSF-owned lines been re-rerouted over the UP/SP lines over which BNSF received trackage rights or purchased from UP?*

16 Yes 25 No 12 Don't know

5. *If the answer to question No. B-4 is "yes," please indicate whether the trackage rights used by BNSF over which your traffic now moves involves the Central Corridor (California to Colorado) or the Texas-Missouri corridor, or both.*

3 Central Corridor 7 Texas-Missouri corridor 5 Both

6. *Has BNSF rail transportation service to your facility(ies) that has been re-routed at least in part over BNSF trackage rights lines, gotten better, gotten worse, or remained about the same since the merger of the UP and SP? Please explain your answer.*

3 Gotten better 8 Gotten worse 4 Remained about the same

Explanation: Customer service poor, many cities have backlog; computer problems; new staff and non-interacting computers; recently improving; service to Utah through Cheyenne and Denver improved; transits through central corridor five days longer with BN than UP; unit trains about the same but single-car shipments worse; service initially poor but more consistent lately; trackage rights have improved rates somewhat but overshadowed by inconsistent service

C. BNSF Operations To Facilities Served On Trackage Rights Lines

1. *Does your company presently operate any facilities that are physically accessed by a UP/SP rail line over which BNSF obtained the right to serve you via trackage rights granted in the STB decision? That is, are you a "2-to-1" shipper? If the answer is "No," go to section D.*

22 Yes 40 No

2. *If the answer to Question No. C-1 is "yes," how many facilities do you have, and what is the nature of these facilities?*

1 factory, 1 distribution; 1 refinery; 1; 1 chemical manufacturing; 1; 2 chemical manufacturing; 1 transload, 1 warehouse; 1 refinery, 1 plastics, 1 chemical; 1 production; 2 bulk transfer, 1 liquid bulk customer; 1 plastic manufacturing; 1 raw material supply; 1 rice milling

3. *If the answer to question No. C-1 is "yes," please indicate whether the location of your facility(ies) is on the Central Corridor (California to Colorado) or the Texas-Missouri corridor, or both.*

7 Central Corridor 12 Texas-Missouri corridor 3 Both

4. *Since the merger, has BNSF called or visited you to discuss possible BNSF transportation to your facilities using the trackage rights granted to BNSF in the merger?*

26 Yes 11 No

5. *If the answer to question No. C-4 is "yes," has BNSF given you a proposal or proposals for transportation service to or from your facility(ies)?*

24 Yes 2 No

6. *If the answer to question No. C-5 is "yes," have you accepted BNSF's proposal(s)?*

11 Yes 15 No

7. *If the answer to question No. C-6 is "yes," please explain the reasons why you accepted BNSF's proposal(s).*

Explanation: lower cost; price/service; attractive pricing; competitive, plus good influence on Gulf Coast shipments; price, acceptable service level; to develop competitive alternative to combined UP/SP

8. *If the answer to question No. C-6 is "yes," has the rail transportation service provided by BNSF over the trackage rights to your facilities been adequate to meet your rail transportation needs?*

2 Yes 9 No 1 BNSF service not yet begun

If your answer to question No. C-8 is either "yes" or "no," please provide an explanation or a description of the service and its adequacy or inadequacy:

very bad but improving; service is not "good" but as offered; moving raw materials--transit times inadequate, local delivery subcontracted to UP/SP; proposal not

competitive; cannot comment yet; confusion about who provides plant switching services; transit delays to interchange (4-5) days, equipment unavailability with BN

9. *If the answer to QUESTION No. C-6 is "no"" (that is, you have NOT accepted a proposal from BNSF), please explain in detail the reason or reasons why you did not accept BNSF's proposal.*

Explanation: concerns about service; rates not competitive enough to warrant change; rates not competitive with current ones; BN has ignored trackage rights opportunities despite requests, BN says pays too high rates to UP; UP offered economic incentives to retain business; BNSF could not provide service plan for traffic lane; UP/SP able to meet price with better service

D. CONTRACT MODIFICATION CONDITION

1. *Have you been notified by UP/SP that your company has the right to obtain a modification of any rail transportation contracts with UP and/or SP at all facilities which BNSF obtained the right to serve under the trackage rights condition?*

22 Yes 34 No

2. *At any facility: (1) served by UP/SP which BNSF obtained the right to serve by trackage rights, and (2) where the UP and/or SP had one or more rail transportation contracts with your company, have you obtained a reopening or modification of any contract with the UP in order for BNSF to compete for the traffic covered by the contract? If the answer is "no," please provide an explanation why you have not obtained a reopening or modification of any one or more of the contract(s).*

7 Yes 36 No

Explanation: BNSF got one contract due to "2-to-1" ruling; no visits from UP representative for 18 months; no notification; concerns about service; no need; reopener request denied; no shipments at this time; do not know; single-line service/previously contract; BN has not had the time, also service is bad; reopener not required for awards to BNSF; no need due to structure of UP contracts, BNSF's rates unattractive; not approached by either company; current UP/SP contracts do not exclude alternate carriers; UP has focused on shipper-owned facility and ignored supplier locations, UP refused to provide list of stations subject to BNSF trackage rights.

3. *Have the ten guidelines adopted by the STB for implementation of the contract modification condition facilitated the process of seeking and/or obtaining a modification of any contract described in question No. D-2?*

7 Yes 25 No

Explanation: UP's right to cancel makes for large financial hurdles; do not know; shipper believes guidelines reduced BNSF apprehension to quote and promoted willingness to strike agreements; "2-to-1" provisions used to eliminate destinations from UP/SP contracts

E. NEW FACILITIES / TRANSLOAD CONDITION

1. *Have you placed in service any new facilities (e.g. new plant, loading or unloading siding or industrial track, transload facility) located on or near a line of the UP over which BNSF obtained the right to serve by means of trackage rights? If the answer is "no," go to Part F.*

0 Yes 64 No

2. *If the answer to question No. E-1 is "yes," have you successfully obtained rail transportation service at any new facility (as described in question E-1 above) from BNSF? If the answer is no, please provide an explanation for the lack of success.*

__ Yes __ No

3. *Are you planning to place in service within the next year any new facilities (e.g. new plant, loading or unloading siding or industrial track, transload facility) located on or near a line of the UP over which BNSF obtained the right to serve by means of trackage rights?*

6 Yes 19 No (1 under review, 1 not sure)

F. BUILD-IN / BUILD-OUT CONDITION

1. *Have you made a decision to construct or have you actually constructed any new railroad track to connect to a line of the UP over which BNSF obtained the right to serve by means of trackage rights? If so, please describe the line that you have constructed or are planning to construct*

0 Yes 62 No

2. *If the answer to question No. F-1 is "yes," have you successfully obtained access to BNSF by means of any build-out or build-in described in the answer to question F-1?*

__ Yes __ No

G. RECIPROCAL SWITCHING FEES

1. *During the UP/SP merger proceeding, the UP and SP indicated that they would be reducing their reciprocal switching fees to other railroads to the level of $130 to $150 per car. Has this occurred?*

13 Yes 11 No 41 Don't know

2. *If the answer to question No. G-1 is "yes," has the reduction in reciprocal switching fees been reflected in the amount that you pay for rail transportation? Please explain:*

6 Yes 7 No

Explanation: Only on new contracts; UP kept the reductions instead of passing them on; no reciprocal switching points; contract being renewed--expect reductions

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing COMMENTS OF THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE ("NITL") has been served via first class mail, postage pre-paid to following addresses on the attached list on the 1st day of August, 1997:

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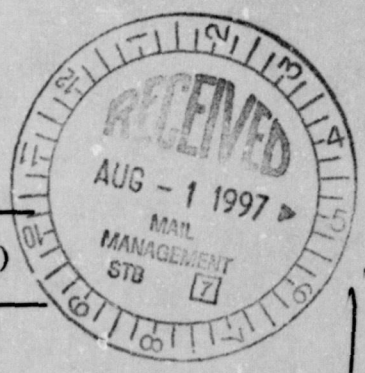


BEFORE THE
SURFACE TRANSPORTATION BOARD

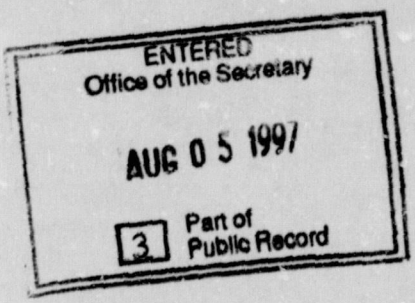
FINANCE DOCKET NO. 32760 (Sub-No. 21)

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

--CONTROL AND MERGER--

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

COMMENTS OF SIERRA PACIFIC POWER COMPANY AND IDAHO POWER COMPANY



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Dated: August 1, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760 (Sub-No. 21)

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

--CONTROL AND MERGER--

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

COMMENTS OF SIERRA PACIFIC POWER COMPANY AND IDAHO POWER COMPANY

In accordance with Decision No. 1 in this oversight proceeding, Sierra Pacific Power Company and Idaho Power Company (together "SPP/IDPC"), Parties of Record in this proceeding, submit the following comments on the extent to which the conditions imposed by the Surface Transportation Board ("Board") on its approval of the merger of Union Pacific Railroad Company and Southern Pacific Lines have effectively addressed the competitive harms to SPP/IDPC—a "2-1" shipper in the merger proceeding— they were designed to address.

I. INTRODUCTION AND SUMMARY OF COMMENTS

SPP/IDPC actively participated in the proceeding which culminated in the Board's issuance of Decision No. 44 in Docket No. 32760. In that proceeding, SPP/IDPC submitted extensive comments, evidence and briefing materials which expressed SPP/IDPC's concerns that the merger of the Union Pacific Railroad Company ("UP") and Southern Pacific Lines ("SP") (together referred to as "UP/SP"), despite the presence of the trackage rights granted by UP and SP to the Burlington Northern and Santa Fe Railway Company ("BNSF"), would eliminate the rail-to-rail competition enjoyed by SPP/IDPC at their jointly owned North Valmy Station in north central Nevada. Prior to the merger, the North Valmy Station enjoyed head-to-head, single line rail competition between UP and SP from numerous coal mines in Colorado and Utah. In particular,

SPP/IDPC argued that this competition would be eliminated after the merger based upon the following general reasons:

- The traffic base available to BNSF for movement across the Central Corridor under the trackage rights agreement it signed with the merger applicants would be insufficient to justify BNSF vigorously competing for SPP/IDPC's coal traffic to North Valmy;
- BNSF underestimated the operating plan and infrastructure necessary to effectively operate in the Central Corridor;
- The economic rents that BNSF would have to pay UP/SP under the trackage rights agreement to operate over the Central Corridor would place it at a competitive disadvantage; and
- The Utah Railway Company ("URC") settlement agreement with UP and SP was meaningless without BNSF established as a viable competitor for coal traffic in the Central Corridor, and in any event would be in two-line service which would not effectively compete with UP/SP single line service from the affected mines.[1]

Based on these concerns, SPP/IDPC requested relief in the form of (1) trackage rights granted to a carrier selected by SPP/IDPC sufficient to provide single line service from mines in Utah and Colorado formerly served by SP to North Valmy, and (2) a compensation level for such trackage rights at no more than 1.48 mills per gross ton mile. The Board rejected this request.

Since the Board's approval of the merger, however, SPP/IDPC's actual experience in trying to work within the parameters established by the Board in Decision No. 44 and subsequent related decisions has demonstrated to SPP/IDPC that the potential problems they identified in the merger proceeding have unfortunately become actual problems post-merger. The quarterly status reports submitted by UP/SP and BNSF pursuant to Decision No. 44 support this conclusion. In short, the Board's approval of the merger of UP and SP as conditioned has not resulted in meaningful competition between UP/SP and BNSF for the coal transportation to the North Valmy Station.

In light of the apparent failure of the merger conditions to replace the rail competition at North Valmy that existed prior to the merger, SPP/IDPC requests the Board to seriously consider re-examining whether the conditions should be modified to incorporate SPP/IDPC's original requests for relief and/or otherwise enhance the ability of BNSF to be a viable competitor with UP/SP for North Valmy's coal traffic.

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1 *See* Request for Conditions and Comments Submitted on Behalf of Sierra Pacific Power Company and Idaho Power Company, dated March 29, 1996 ("SPP/IDPC Comments").

II.
BNSF HAS NOT DEMONSTRATED THAT IT IS A VIABLE COMPETITOR FOR THE TRANSPORTATION OF COAL TO THE NORTH VALMY STATION

A. Summary of SPF/IDPC's Bases for Their Request for Relief in the Merger Proceeding

SPP/IDPC submitted argument and evidence in the merger proceeding which attempted to demonstrate to the Board that simply conditioning its approval of the UP/SP merger upon adoption of the trackage rights settlement agreement negotiated between the merger applicants and BNSF would not alleviate the competitive harm caused to SPP/IDPC at North Valmy. In general, SPP/IDPC attempted to show the Board that the rights granted to BNSF under the agreement, and the compensation requirement under the agreement, were insufficient to establish BNSF as an effective competitor for this traffic.[2] SPP/IDPC argued that traffic on the Denver/Salt Lake/Stockton route would be too low to entice BNSF to develop its operations over the route. Furthermore, the compensation level required to be paid by BNSF for use of the track overcompensated UP/SP, resulting in doubly harming SPP/IDPC by (1) raising the pricing floor for rates offered by UP; and (2) rendering the BNSF a non-viable competitive alternative.

SPP/IDPC also attempted to demonstrate that simply conditioning approval of the merger upon adoption of the settlement agreement entered into between UP and SP and URC during the pendency of the merger proceeding would not alleviate the competitive harm at North Valmy either. In particular, SPP/IDPC argued to the Board that, in addition to reducing the number of mines available for competitive rail service to North Valmy from 25 to 5, a URC-BNSF two-line haul under the terms of the two agreements would not be able to compete with a single line UP/SP haul from comparable Utah mines.[3]

In rejecting SPP/IDPC's request for relief, the Board stated:

> It is true, of course, that, post-merger, SPP/IDPC will have only one single-line option (UP/SP) whereas now its has two (UP and SP); but the difference between single line service and joint line service is less important in the coal unit train context; and the URC-BNSF joint-line routing should be quite competitive, especially in consideration of the new coal sources opened to URC under the URC agreement.

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2 SPP/IDPC Comments at 16-20; Verified Statement of Thomas D. Crowley at 20-42.

3 SPP/IDPC Comments at 20-21; Crowley V.S. at 43-47.

Decision No. 44 at 187.[4] In rejecting SPP/IDPC's arguments and claims for relief, the Board's statement implicitly acknowledged that the only potential competition to the merged railroad could come from Utah mines, which are the mines closest to the North Valmy Station,[5] and presumed that the URC-BNSF joint line service would pose an effective competitive threat to UP/SP single line service from these mines. As explained below, this has not turned out to be the case.

B. The Board's Assumptions Regarding the Merger Conditions as They Relate to the North Valmy Plant Have Proven to be Incorrect

At the time of the merger proceeding, SPP/IDPC's coal transportation to North Valmy was covered by a Staggers Act contract with UP which had been entered into after a competitive bidding process involving SP and UP.[6] That contract, designated ICC-UP-C-2623, had an expiration date of June 30, 1997,[7] and covered the transportation of coal purchased by SPP/IDPC from two mines—The Southern Utah Fuel Company ("SUFCO") mine near Sharp, Utah and the Black Butte Coal Company mine in the Hanna Basin of Wyoming—for which SPP/IDPC have long-term coal supply contracts. The Black Butte mine is served exclusively by UP/SP and UP/SP rail service from the Sharp loadout is the most economically feasible means of transporting coal from the SUFCO mine to North Valmy. See attached Verified Statement of Jeffery W. Hill at 1-2.

Consequently, subject to the minimum tonnage obligations under SPP/IDPC's coal contracts, which do not expire for some time, SPP/IDPC was in a position to explore the purported competitive opportunities presented by BNSF post-merger soon after approval was given to the merger. As explained in the attached verified statement of Mr. Hill, Director of Fuel Management and Operations Support for Sierra, in 1996, SPP/IDPC initiated a strategy which included (1) reducing the amount of coal purchased under the existing long-term coal contracts through the exercise of SPP/IDPC's rights under those contracts and (2) seeking alternative, lower cost coal

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4 The Board also mentioned the possibility of truck-BNSF movements as a result of other conditions placed on the merger. However, it has been SPP/IDPC's experience to date that the few potential truck-BNSF hauls are even less competitive with UP/SP single line moves than the URC-BNSF dual line movements.

5 SPP/IDPC demonstrated that the Colorado, New Mexico, and Powder River Basin mines served by BNSF were too far way to present a viable competitive threat under the trackage rights agreement, and that in any event, the quality of coal from most BNSF origins was incompatible with the boilers at North Valmy due to its lower heating value. SPP/IDPC Comments at 17-18.

6 SPP/IDPC Comments at 7-8.

7 This expiration date of the contract was eventually extended by UP/SP and SPP/IDPC to July 31, 1997 while the parties attempted to negotiate a new contract. Hill V.S. at 3.

which would be transported at rail rates established by competition between UP/SP and URC-BNSF. *Id.* at 2.

Accordingly, in May of 1997 SPP/IDPC sent bid solicitations to UP/SP, BNSF, and URC which, in essence, were designed to result in a contract with UP/SP for deliveries of the coal contract minimum tons from the Sharp, Utah loadout of the SUFCO mine[8] to North Valmy, and should have resulted in competitively priced contracts for tons in excess of that minimum from Utah mines that were served by UP/SP and/or URC-BNSF. Hill V.S. at 2. However, neither of these outcomes occurred. Instead, UP/SP as incumbent carrier, reacted to SPP/IDPC's effort to seek competitive rates for the movement of incremental coal tonnages to the North Valmy Station by insisting that any contract to replace ICC-UP-C-2623 must cover, for all practical purposes, all of the coal shipped to North Valmy, not just the SUFCO minimum obligation tonnages which must be shipped via UP/SP. Hill V.S. at 2. Obviously, agreement to this prerequisite to contracting would have meant that any attempt by SPP/IDPC to seek competitive rates from BNSF for tonnages over the minimum coal obligation to be shipped by UP/SP from the SUFCO mine would have been foreclosed for the length of the new contract with UP/SP. As it turned out, UP/SP's steadfast refusal to enter into a contract for anything less than essentially all of the tons shipped to North Valmy, and the expiration of ICC-UP-C-2623 on July 31, 1997, forced SPP/IDPC to request UP/SP for common carrier rates for the transportation of the SUFCO coal contract minimums from the Sharp, Utah loadout to North Valmy pursuant to 49 U.S.C. § 11101.[9] The common carrier rate established by UP in response to this request are the subject of a rate complaint which is pending before the Board in Docket No. NOR-42012. Hill V.S. at 4.

Thus, in order to be able to test the viability of BNSF as a competitor to UP/SP in the Central Corridor generally and for North Valmy's incremental coal traffic specifically, SPP/IDPC were forced to request common carrier rates from UP/SP for delivery of the SUFCO coal contract minimum tonnages to North Valmy—and then commence a rate reasonableness proceeding at the Board. Even more dismaying to SPP/IDPC is that to date BNSF has shown either a lack of desire, or as SPP/IDPC believes, a lack of ability, to be a serious competitor with UP/SP for the transportation of coal to North Valmy. As explained in the attached verified statement of Mr. Hill, the contract rates for URC-BNSF dual line service received in response to SPP/IDPC's solicitations were significantly above the UP/SP single-line contract rates from comparable Utah

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8 As explained in the Hill Verified Statement, SPP/IDPC has taken steps to reduce eliminate their obligation to purchase coal from the Black Butte mine.

9 SPP/IDPC did not foreclose shipping all or substantially all of its coal via UP/SP from mines that only it served, but was unable to negotiate contract terms with UP/SP that justified this approach. Hill V.S. at 3.

mines, which rates themselves were significantly above the 180% jurisdictional threshold at which the Board may consider the reasonableness of rail rates.[10] While discussions with BNSF after its initial response to SPP/IDPC's rate solicitation produced a minor reduction in the dual-line rates, the final dual-line URC-BNSF rates were still substantially above the UP/SP single line rates and nowhere near what would be considered "competitive." In short, SPP/IDPC's actual post-merger approval experience demonstrates that the Board's expectation that the single line competition between SP and UP at North Valmy prior to the merger would be adequately replaced by URC-BNSF dual-line hauls resulting from the settlement agreements has not been fulfilled by real-world application of the merger conditions. Instead, BNSF has shown it lacks the inclination or, more likely the ability, to compete effectively with UP single-line service for the movement of coal from Utah mines to North Valmy. Unless and until this situation changes, the North Valmy Plant will be, for all intents and purposes, captive to the UP/SP.[11]

III.
THE RAILROADS' QUARTERLY REPORTS VALIDATE SPP/IDPC'S CLAIMS IN THE MERGER PROCEEDING

SPP/IDPC maintain that the BNSF's present inability to effectively compete with UP/SP single-line service to the North Valmy Station is due to the causes set forth in its Comments, which have been summarized above in these comments. This belief finds support in the railroads' quarterly status reports. Because the first three reports submitted by UP/SP and BNSF were vague and not particularly informative, and are in any event largely subsumed within the "detailed" status reports required by the Board to be filed on July 1, 1997, SPP/IDPC's discussion of the reports is confined to the July 1, 1997 reports.

The BNSF Quarterly Status Report

The July 1, 1997 status report submitted by BNSF supports SPP/IDPC's claim that the trackage rights agreement will restrict BNSF's ability to establish itself along the track upon which the North Valmy Station is located. For example, the text of the BNSF report, the purpose of

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10 The URC-BNSF rates were marginally below comparable URC-UP/SP joint rates. However, the lower UP/SP single line rates are the benchmark BNSF must exceed.

11 *See* SPP/IDPC Comments at 18. Notwithstanding BNSF's present inability to compete, pending further action by the Board to modify the merger conditions in the manner suggested herein, SPP/IDPC is committed, as it must be in the new era of electricity restructuring, to reestablish competitive rail service at North Valmy. As such, it is highly likely that SPP/IDPC will, at least in the short term, contract for some transportation services from URC-BNSF with the hope that established BNSF service, combined with additional Board action regarding the terms of such access to North Valmy, will eventually result in true competition between UP/SP and BNSF for this service. However, this short term economic loss to SPP/IDPC would be unnecessary if the merger conditions had truly established BNSF as a viable competitor to UP/UP for the North Valmy Traffic.

which was for BNSF to "provide more detailed information regarding its efforts to be an effective competitor to the applicants,"[12] says nothing about BNSF's efforts to compete in the area of Central Corridor which contains the North Valmy Station.[13] The verified statement of Peter J. Rickershauser attached to the report demonstrates that no traffic moved over the Denver/Salt Lake City/Stockton line(s) upon which the North Valmy Plant is located prior to October 1996 (Rickershauser V.S., Map 1), and vaguely states that "[o]n February 10, we increased the frequency of our Denver-Salt Lake Service." *Id.* at 4. This statement later indicates that train service in the Central Corridor is currently five days per week from Denver to Provo, and three days a week from Provo to Stockton.

This frequency of BNSF trains operating over the Central Corridor (less than one train per day) is *less* than that estimated by SPP/IDPC in their Comments and evidence presented to the Board in the merger proceeding in support of SPP/IDPC's claim that the trackage rights agreement would not result in a supportable traffic base for BNSF.[14] UP/SP's July 1, 1997 Report confirms the facts set out in the BNSF's Report.[15]

Moreover, while there is a great deal of discussion of general marketing efforts in the verified statement of Mr. Rickershauser, there is little evidence of positive results of this marketing on the customers located along the Denver/Salt Lake City/Stockton line. For example, he states that, as of the date of its report, BNSF was operating daily merchandise train service in all of the major trackage rights corridors "except the I-5 Corridor . . . and in the Central Corridor." *Id.* at 17-18. Daily merchandise service, which does not include coal service, is to start "as quickly as possible." *Id.* at 18. Indeed, the only discussion of note regarding competition in this area is of how BNSF was unable to compete with UP/SP for coal transportation from the mines of Cyprus Amax Coal Company in Utah to Los Angeles, California. *Id.* at 13-14.

Similarly, the verified statement of Ernest L. Hord attached to the BNSF report contains a general discussion of BNSF's operation efforts and expectations in the Central Corridor, but

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12 (F.D. 32760 (Sub.-No. 21) Decision No.1 at 6).

13 BN does, however, reference its inability to establish its own team tracks in the Salt Lake City area. BNSF Report at 12.

14 *See* SPP/IDPC Comments at 18; Crowley V.S. at 24-25 (projected traffic levels would equate to an average of approximately one loaded train per day).

15 *See* UP/SP Report at 93 (traffic over Central Corridor is stated in terms of 176,777 gross tons for the month of May, 1997, which, assuming 105 tons per car and 75 cars per train equates to 22.4 trains per month, or .75 trains per day).

contains little specific information about the amount and type of traffic BNSF has moved and expects to move in the future. *See* Hord V.S. at 16.

This meager discussion of how BNSF has fared in the Central Corridor after the merger provides a clear signal that the conditions are not operating as the Board expected they would.

The UP/SP Quarterly Report

As for UP/SP's July 1 Report, it too says very little of substance about BNSF's ability to effectively compete with UP/SP in the Central Corridor, particularly its ability to compete via joint-line movements with the URC. In addition, UP/SP's numerous sweeping statements, such as "BNSF has been aggressively competing for the '2-1' business, quoting very competitive rates and bidding on all major contracts" (UP/SP Report at 96), are tempered by (1) the fact that the details of most major contract solicitations are strictly confidential between the shipper and the individual competing carriers; and (2) the concrete evidence to the contrary presented to the Board by SPP/IDPC with these Comments.

Moreover, nearly every one of the examples cited by UP/SP to demonstrate that competition has occurred with BNSF in the Central Corridor involved competition between BNSF and UP/SP *single line service*.[16] In contrast, the inability of *dual-line* service to pose a competitive threat in the Central Corridor, particularly for coal, is demonstrated convincingly by the verified testimony of Mr. John E. West, III of URC, who states "we have not interchanged *any* coal to BNSF as of this date."[17] This is consistent with SPP/IDPC's Comments and requests for relief: only single line BNSF service at reasonable compensation levels can provide real competition to UP/SP single line service in the Central Corridor.

Finally, the UP/SP's broad, largely unsupported statements regarding the extent to which BNSF has successfully competed for business in the Central Corridor and its ability to constrain UP/SP single-line pricing are belied by the basic fact that the railroads both concur that total BNSF operations over the Central Corridor at the present time amount to less than one train per day.

IV.
CONCLUSION

For SPP/IDPC, the UP/SP merger, as conditioned by the Board ostensibly for the purpose of preserving the ability of SPP/IDPC to obtain competitively priced rail transportation to North

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16 *See e.g.* UP/SP Report at 101-102 (Gen[illegible] Steel); Confidential Appendices A and B.

17 Verified Statement of John E. West, III at 2, attached to UP/SP July 1 Report.

Valmy has resulted in: (1) no contract for the tons which must be shipped to North Valmy via UP/SP because of current long term coal contracts and because UP/SP rail service originating at the Sharp, Utah loadout is the most economically feasible means of transporting this coal; (2) significantly above-market rate quotations from both UP/SP and BNSF for coal in addition to these minimums; and (3) a wide disparity between the URC-BNSF joint-line rates and single-line UP/SP rates. Thus, the merger conditions have not provided a substitute for the competition that existed at the North Valmy Station prior to the merger. SPP/IDPC believes that the factors outlined in their Request for Conditions and Comments submitted in the merger proceeding are directly responsible for the lack of competition from BNSF for the North Valmy coal traffic. Moreover, the lack of concrete evidence in the railroads' quarterly status reports of BNSF competition and presence in the Central Corridor supports this contention.

SPP/IDPC has little expectation that the merger conditions imposed by the Board will eventually result in meaningful competition between BNSF and UP/SP for its traffic. For the reasons expressed in these comments, SPP/IDPC therefore urges the Board to consider modifying the merger conditions to increase the ability of BNSF to effectively compete with UP/SP for the North Valmy coal traffic. Specifically, SPP/IDPC requests that Board adopt the conditions originally proposed by SPP/IDPC in the merger proceeding, which were:

(1) to order the merged carrier to provide another carrier selected by SPP/IDPC with trackage rights enabling that carrier to transport coal to the North Valmy Station in single line service from all mines in Colorado and Utah which were served by SP Lines; and

(2) to require that the merged carrier provide such trackage rights at a compensation level at no greater than 1.48 mills per gross ton mile for the movement of coal from all mines in Colorado and Utah which were served by SP to the North Valmy Station, adjusted quarterly beginning in the first quarter of 1996 based on changes in the RCAF-A and after that time.

Respectfully submitted,

Thomas W. Wilcox

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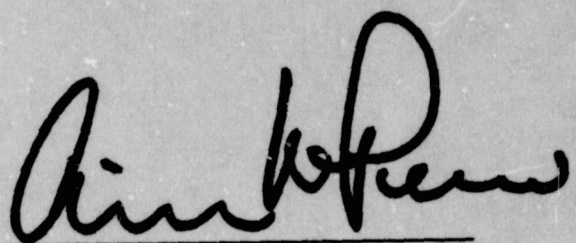
Counsel for Sierra Pacific Power Company and Idaho Power Company

Dated: August 1, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have on this 1st day of August, 1997, served a copy of the foregoing COMMENTS OF SIERRA PACIFIC POWER COMPANY AND IDAHO POWER COMPANY by first-class mail or by hand-delivery, upon all parties of record.



Aimee L. DePew

BEFORE THE
SURFACE TRANSPORTATION BOARD

REDACTED

FINANCE DOCKET NO. 32760 (Sub-No. 21)

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

--CONTROL AND MERGER--

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

VERIFIED STATEMENT OF JEFFERY W. HILL

My name is Jeffery W. Hill. I am the Director of Fuel Management and Operations Support for the Sierra Pacific Power Company in Reno, Nevada ("Sierra"). I am the same Jeffery W. Hill whose verified statement was included with the Request for Comments and Conditions Submitted on Behalf of Sierra Pacific Power Company and Idaho Power Company in Finance Docket No. 32760 on March 29, 1996 ("Comments"). My background, qualifications and job description are set forth in my prior affidavit and are incorporated herein by reference.

The purpose of this verified statement is to provide an explanation of the efforts Sierra and Idaho Power Company ("Idaho")(together "Sierra/Idaho") have taken to obtain competitively priced rail transportation to our jointly owned North Valmy Station since the Board's issuance of Decision No. 44 in Finance Docket No. 32760.

As explained to the Board in Sierra/Idaho's Comments, at the time of the Board's consideration of the merger application, coal was delivered to the North Valmy Station by the Union Pacific Railroad Company ("UP") from two mines located in the Hanna Basin of Wyoming and in the Uinta Basin of Utah, respectively. As explained in my prior verified statement, Sierra/Idaho is required to purchase tons of coal annually from the Southern Utah Fuel Company ("SUFCO") mine near Sharp, Utah unt , and certain tonnages from the Black Butte Coal Company mine in the Hanna Basin for approximately the same period

of time. The Black Butte mine and Sharp, Utah loadout facility serving the SUFCO mine are now exclusively served by UP/SP. Moreover, UP/SP rail service from the Sharp loadout provides the most economically feasible means of transporting coal from the SUFCO mine to North Valmy. I note that since the merger proceeding, Sierra/Idaho have elected to reduce or eliminate altogether their tonnage obligations under the Black Butte contract through the exercise of contractual rights and other measures.

My prior verified statement also set forth in detail the history of the competition between UP and Southern Pacific Lines ("SP") which culminated in the Staggers Act contract in effect with UP at the time of the Board's consideration of the merger application. This contract had an expiration date of June 30, 1997, but was later extended by the parties to July 31, 1997, when it expired under the circumstances I next describe.

Despite Sierra/Idaho's grave doubts that the conditions placed by the Board on its approval of the merger of UP and SP would preserve the single line competition between these carriers prior to the merger, we nevertheless were determined to explore the possibility of UP/SP and the Burlington Northern and Santa Fe Railway Company ("BNSF") competing for the transportation of coal to the North Valmy Station which was not subject to the contract SUFCO coal minimums. In addition, during 1996 Sierra/Idaho had initiated a strategy which called for reducing the amount of coal taken under our current coal contracts to the contract minimums (or in Black Butte's case, exercising contract rights to reduce contract obligations) and seeking lower priced coal from alternative mine sources. Depending on the location of such alternative mines, this coal could be transported at rail rates established by competition between UP/SP and BNSF, in conjunction with the Utah Railway Company ("URC").

Because we suspected that this process might take time, we first exercised our right under the rail contract with UP/SP to request a one-year extension of that contract. Unfortunately, UP/SP rejected this request, and instead submitted a contract proposal which would have required Sierra/Idaho to use UP/SP to deliver virtually all of the coal to North Valmy for five years. Because this initial offer was so far afield of what Sierra/Idaho was considering, we did not formally respond to it. On May 22, 1997 Sierra/Idaho sent bid solicitations to UP/SP, BNSF, and URC by which we sought (1) a contract proposal from UP/SP for the contract minimum tons purchased from the SUFCO mine, and (2) competitive contract proposals for varying terms (1-3 years) from Utah, Colorado, and Wyoming mines served by UP/SP in single line service, and Utah mines served by UP/SP and BNSF in conjunction with URC. As we explained in our Comments in Finance Docket No. 32760, the Uinta Basin mines are closest to North Valmy and therefore present the best opportunity for competitive rail rates. We also asked

UP/SP for a 90-day extension of the contract from June 30, 1997 for the purpose of negotiating a new contract, but this request was refused. An extension of the contract term for the month of July was later agreed to.

Unfortunately, however, our rate solicitations did not evoke competitive action on behalf of either carrier. Absent further action by the Board, or an agreement between Sierra/Idaho, UP/SP, BNSF and URC that the exact terms of the railroads' responses may be disclosed to the Board under a Highly Confidential designation, I can only describe the railroads' responses in general terms. For its part, UP/SP responded to our request for a contract covering the minimum tons from the SUFCO mine by reiterating its prior condition that any contract to replace the parties' existing contract must cover, for all practical purposes, all of the coal shipped to North Valmy for a time period roughly commensurate with the SUFCO coal contract. Moreover, Sierra/Idaho's consultant's analysis of the single line rate offered by UP/SP for the movement from the SUFCO mine—which was the lowest rate offered for service from Utah mines—concluded that this rate exceeded what would be considered rate levels set by head-to-head rail competition in a competitive market. He also concluded that the rate exceeded the jurisdictional threshold at which the Board could examine the reasonableness of the rate had it been offered in the form of a common carrier rate.

UP/SP refused to budge from its stance that any contract for the SUFCO contract minimum tons must include a requirement that Sierra/Idaho ship virtually all of the coal shipped to North Valmy Station via UP/SP or URC-UP/SP. While we did not necessarily object to shipping all or substantially all of North Valmy's coal via UP/SP only, we were unable to negotiate contract terms with UP/SP that justified this approach. Consequently, Sierra/Idaho was forced to choose between shipping by contract virtually all of North Valmy's coal via UP/SP at a well-above market rail rate, or foregoing a contract with UP/SP for the tons required to be shipped from the SUFCO mine and transporting it by common carrier rate. To accept UP's offer as conditioned would have resulted in Sierra/Idaho foregoing any opportunity to explore the ability of BNSF to provide competitive service while the contract with UP/SP was in effect.

UP/SP's refusal to enter into a contract for anything less than essentially all of the tons shipped to North Valmy at what Sierra/Idaho considered to be excessive rates, and the impending expiration of the existing contract on July 31, 1997, forced Sierra/Idaho to request common carrier rates for this service pursuant to 49 U.S.C. § 11101, which we did on July 22, 1997. The common carrier rates established by UP/SP in response to this request are *substantially* above the expiring contract rate and any rate offered by UP/SP from Utah mines in response to Sierra/Idaho's May 22 solicitation. Because Sierra/Idaho is convinced that the common carrier

rate easily exceeds the maximum reasonable rate for this movement under the Board's procedures, we have filed a Complaint with the Board in Docket No. NOR-42012 seeking prescription of the maximum reasonable rate for this movement, as well as reparations.

Shipping the SUFCO tons by common carrier rate, although obviously not Sierra/Idaho's preference, does enable Sierra/Idaho to pursue coal in excess of its SUFCO coal contract minimum under competitively established rail rates and transportation terms. However, while I am again at this time precluded by confidentiality restrictions from disclosing the exact rates which were proposed by the UP/SP and URC-BNSF that would cover these tons, I can state that the URC-BNSF dual-line rates from Utah mines were far from being competitive with the UP/SP single line rates, which were themselves excessive. Indeed, the average difference between the initially offered joint-line URC-BNSF rates and UP/SP single-line rates from comparable Utah mines was approximately per ton for mines other than the SUFCO mine. The URC-BNSF joint-line rates were more than per ton higher than the UP/SP single line rate from the SUFCO mine.

The URC-BNSF rate proposals were slightly reduced during the parties' discussions, but these reductions did not appreciably reduce the large differential between the URC-BNSF joint line rates and the UP single line rates. Thus, while discussions with BNSF after its initial response produced a minor reduction in the joint-line rates, the final joint-line URC-BNSF rates were still well above the UP/SP single line rates, which themselves were well above competitive market rates.

In short, it is clear to Sierra/Idaho that the railroad competition we enjoyed prior to the UP/SP merger is no longer present. Based on the rates we received for transportation of coal via the URC-BNSF routings approved by the Board in Decision No. 44, it can only be concluded that BNSF either does not wish to, or feels it cannot, compete with the UP single line movements for Sierra/ Idaho's traffic under present circumstances. We have therefore asked the Board in this proceeding to consider modifying the merger conditions to adopt the relief we requested in the merger proceeding.

Notwithstanding the above, Sierra/Idaho must, in today's environment of electric industry restructuring, re-establish viable rail competition to North Valmy. We are therefore strongly considering moving some coal under the higher URC-BNSF rates with the hope that this traffic perhaps will help increase the level of competition to North Valmy to pre-merger levels. However, we are not optimistic that this can be accomplished without further action by the Board.

VERIFICATION

STATE OF NEVADA)
)ss.
COUNTY OF WASHOE)

Jeffery W. Hill, being first duly sworn, deposes and says:

That he is Director, Fuel Management and Operations Support for Sierra Pacific Power Company; that he has read the foregoing Verified Statement of Jeffery W. Hill before the Surface Transportation Board in Finance Docket No. 32760 (Sub-No. 21) and knows and understands the contents thereof; that there are good grounds to support this Statement; and that the same is true of his own knowledge, except as to those matters therein stated upon information and belief and as to those matters he believes them to be true.

Jeffery W. Hill

Subscribed and sworn to before me
this 31 day of July, 1997.

Connie D. Silveira
NOTARY PUBLIC

CONNIE D. SILVEIRA
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 97-2188-2 - Expires June 19, 2001

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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760 (Sub-No. 21)

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY AND MISSOURI PACIFIC RAILROAD COMPANY
— Control and Merger —
SOUTHERN PACIFIC CORPORATION, ST. LOUIS SOUTHWESTERN RAILWAY COMPANY, SPCSL CORP., AND THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

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Office of the Secretary
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Public Record

COMMENTS OF
MILLENNIUM PETROCHEMICALS INC.

Millennium Petrochemicals Inc. (formerly known as Quantum Chemical Corporation) ("Millennium"), thanks the Board for the opportunity to participate in this proceeding and to comment on the effect which of the merger has had on competition and the implementation of the conditions imposed on the merger by the Board. It is Millennium's intent with these comments to give the Board an impression of the impact of the merger and the conditions imposed upon the merger has had on a bulk shipper such as Millennium .

I. Introduction

A. Statement of Interest

Millennium is a major international chemical company, with leading market positions in a broad range of commodity, industrial, performance and specialty petrochemicals. With major manufacturing facilities in LaPorte, Texas, Port Arthur, Texas, Chocolate Bayou, Texas, Morris, Illinois and Clinton, Iowa, Millennium manufactures polyolefins, polymers and acetyls.[1] From

[1] Polyolefin products include ethylene, propylene and hydrocarbon-rich by-product streams; polymer products include high density polyethylene, low density polyethylene, linear low density polyethylene and polypropylene; acetyl products include vinyl acetate monomer, acetic acid, methanol and synthetic ethanol.

minor manufacturing facilities in Crockett, Texas, Heath, Ohio and Fairport Harbor, Ohio Millennium produces specialty polymers for the wire and cable industry and polymer color concentrates. Ethanol is manufactured at Millennium's Tuscola, Illinois facility and denatured at Millennium's plants in Anaheim, California and Newark, New Jersey. Millennium maintains five regional distribution centers located in Gary, Indiana; Baytown, Texas; Ackerman, Georgia, Finderne, New Jersey; and San Bernardino, California. Each Millennium manufacturing facility ships the majority of its products in bulk by rail and each regional distribution center receives nearly all of its inventory via rail. Millennium ships an annual average of 23,000 rail cars from all facilities; it ships an annual average of 14,000 rail cars from points served by the merged UP/SP. Millennium is an active member, *inter alia*, of the Chemical Manufacturers Association ("CMA"), the Society for the Plastics Industry ("SPI") and the National Industrial Transportation League ("NITL"). Millennium participated in the UP/SP merger proceedings (Finance Docket No. 32760), both through its participation in trade organizations, such as the CMA, SPI and NITL, and in its own right.

B. Purpose of Oversight Proceeding Comments

Millennium makes this comment with the intent of giving the Board an impression of how the UP/SP merger and the conditions imposed upon that merger are working from the perspective of a bulk commodity shipper which is affected each and every day by the merger. Millennium also wishes to use this opportunity to recommend to the Board actions which it believes the Board should take in order to implement the objectives of its Decision No. 44 approving the merger.

II. Comments

A. Summary

Millennium wishes to bring to the Board's attention two issues arising post-merger which threaten the meaningful implementation of Decision No. 44. The first issue is the severe degradation of rail service in the Gulf coast region of Texas post-merger. The other issue is the effective failure of the conditions imposed upon the merger by the Board to maintain effective rail-to-rail competition in the Gulf coast region. Shippers such as Millennium, which depend upon efficient and cost-effective rail transportation from their manufacturing facilities to their customers, have experienced a severe and costly degradation of rail service in the Gulf coast region of Texas since the approval of the UP/SP merger. This degradation of service comes despite pre-merger assurances from the UP and SP that the merger would result in improved service and reduced costs to shippers. The second issue is that the access granted to the Burlington Northern/Santa Fe ("BNSF") in order to maintain rail-to-rail, or intramodal, competition has failed to produce the intended result. This failure of BNSF to be an effective competitor is due, in part, to a dearth of storage-in-transit facilities, which are vital to offering competitive rail service for shippers such as Millennium. BNSF's ability to accept new traffic in the Gulf Coast region made available by the Board's conditions on the merger has been hampered by its inability to obtain adequate storage-in-transit within the region. Even if storage-in-transit were not a problem, the BNSF is hampered from being an effective competitor by uncertainty over how to implement the Board's conditions regarding the BNSF's right to serve new facilities along trackage rights lines.

The first year of the merger has been lost vis-à-vis intramodal competition, especially in the Gulf coast region. Millennium believes that in order to make up for this past year, that the Board should extend the oversight period one additional year. In addition, Millennium believes that the Board should adopt the recommendation of the CMA and SPI and order the UP/SP and the BNSF to provide certain specified metrics in their quarterly reports to the Board in order to aid meaningful analysis of the implementation of the merger and the conditions placed upon the merger.

B. Comments on the Degradation of Rail Service Post-Merger

In its July 1, 1997 quarterly report to the Board, the UP/SP readily admits that rail service in the Texas Gulf coast region has degraded. Finance Docket No. 32760 (Sub-No 21), UP/SP 303 at 11 - 14. While the UP/SP tries to minimize the extent of the service problems (and even tries to claim that they are a continuation of "chronic problems in the Houston terminal that had plagued the SP for years"), the impact of these service problems is significant to shippers. The BNSF, likewise, admits that storage-in-transit has been a problem, although it claims that the recently concluded agreement with the UP/SP regarding additional capacity at the Dayton SIT facility and other recently negotiated agreements for additional SIT capacity should alleviate the problem.[2] Finance Docket No. 32760, BNSF-PR-4 at 26.

Prior to the merger, the average loaded transit time for rail cars leaving Millennium's Gulf coast manufacturing facilities[3] was 11.6 days. Verified Statement of Michael Dunn at 1. The

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[2] There is some apparent confusion in footnote 1 to the BNSF's quarterly report. On page 27, the BNSF states, "The Dayton SIT facility *together with* access we recently negotiated to 50% of the Sjolander SIT facility. . ." (Emphasis added.) This statement gives the impression that the BNSF has agreements for additional SIT capacity at two facilities. The Dayton SIT facility and the Sjolander SIT facility are, to the best of Millennium's knowledge, one and the same facility.

[3] Millennium's Gulf coast facilities include LaPorte (Strang), Chocolate Bayou, and Port Arthur (Williams), Texas.

average transit time for the same facilities has increased by 50%. *Id.* This increase in transit times not only disrupts delivery schedules, but has an immediate and unrecoverable economic impact on shippers such as Millennium. Millennium estimates that since the merger was approved, it has had to expend $200,000 per month in additional freight expenses[4] which are directly attributable to the UP/SP's degraded service; specifically, the dramatic increase in transit times on outbound shipments from the Gulf coast facilities. Dunn VS. at 2.

These service problems also disrupt the flow of empty rail cars returning to the manufacturing facilities[5]. Presently, Millennium has one plant operating with less than one day's supply of empty rail cars. *Id* Anecdotally, Millennium is aware of empty rail cars not moving from storage in Galveston for nearly 30 days and in Eagle Lake, Texas for twenty-eight days when the supply of empty cars at manufacturing facilities fifty miles away was dangerously low. *Id.* It has been opined to Millennium personnel by UP/SP customer service personnel that rail service in the Gulf coast region is the worst it has been in twenty-eight years. Dunn VS at 2-3.

These impacts of the merger, namely the increased transit times, the additional freight expenses, and the slow return of empty rail cars to the manufacturing plants, have had an adverse economic effect on shippers such as Millennium. Any benefits which the UP/SP can claim from this first year of the merger have been more than offset by the adverse impacts which implementation of the merger have been placed on shippers, especially those in the Gulf coast region.

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[4] "Additional freight expense" includes the cost of expedited bulk hopper truck deliveries in lieu of rail car deliveries, rail car diversion and off-loading to bulk hopper truck, rail car utilization and inventory carrying cost.

[5] Because Millennium produces products 24 hours a day, seven days a week at its manufacturing facilities, it is crucial that there be an adequate supply of empty hopper rail cars on hand in order to load and temporarily store the products being produced. The alternative to loading empty rail cars is to scale back production or to shut down the plants entirely. Both alternatives would result in severe economic losses to Millennium and, in the case of the shut down of a plant, would entail unnecessary risk of property damage and/or personal injury during the restart process. Generally, four to seven days supply of empties is the minimum requirement.

C. Comments on Effectiveness of Conditions to Maintain Rail-to-Rail Competition

1. The Goals

In its Decision No. 44, the Board reiterated the general policy that the focus when evaluating a consolidation of two carriers serving the same market should be on retaining effective intramodal competition. Finance Docket No. 32760, Decision No. 44 at 101. Further, the Board expressed the opinion that the merger would not diminish rail-to-rail competition for shippers formerly served separately by the SP and the UP (*i.e.* the 2-to-1 points). *Id.* at 121. The Board then imposed conditions upon the merger which were intended, *inter alia*, to ameliorate or prevent any harm to intramodal competition which the merger might engender. *Id.* at 144 - 156. The BNSF was given certain trackage rights in order to fill the competitive vacuum created by the loss of the SP at 2-to-1 points. *Id.* at 145. In addition, the Board also granted the BNSF the right to serve new facilities located post-merger on former SP lines over which it had trackage rights. These new facilities included transload facilities.

While the Board strove to preserve rail-to-rail competition after the merger in its Decision No. 44, effective competition has been constructively thwarted by circumstances arising from implementation of the merger and the conditions imposed upon the merger in two areas: storage-in-transit ("SIT") and uncertainty over BNSF's rights to serve new facilities along its trackage rights.

2. Storage-in-Transit

In Decision No. 44, the Board recognized the importance of SIT to service of bulk commodity shippers, especially plastics shippers in the Gulf coast region. Decision No. 44 at 151.

Consequently, the Board imposed a condition upon the merger granting the BNSF access to all former SP SIT facilities on economic terms no less favorable than the terms of UP/SP's access. *Id.* at 152.

The reality facing shippers such as Millennium is that storage-in-transit is a major problem for outbound shipments and inbound empty rail cars. It is interesting to note that the UP/SP and the BNSF did not finalize an agreement for BNSF access to the former SP Dayton, Texas SIT facility until April 28, 1997, nearly nine months after the merger was approved. Finance Docket No. 32760, BNSF-PR-4 at 26. In the interim, shippers such as Millennium who may have wanted to or did utilize the BNSF found their inbound and outbound rail cars either pushed to SIT facilities remote from the Gulf coast region or hopelessly mired in overcrowded SIT yards such as Dayton. Dunn VS at 2. The Dayton SIT facility, in particular, has been pushed beyond its capacity based upon information Millennium is receiving. Not only must the Dayton yard now handle BNSF's SIT requirements, but also former UP traffic which previously did not have access to this facility. Without access to adequate SIT capacity, BNSF will never be a viable competitor in the Gulf coast region, especially to commodity plastic shippers. The UP/SP and the BNSF knew, or should have known, prior to approval of the merger that the SIT infrastructure in the Gulf coast region was inadequate for the BNSF to be a viable competitor to the UP/SP and that the BNSF would remain a non-viable competitor until more SIT capacity was in place.

Millennium brings to the Board's attention that neither the UP/SP nor the BNSF have provided any quantitative measurement of SIT utilization or capacity for areas where the BNSF is intended to replace the SP as a competitor, nor have they provided any quantitative data on any impact which SIT utilization or capacity may have on implementation of the merger or the

conditions upon the merger. It should be incumbent upon the UP/SP and the BNSF to report SIT utilization and capacity in order for the Board, and participants in this proceeding, to evaluate in a meaningful way whether or not the conditions in Decision No. 44 regarding SIT access are being implemented.

3. New Facilities Along Trackage Rights

Both the UP/SP and the BNSF, as well as the CMA and SPI in their joint comments (Finance Docket No. 32760 (Sub-No. 21), CMA-2/SPI-3) recognize that the UP/SP and the BNSF have yet to agree upon a protocol for implementing the Board's condition that BNSF be granted the right to serve new, post-merger facilities along trackage rights granted to it along former SP lines. For a shipper such as Millennium, this failure of the UP/SP and the BNSF to come to agreement on implementation of this condition "freezes" its long-term strategic planning regarding rail transportation. The BNSF has not been able to effectively use the rights granted under this condition since the merger was approved. Thus, any harm to competition which this condition was intended to ameliorate or prevent has neither been ameliorated or prevented. In effect, the Board's intention to preserve and foster intramodal competition has been constructively thwarted. Millennium believes that the Board should intervene if the UP/SP and the BNSF cannot quickly come to agreement regarding implementation of this condition.

III. Conclusion

In summary, Millennium concludes that one year has passed without the Board's Decision No. 44, approving the UP/SP merger and imposing conditions upon the merger, achieving its intended results. Consequently, competition has suffered in the Gulf coast region of Texas from

the withdrawal of the SP as a rail competitor. In addition, shippers in the Gulf coast region have been made to bear a heavy burden in implementation of the merger in the form of severely degraded rail service. In order to put the process "back on the tracks" and to start realizing the intent of Decision No. 44, Millennium urges the Board to adopt the recommendation of the joint comment of the CMA and SPI that certain specified metrics be included in future quarterly reports submitted by the UP/SP and the BNSF. In addition, Millennium urges the Board to extend the oversight period an additional one year to compensate for the time which has been lost since the merger was approved.

Respectfully submitted,

Michael P. Ferro
Millennium Petrochemicals Inc.
11500 Northlake Drive
Cincinnati, Ohio 45249
(513) 530-6808
(513) 530-6562 FAX
Attorney for Millennium Petrochemicals Inc.

Martin W. Bercovici
Keller & Heckman
1001 G Street, N.W.
Suite 500 West
Washington, DC 20001
(202) 434-4100
Of Counsel for Millennium Petrochemicals Inc.

CERTIFICATE OF SERVICE

I, Kimberly L. Bigley, a secretary at the law firm of Keller and Heckman, LLP, hereby certify that a copy of the foregoing Comments of Millennium Petrochemicals, Inc. (MPI-2) was served by first-class mail, postage prepaid, on this 1st day of August, 1997, upon all Parties of Record in this proceeding

Kimberly L. Bigley

July 31, 1997

VERIFIED STATEMENT
OF
Michael Dunn

My name is Michael Dunn, Manager of Rail Procurement for Millennium Petrochemicals Inc. ("Millennium"), 11500 Northlake Drive, Cincinnati, Ohio 45249. I am responsible, among other things, for negotiating rates for rail transportation of Millennium's products. I work in close coordination with Millennium's Manager of Distribution Logistics and Manager of Transportation Load Planning. I am, therefore, familiar with the problems which Millennium has been experiencing in the Texas Gulf coast region since the merger of the Southern Pacific Corporation ("SP") into the Union Pacific Railroad Company ("UP"). I also serve on the steering committee to the Rail Task Group of the Distribution Committee of the Chemical Manufacturers Association, so I am familiar with the proceedings in Finance Docket No. 32760 and the merger oversight proceeding in Finance Docket No. 32760 (Sub-No. 21). I have reviewed the quarterly reports of the UP/SP and the Burlington Northern and Santa Fe Railway Company (BNSF) in the oversight proceeding. Finance Docket No. 32760, BNSF-PR-2 and UP/SP-303.

Millennium tracks its outbound shipments of rail hopper cars and keeps statistics on the number of days its takes for these rail cars to move from origin to destination. These statistics aid Millennium in optimizing the routing of rail car shipments to its customers, in planning production, in inventory control and in rail car fleet management. I have reviewed historical data on transit times of outbound shipments of rail cars from Millennium's manufacturing facilities in the Gulf coast region of Texas. Prior to the UP/SP merger, the average transit time was 11.6 days. Presently, the average transit time for the same routings has increased by 50%. Millennium

is seeing frequent aberrant transit times on some routings, such as 26 days from LaPorte (Strang), Texas to Baytown, Texas. (In this case, the car was stored in East St. Louis, Illinois after leaving Strang.)

Due to the increase in the transit times of loaded rail cars outbound from the Gulf coast region, Millennium has had to take extraordinary measures in order to meet delivery commitments made to customers. Such extraordinary measures include expedited shipping of bulk hopper truck loads of product in lieu of rail car shipment and diverting rail car shipments to team tracks and off-loading the product into bulk hopper trucks. These extraordinary measures result in additional freight charges to Millennium (generally referred to within Millennium as "additional freight expenses") which usually cannot be passed through to the customer. Since the merger was approved, Millennium has incurred approximately $200,000 per month in additional freight expenses as a direct result of the deteriorated rail service within and originating from the Gulf coast region.

Millennium also tracks the number of empty rail cars ("empties") on-hand at each of its manufacturing facilities. Since the manufacturing facilities require a certain number of empty rail cars each day in order to ship and to temporarily store the day's production, the gross number of empties on-hand is usually expressed in terms of the number of days supply of empties. At times, supplies of empties at Gulf coast plants have been less than what is considered an adequate reserve of empties. On occasion, plants have prepared to, or have actually had to, scale back production in order to adjust production to the supply of empties on hand. In the meanwhile, Millennium has learned of its empties sitting in storage in Galveston, Texas for thirty days and in storage in Eagle Lake, Texas for twenty-eight days. I am told by UP customer service personnel,

that, in their opinion, the situation with transit times, storage-in-transit and empties being returned

is the worst it has been in twenty-eight years!

VERIFICATION

COUNTY OF HAMILTON §
§ SS
STATE OF OHIO §

Michael Dunn, being duly sworn, deposes and says that he has read the foregoing statement, knows the facts asserted there are true and that the same are true as stated.

Michael Dunn

Subscribed and sworn to before me this 31st day of July, 1997.

My commission expires: _____

MICHAEL P. FERRO, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration
date, Section 147.03 O.R.C.

18-908

BRACEWELL & PATTERSON, L.L.P
A REGISTERED LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

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AUSTIN TX 78701-4052
512 472 7800

LINCOLN PLAZA
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DALLAS TX 75201-3387
214 740 4000

43 BROOK ST
LONDON W1Y 2BL ENGLAND
44 171 355 3330

August 1, 1997

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Via Hand Delivery

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Case Control Unit
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket 32760 (Sub.-No. 21), *Union Pacific Corp., et al.-- Control and Merger -- Southern Pacific Rail Corp., et al.*

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are an original and twenty-five copies of Comments of the Capital Metropolitan Transportation Authority (CMTA-2). Also enclosed is a 3.5 inch disk that contains the text of this pleading in Wordperfect 6.0 format.

I would appreciate your date-stamping the enclosed receipt copy of the filing and returning it with the messenger for our records.

ENTERED
Office of the Secretary
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Public Record

Very truly yours,

Bracewell & Patterson, L.L.P.

Monica J. Palko

Enclosures

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CMTA - 2

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BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

UNION PACIFIC CORP., UNION PACIFIC RAILROAD CO. AND MISSOURI PACIFIC RAILROAD CO. -- CONTROL AND MERGER -- SOUTHERN PACIFIC RAIL CORP., SOUTHERN PACIFIC TRANSPORTATION CO., ST. LOUIS SOUTHWESTERN RAILWAY CO., SPCSL CORP. AND THE DENVER AND RIO GRANDE WESTERN RAILROAD CO.	)	FINANCE DOCKET NO. 32760 (Sub-No. 21)

COMMENTS OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY

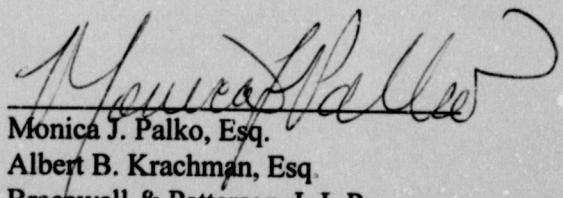
The Capital Metropolitan Transportation Authority ("Capital Metro") files these Comments in response to Decision No. 1 in the above-referenced proceeding, in which the Surface Transportation Board ("the Board") requested comments regarding implementation of the conditions imposed upon the merger of the rail carriers controlled by Union Pacific Corporation and the rail carriers controlled by Southern Pacific Rail Corporation.

Through Decision No. 44 of Finance Docket 32760, as a condition to the merger, the Board granted Capital Metro the right to choose an interchange point for Giddings-Llano shippers to interchange with The Burlington Northern and Santa Fe Railway Company ("BN/Santa Fe"). Decision No. 44, STB Finance Docket No. 32760, p. 182 (August 6, 1996). Capital Metro selected Elgin as this interchange point, and the Board accepted Capital Metro's decision. Decision No. 69, STB Finance Docket No. 32760, p. 5 (March 7, 1997). BN/Santa Fe's interchange of Giddings-Llano traffic via Elgin began only in March of this year. The Burlington Northern and Santa Fe

Railway Company's Quarterly Progress Report, p. 4 (April 1, 1997); Applicants' First Quarter 1997 Progress Report with Respect to Merger Conditions, p. 12 (April 1, 1997). Because this interchange service is still in its preliminary and formative stages, Capital Metro is unable to determine the effectiveness of such interchange to allay concerns regarding the merger's anticompetitive impact. Capital Metro notes generally, however, that such interchange has occurred, and that Capital Metro's rail operator, Longhorn Railway, and BN/Santa Fe personnel have been working together to establish the Elgin interchange as a viable option for Giddings-Llano shippers.

During the course of investigating the status of the BN/Santa Fe interchange via Elgin, it has come to Capital Metro's attention that some Giddings-Llano shippers have, since the merger, had substantial difficulty obtaining an adequate number of rail cars to service their operations. Exhibit A, Responses to Question Nos. 5 and 9. At least two shippers also consider that Union Pacific service has significantly deteriorated post-merger. *Id.* Capital Metro understands that Longhorn Railway is filing comments that address these issues in more detail.

Respectfully submitted,



Monica J. Palko, Esq.
Albert B. Krachman, Esq.
Bracewell & Patterson, L.L.P.
2000 K Street, N.W., Suite 500
Washington, D.C. 20006
(202) 828-5800

August 1, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of the foregoing Comments of the Capital Metropolitan Transportation Authority to be served by first class mail, or more expeditious manner, on all Parties of Record in Finance Docket No. 32760 (Sub. No-21), this 1st day of August, 1997.

Monica J. Palko

DC\77653.1

US OFFICE PRODUCTS

CAPITAL METRO
Capital Metropolitan Transportation Authority
2910 East Fifth Street, Austin, Texas 78702 • (512) 389-7400 • FAX (512) 389-1283

GIDDINGS-LLANO SHIPPER SURVEY

In August of 1996, the Surface Transportation Board ("the Board" or "STB") approved the control and merger of the Southern Pacific Railroad by the Union Pacific Railroad. Through its decision granting this approval, the Board imposed certain conditions intended to retain shipping competition and to prevent the Union Pacific from exercising monopoly control. To retain competition on the line, the Board imposed a condition that the Burlington Northern Railroad would interchange with Giddings-Llano freight traffic. This interchange began in March of this year via Elgin.

The Board has now initiated a follow-up proceeding intended to determine the effectiveness of the conditions the Board imposed. Capital Metro is contacting you to develop information needed to determine whether it would be necessary or helpful to file comments in the proceeding.

Please return this survey by July 21, 1997 to Justin Augustine, Capital Metro General Manager, in the enclosed envelope or fax it to him at (512) 385-0474.

Thank you for your time and assistance.

1. What is the name and address of your facility or business?

Pioneer Concrete of Texas, Inc.
Burnet Quarry
P. O. Drawer B
Burnet, Texas 78611
(512) 756-8255

2. What commodity do you ship, in what quantities, and at what frequency?

The Pioneer Quarry produces construction materials, these consist of primarily concrete and asphalt aggregates.
Pioneer has a weekly standing order of 125 cars. These are 100 ton hoppers and Gons.

3. What is the title or position of the person(s) completing this survey?
Lee Carroll
Area Manager Dallas Commercial

4. Before you received this survey, were you aware that both Union Pacific and Burlington Northern interchange with Giddings-Llano freight traffic?

Yes X No _

(a) If yes, when did you become aware that Burlington Northern interchanges with Giddings-Llano traffic?

March of 1997

(b) If yes, from whom did you learn that Burlington Northern interchanges with Giddings-Llano traffic?

Don Cheatham of the Longhorn Railway Company

(c) If yes, has any Burlington Northern representative contacted you to discuss possible transportation to or from your facility?

Russ Smithey of the Burlington Northern

5. In your opinion, has the level, quality and cost value of Union Pacific rail transportation service improved, remained the same, or deteriorated since the merger on September 11, 1996? Please explain.

The level of service on the Union Pacific has deteriorated. For example, in previous train movements from the Pioneer Burnet Quarry to a large construction market like Houston, would take one -week travel to Houston and back. Currently that same train movement takes at least three (3) weeks. Of the 875 cars requested since June 10th we've received 351. The Union Pacific has notified Pioneer of an equipment shortage.

6. Has any of your freight been interchanged by the Burlington Northern since it began to interchange with Giddings-Llano traffic in about March of this year?

Yes X No __

(a) If so, were you pleased with the service and price ordered? Why or Why not?

Yes X No __

Yes, the rates were fair and the service has been sufficient.

7. Has anyone contacted you regarding the potential -- or need---to construct or improve rail track or track appurtenances in order to facilitate interchange with the Burlington Northern?

Yes

8. Has rail transportation service, whether via Union Pacific or Burlington Northern (although through Longhorn Railway initially), been adequate to meet your needs? Why or why not?

Yes __ No X

Though the B.N.S.F. service has been sufficient, the B.N.S.F. lines don't service the major consumers in Houston. Pioneer Aggregates must continue to rely on the Union Pacific Railroad.

9. Please provide any additional comments below.

Pioneer Concrete has notified the S.T.B of similar problems with other rail served quarry operations around the state.
We would appreciate Capital Metro assistance in requesting the S.T. B to address the Rail Transportation service problems being observed.

CAPITAL METRO
Capital Metropolitan Transportation Authority
2910 East Fifth Street, Austin, Texas 78702 • (512) 389-7400 • FAX (512) 389-1283

GIDDINGS-LLANO SHIPPER SURVEY

In August of 1996, the Surface Transportation Board ("the Board" or "STB") approved the control and merger of the Southern Pacific Railroad by the Union Pacific Railroad. Through its decision granting this approval, the Board imposed certain conditions intended to retain shipping competition and to prevent the Union Pacific from exercising monopoly control. To retain competition on the line, the Board imposed a condition that the Burlington Northern Railroad would interchange with Giddings-Llano freight traffic. This interchange began in March of this year via Elgin.

The Board has now initiated a follow-up proceeding intended to determine the effectiveness of the conditions the Board imposed. Capital Metro is contacting you to develop information needed to determine whether it would be necessary or helpful to file comments in the proceeding.

Please return this survey by July 21, 1997 to Justin Augustine, Capital Metro General Manager, in the enclosed envelope or fax it to him at (512) 385-0474.

Thank you for your time and assistance.

1. What is the name and address of your facility or business?

CAPITOL AGGREGATES, LTD.
(DELTA OPERATIONS)
P.O. BOX 99
MARBLE FALLS, TEXAS 78654

2. What commodity do you ship, in what quantities, and at what frequency?

CRUSHED STONE
APPROX. 1200 CARS/YEAR
AS DEMAND DICTATES, HEAVIEST MARCH TO SEPTEMBER

3. What is the title or position of the person(s) completing this survey? (Optional)

SALES REPRESENTATIVE

4. Before you received this survey, were you aware that both Union Pacific and Burlington Northern interchange with Giddings-Llano freight traffic?

Yes __X__ No ____

(a) If yes, when did you become aware that Burlington Northern interchanges with Giddings-Llano traffic?

JANUARY 1997

(b) If yes, from whom did you learn that Burlington Northern interchanges with Giddings-Llano traffic?

DON CHEATHAM

(c) If yes, has any Burlington Northern representative contacted you to discuss possible transportation to or from your facility?

NO - I CONTACTED THEM

5. In your opinion, has the level, quality and cost value of Union Pacific rail transportation service improved, remained the same, or deteriorated since the merger on September 11, 1996? Please explain.

DETERIORATED BADLY - BOTH SERVICE AND EQUIPMENT AVAILABILITY.

6. Has any of your freight been interchanged by the Burlington Northern since it began to interchange with Giddings-Llano traffic in about March of this year?

Yes _____ No X

(a) If so, were you pleased with the service and price offered? Why or why not?

Yes _____ No _____

7. Has anyone contacted you regarding the potential -- or need -- to construct or improve rail track or track appurtenances in order to facilitate interchange with the Burlington Northern?

WE HAVE BEEN KEPT UP TO DATE THRU CONVERSATIONS WITH DON CHEATHAM.

8. Has rail transportation service, whether via Union Pacific or Burlington Northern (although through Longhorn Railway initially), been adequate to meet your needs? Why or why not?

Yes ____ No X

SEE #5
LONGHORN IS DOING THE BEST THEY CAN WITH THE

INTERCHANGE SERVICE THEY GET.

9. Please provide any additional comments below. If you need more room, please use the back of this survey or attach additional pages.

WITH THE LEVEL OF SERVICE THE UP RAIL ROAD IS GIVING AT THIS TIME, AND THE CAR UTILIZATION AND AVAILABILITY AS IT IS, IT IS IMPOSSIBLE TO KEEP RAIL CUSTOMERS SUPPLIED IN A TIMELY MANNER. SERVICE ON UP IS THE POOREST I HAVE EVER SEEN.

180907

LAW OFFICES
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WASHINGTON, D.C. 20006-3939
TELEPHONE : (202) 298-8660
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(202) 342-1316

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August 1, 1997

Via Hand Delivery

Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Union Pacific Corporation, et al. -- Control & Merger -- Southern Pacific Rail Corp., et al.
Finance Docket No. 32760 (Sub-No. 21)

Dear Secretary Williams:

Enclosed for filing is an original and twenty five copies of TM-2, Comments of The Texas Mexican Railway Company, filed in the above-reference proceeding. Also enclosed is a 3 1/2" computer disk containing the filing in Wordperfect 5.1 format, which is capable of being read by Wordperfect for Windows 7.0.

Should you have any questions regarding this, please call.

Sincerely,

Richard A. Allen

Enclosure

TM-2

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BEFORE THE
SURFACE TRANSPORTATION BOARD

Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Co. -- Control and Merger -- Southern Pacific Rail Corp., Southern Pacific Trans. Co., St. Louis Southwestern Railway Co., SPCSL Corp. and The Denver and Rio Grande Western Railroad Co.

Finance Docket No. 32760 (Sub-No. 21)
(UP/SP Oversight)

COMMENTS OF
THE TEXAS MEXICAN RAILWAY COMPANY

Pursuant to the Surface Transportation Board's ("Board") Decision No. 1, served May 7, 1997, in the UP/SP Oversight proceeding,[1] The Texas Mexican Railway Company ("Tex Mex") hereby submits its comments with regard to the effects of the merger on competition and implementation of certain conditions imposed to address competitive harms.

---

[1] The "UP/SP Oversight proceeding" refers to the proceeding instituted in Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., Union Pacific Co. and Missouri Pacific Railroad Co. -- Control and Merger -- Southern Pacific Rail Corp., Southern Pacific Trans. Co., St. Louis Southwestern Railway Co., SPCSL Corp. and The Denver and Rio Grande Western Railroad Co., Decision No. 1, served May 7, 1997. The UP/SP Oversight proceeding embraces the proceeding in Finance Docket No. 32760, Union Pacific Corp., Union Pacific Co. and Missouri Pacific Railroad Co. -- Control and Merger -- Southern Pacific Rail Corp., Southern Pacific Trans. Co., St. Louis Southwestern Railway Co., SPCSL Corp. and The Denver and Rio Grande Western Railroad Co., hereinafter referred to as "UP/SP."

I. INTRODUCTION & SUMMARY

UP/SP, Decision No. 44, served August 12, 1996, granted the application of Applicants UP[2] and SP[3] for prior approval of the merger of the UP and the SP railroad systems subject to certain conditions designed to ensure continued rail competition in the western United States. Among other conditions imposed on the merger, the Board granted three conditions which are the subject of today's comments by Tex Mex: (1) the Tex Mex trackage rights; (2) the BNSF[4] conditions; and (3) the oversight conditions.

To the extent that anything can be determined at this early date, by all accounts, the Tex Mex trackage rights conditions and the BNSF conditions are not fully accomplishing their intended purposes. Congestion and inefficiencies are resulting in limitations and delays for BNSF and Tex Mex operations in Texas, which in turn affect Tex Mex's ability to compete. These problems will have to be addressed. The record simply is not sufficient, though, for the Board to make any reasonable determination as to whether the conditions imposed by the Board

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[2] The Union Pacific Corporation, Union Pacific Railroad Company and the Missouri Pacific Railroad Company (now merged into the Union Pacific Railroad Company), collectively are referred to herein as "Union Pacific."

[3] Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grand Western Railroad Company collectively are referred to herein as "Southern Pacific" and, together with Union Pacific, collectively are referred to herein as "UP/SP."

[4] The Burlington Northern and Santa Fe Railway Company is referred to herein as "BNSF."

are effective in replacing other competition lost through the merger of the UP and the SP. The Board should clarify that discovery is available in this proceeding, and appoint an administrative law judge to adjudicate disputes, in order to ensure that the next round of reports and comments provide the Board with a firmer ground on which to make any determinations.

II. THE RELEVANT CONDITIONS

For purposes of these comments, Tex Mex focuses on only three of the conditions the Board imposed to address the anticompetitive aspects of the UP/SP merger. Those conditions, the Tex Mex trackage rights conditions, the BNSF conditions, and the oversight conditions, are described generally below.

A. The Tex Mex Trackage Rights Condition.

The Board conditioned its approval of the UP/SP merger in part on the grant to Tex Mex of trackage rights from its lines to Houston over the "Flatonia Route" -- which extends over UP/SP lines from Corpus Christi and Robstown to Houston through Flatonia -- and from Houston to a connection with KCS[5/] at Beaumont. Tex Mex may carry any traffic under the rights with one significant restriction -- the traffic must have a prior or subsequent movement over the Tex Mex lines. UP/SP, Decision No. 44, slip. op. at 13, 23-33. The central purpose of granting trackage rights to Tex Mex was to "ensure the continuation of an

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[5/] The Kansas City Southern Railway Company is referred to as "KCS."

effective competitive alternative to UP's routing into the border crossing at Laredo." Id. at 149.

B. **The BNSF Conditions**.

The BNSF Conditions grew out of several aspects of the merger proceeding -- the BNSF Settlement, the CMA Agreement, and the evidence submitted by dozens of parties concerned about the loss in competition which would occur when UP absorbed SP. In brief, these conditions, which included contract modification and new facility access conditions to enhance the trackage rights BNSF was to get, were granted in order to ensure that BNSF could "replicate the competition that would otherwise be lost when SP is absorbed into UP." UP/SP, Decision No. 44, slip op. at 145.

Of relevance to these comments, the trackage rights that BNSF received included trackage rights over the "Algoa Route" which runs from Algoa (just south of Houston) to Brownsville parallel to the Gulf Coast via Corpus Christi and Robstown, where BNSF connects with Tex Mex. Because most of the traffic BNSF interchanges with Tex Mex is interchanged at Corpus Christi or Robstown, it is over this route that most BNSF-Tex Mex traffic flows.

C. **The Oversight Condition**.

The final condition of importance to these comments is the oversight condition. The Board instituted a five-year oversight proceeding "to examine whether the conditions . . . imposed have effectively addressed the competitive issues they were intended

to remedy." UP/SP, Sub-No. 21 ("UP/SP Oversight"), Decision No. 1, served May 7, 1997, comments of Chairman Morgan, slip op. at 8. The Board specifically "retain[ed] jurisdiction to impose additional remedial conditions if, and to the extent, [the Board] determine[s] that the conditions already imposed have not effectively addressed the competitive harms caused by the merger." UP/SP, Decision No. 44, slip op. at 146.

Initially, the Board planned to begin the oversight proceeding on or about October 1, 1997. UP/SP, Decision No. 44, slip op. at 147. It left open the possibility, however, that the proceeding would begin earlier "[i]f the circumstances warrant. . . ." In an order served on May 7, 1997, the Board did begin the proceeding early, asking the parties to submit comments by August 1. UP/SP Oversight, Decision No. 1, slip op. at 2. These comments are submitted on behalf of Tex Mex in response to the Board's request.

III. ALTHOUGH THE UP AND BNSF REPORTS ARE LACKING, WHAT INFORMATION IS AVAILABLE RAISES SERIOUS CONCERNS.

The UP/SP Oversight proceeding only recently began its 5-year term, and one very basic problem has come to light. Both UP/SP and BNSF are required by the Decision No. 44 to submit on a quarterly basis implementation progress reports to help the Board determine whether the conditions imposed are effective in addressing the competitive problems they were meant to address. UP/SP, Decision No. 44, slip op. at 146-47. The Board simply

does not have sufficient information in which to make that determination.

Faced with admonitions from the Board and discovery requests from parties, UP/SP and BNSF submitted more detailed progress reports on July 1, 1997 than either had previously. To a limited degree, UP/SP also responded to discovery. BNSF refused to respond to discovery at all.

The more detailed progress reports, however, are still not sufficient to determine whether certain conditions are fulfilling their stated purpose. They do, however, raise serious concerns.

For example, UP/SP claims that the contract modification condition has been effective despite the fact that only six shippers with eight contracts (of the 930 contracts open to modification) have contacted UP since the merger to ask whether UP would terminate their contracts if the shipper took advantage of the contract modification condition. UP/SP-303 at 86. UP/SP informed the shippers as to four of the eight contracts that UP/SP would terminate the contract if the shipper took advantage of the contract modification condition. UP/SP-303 at 86. While to UP/SP this "suggest[s]" that 2-to-1 shippers are "satisfied with the existing contractual arrangement," id., it more likely supports BNSF's concern that the contract modification condition is fundamentally flawed and gives UP/SP substantially more power

to retain business than was intended under the condition.[6/] BNSF-PR-4 at 11.

As another example, both UP/SP and BNSF claim that BNSF's traffic over its trackage rights has grown over time. More relevant is whether this growth in BNSF traffic over its trackage rights is new or rerouted traffic, originating and terminating at captive or competitive points, and traffic for which SP and UP competed prior to the merger and for which the BNSF conditions were put into place to protect.[7/]

The burden is clear. UP/SP and BNSF must submit sufficient information to permit the Board to determine that the protective conditions are effective in addressing the specific competitive concerns they were imposed to address. Chairman Morgan explained it best when she wrote that:

> The conditions that the Board has imposed require the applicants and BNSF to report periodically to demonstrate to the Board that the protective conditions are in fact working. The Board will not depend upon shippers and affected parties to do its monitoring.

[6/] UP/SP responded to discovery requests concerning the few 2-to-1 shippers who inquired of UP/SP concerning the contract modification condition. Not evident from the UP/SP response were the volumes and revenues involved in the contracts it said it would terminate if the shipper exercised its election under the contract condition. See HC06-0001 through HC06-0030 (submitted as Appendix A in the Highly Confidential Appendix submitted herewith). As noted above, BNSF did not respond to any discovery requests concerning the contract modification condition.

[7/] Again, UP/SP did respond to certain discovery requests with regard to BNSF traffic traversing the BNSF trackage rights lines. BNSF refused to provide anything in response to discovery. The UP/SP-provided evidence is not sufficient to make any determinations with regard to the issues described in the text.

UP/SP, Decision No. 44, slip op. at 240 (separate comments of Chairman Morgan). So far, the information UP/SP and BNSF have provided to the Board is not sufficient to meet their burden.

Of course, some evidence is not available now and only will be available over time. For example, UP/SP estimates that BNSF is carrying only 20% of the total universe of traffic it believed would be available. UP/SP-303 at 94. Yet to be determined is whether BNSF is able to capture additional traffic and whether BNSF, by operating over trackage rights at 2-to-1 points and over 2-to-1 corridors, can replace the competition that was lost when UP acquired SP.

BNSF's failure to respond to discovery is significant. Although UP/SP agreed to provide traffic tapes to other parties to the oversight proceeding, BNSF refused. The traffic tapes provided by UP/SP were not useful for two reasons: 1) many fields were either not there or did not contain the information in a way that would have permitted complete analysis; and 2) without the BNSF tapes, any analysis would necessarily have been lacking. There simply was not sufficient time to compel discovery and conduct an analysis for inclusion in these August 1st comments. Tex Mex asks the Board to recognize explicitly the availability of discovery and appoint an administrative law judge to adjudicate any discovery disputes that may arise in the future of this proceeding.

IV. SERIOUS PROBLEMS REMAIN WITH THE TEX MEX AND BNSF CONDITIONS WHICH MAY REQUIRE ADJUSTMENTS IN THE FUTURE.

UP/SP's and BNSF's progress reports would make it appear that Tex Mex generally has done well under the conditions the Board has imposed and that BNSF is operating effectively over its South Texas trackage rights. UP/SP-303 at 108-109; BNSF-PR-4 at 8-9. Although Tex Mex's traffic has improved from the period before the merger when SP was experiencing major service problems, and although Tex Mex is providing service on its trackage rights on the Flatonia route (approximately 15 trains southbound and 11 trains northbound for the months October 1996 through June 1997), serious problems remain with regard to the Tex Mex and BNSF trackage rights conditions in South Texas. If these problems persist and cannot be resolved, the Board may need to make appropriate adjustments to the Tex Mex and BNSF conditions.

The major problems relate to traffic congestion and delays. As set forth in the attached verified statement of Allen W. Haley, Jr., Tex Mex's Superintendent of Transportation, Tex Mex has been experiencing severe delays to its trackage rights operations over the Flatonia Route. Examples of these delays are detailed in a letter dated July 10, 1997 from Tex Mex President Larry Fields to Mr. A.L. Shoener, UP's Executive Vice President - Operations, attached as Exhibit A to Mr. Haley's verified statement. Overall, Mr. Haley states that in the past four months, the average transit time of Tex Mex cars from Beaumont to

Corpus Christi have gone from approximately 36 hours to more than 72 hours. As Mr. Haley reports, UP personnel have acknowledged to Tex Mex that these delays are attributable to UP traffic congestion. An article in the July 26, 1997 Houston Chronicle, attached as Exhibit B to Mr. Haley's statement, also describes the severe rail congestion currently in the Houston area, which one shipper attributes mainly to "the complexity of operating a newly merged rail system in a market such as Houston." Nevertheless, as stated in Mr. Fields' July 10, 1997 letter, UP's customer service personnel have told complaining Tex Mex customers, falsely, that the delays are the fault of TFM, the newly established Mexican railroad that now operates the Mexican rail line between Laredo and Mexico City and that is Tex Mex's corporate sibling.[8/]

Mr. Haley also reports that UP/SP's congestion problems have also adversely affected BNSF's trackage rights operations on the Algoa route. Recently, UP has limited BNSF to one train a day in each direction on that route, citing traffic congestion problems as the reason. This restriction significantly limits the amount of traffic BNSF can carry over that line and the amount of traffic BNSF can interchange with Tex Mex at Corpus Christi or Robstown.

These delays have greatly increased the cost of Tex Mex's trackage rights operations and greatly impaired the quality of

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[8/] To date, Mr. Fields has received no response to this letter.

service provided to shippers by those operations. Mr. Haley reports that as a result of the delays to Tex Mex's trains, in the past four months Tex Mex's car hire costs and crew costs have tripled and fuel use has nearly tripled. These effects, in turn, substantially reduce the ability of Tex Mex to compete effectively with UP over the trackage rights contrary to the STB's purpose in granting those rights to Tex Mex as a condition of the UP/SP merger.

These problems have accentuated the serious competitive disadvantage placed on Tex Mex as a result of the traffic restriction imposed by the Board on Tex Mex's trackage rights in Decision No. 44. As discussed in the attached verified statement of Mr. Glenn Turner, Tex Mex's Regional Sales Manager in Houston, the amount of rail traffic originating or terminating in Mexico constitutes a minor part of the total rail traffic for most potential Tex Mex customers in Houston. In trying to solicit the Mexican traffic of those customers, however, Tex Mex has been at a substantial competitive disadvantage to UP/SP and BNSF, and especially to UP/SP, by not being able to bid for their non-Mexican traffic as well. Based on his 39 years marketing rail services in the Houston, Beaumont and South Texas area, Mr. Turner is confident that this disadvantage has cost Tex Mex a substantial amount of traffic between Houston and Mexico that it would otherwise have obtained and has made it much more difficult for Tex Mex to compete for that traffic.

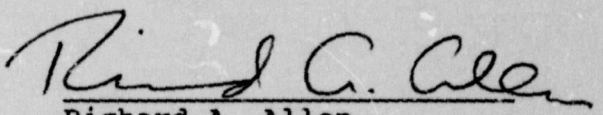
In sum, although Tex Mex's overall traffic has increased since the merger and Tex Mex is providing service via its trackage rights operations, Tex Mex has achieved those results by, in effect, swimming upstream. Serious problems remain with respect to both the Tex Mex and the BNSF trackage rights conditions in South Texas that have impaired the ability of both to compete effectively with UP/SP for traffic to and from Mexico. Tex Mex will continue to try to work with UP/SP and with BNSF to resolve the problems associated with traffic congestion and delays to Tex Mex and BNSF trains.

If they cannot be resolved, the Board may need to make appropriate adjustments in the conditions to ensure that there is effective competition to UP/SP in the markets served by Tex Mex.

CONCLUSION

Because it is too early to determine whether the conditions imposed by the Board in Decision No. 44 are fulfilling their stated purpose and because serious problems remain with respect to the Tex Mex trackage rights and the BNSF Conditions in South Texas that may require the Board to make adjustments to them if they are not resolved, it is essential that the Board continue this oversight proceeding, continue to require periodic reports by UP/SP and BNSF, and continue to give interested parties an opportunity to provide input to the Board. In order to make that input meaningful, the Board should also clarify that discovery is available in this proceeding and to appoint an administrative law judge to adjudicate discovery disputes.

Respectfully submitted,



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Counsel to The Texas Mexican Railway Company

VERIFIED STATEMENT

OF

ALLEN W. HALEY, JR.

My name is Allen W. Haley, Jr. I am employed by The Texas Mexican Railway Company ("Tex Mex") as the Superintendent of Transportation. I have been employed in that capacity since December of 1996. My office is located at 1200 Washington Street in Laredo, Texas. I have had an active career in the railroad business that has lasted over twenty years. A summary of my experience appears in the verified statement I submitted on behalf of Tex Mex in TM-23, Tex Mex's responsive application filed in Finance Docket No. 32760.[1/]

I am presenting this verified statement in connection with the Comments of the Texas Mexican Railway Company in the Oversight Proceedings with regard to the implementation of the Board's decisions in the UP/SP merger.

In recent months, UP/SP operations and congestion have caused Tex Mex trains to experience severe delays while operating over the trackage rights Tex Mex was granted in the UP/SP merger proceeding. Many of these delays are detailed in a letter dated July 10, 1997 from Larry Fields, Tex Mex's president, to Art Shoener, UP's Executive Vice President - Operations, which I attach as Exhibit A to this statement. Overall, in the last four months the average transit time for Tex Mex trains between Corpus

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1/ See, TM-23, Responsive Application of The Texas Mexican Railway Company, filed March 29, 1996, Verified Statement of Allen W. Haley, Jr. at page 199, et seq.

Christi to Beaumont has gone from approximately 36 hours to more than 72 hours.

UP/SP personnel have acknowledged to Tex Mex that these delays are caused by UP traffic congestion. The serious congestion in the Houston area was recently reported in a July 26, 1997 article in the Houston Chronicle, which I attach as Exhibit B. As reported in that article, one shipper attributes the congestion mainly to "the complexity of operating a newly merged rail system in a market such as Houston."

These delays have greatly increased Tex Mex's costs and reduced its ability to provide competitive service via its trackage rights. In the past four months, Tex Mex's fuel costs and crew costs with respect to its trackage rights operations have tripled and its fuel use has almost tripled.

UP/SP traffic congestion has also adversely affected trackage operations of the Burlington Northern and Santa Fe Railway Company ("BNSF") over the UP/SP route between Algoa, Texas (just south of Houston) and Brownsville via Corpus Christi and Robstown, where BNSF connects and interchanges traffic with Tex Mex. Citing congestion that route, UP/SP has recently limited the number of trains BNSF is able to move over that route to only one train per day in each direction. This UP/SP restriction results in a serious limitation on the amount of traffic BNSF can carry over that line which BNSF can interchange with Tex Mex at Corpus Christi or Robstown.

Verification

I, Allen W. Haley, Jr., 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 25th day of July 1997.

Allen W. Haley, Jr.
Superintendent of Transportation

ATTACHMENT A

THE TEXAS MEXICAN RAILWAY COMPANY
P. O. BOX 419
LAREDO, TEXAS 78042-0419

LARRY D. FIELDS
President & Chief Executive Officer

TEL: 956-728-8700
FAX: 956-723-7406

July 10, 1997

Mr. A. L. Shoener
Executive Vice President-Operations
Union Pacific Railroad
1416 Dodge Street, Room 1206
Omaha, NE 68179

Dear Mr. Shoener:

The Tex Mex has been suffering severe delays to our trains over the trackage rights between Beaumont and Robstown, Texas, for several months now. However, in the past 30 days, these delays have gotten much worse.

EXAMPLES:

On June 5th, 1SHMXM-04 spent 10 hours in the siding at Harlem, TX, due to UP congestion.
On June 5th/6th, 1SHMXM-05 spent 4 hours at Huffman, 9'50" at Harlem, and 6 hours at Flatonia due to UP congestion.
On June 27th, 1MXSHM-26 spent over 3 hours in Houston's Englewood Yard (N-3).
On July 1st, Tex Mex operated a Loram rail grinder out of Beaumont destined to Laredo. This rail grinder can only operate during daylight hours but can run maximum track speed. On July 1, it operated a total of 162 miles in 18 hours (9 mph avg. velocity). On July 2, the rail grinder operated 50 miles in 12 hours (4 mph avg. velocity). On July 3, the rail grinder operated 51 miles in 18 hours (3 mph avg. velocity). The Tex Mex used 6 train crews to run this rail grinder between Beaumont and Corpus Christi, TX.
On July 3rd, 1SHMXM-02 spent over 7 hours at Placedo due to congestion on the Brownsville Subdiv. And waited over 3 hours for Union Pacific track bulletins.
On July 6th, 1SHMXM-06 spent over 8 hours in Houston trying to get on the "old SP", 3'45" at Eagle Lake, 1'35" at Glidden, and 3'25" at Weimar. It took 5 train crews to get this train from Beaumont to Corpus Christi.
There have been numerous occasions when local UP personnel have refused to allow the Tex Mex their trackage rights through (Houston) Settegast Yard. The most recent refusal was on July 2nd causing a delay to traffic interchanged to the Tex Mex from the PTRA.

These extraordinary delays increase Tex Mex's operating costs and impair the quality of service of our trackage rights operations so as to render Tex Mex less competitive and frustrate the STB's mandate in requiring those trackage rights as a condition to your merger. To the extent that UPSP is experiencing operating difficulties not foreseen in your pre-merger

projections, delays incidental to those difficulties should be borne equally by your company and Tex Mex, your trackage rights tenant.

We are receiving numerous telephone calls from customers of both the Union Pacific Railroad and The Texas Mexican Railway Company inquiring about service interruptions. The Tex Mex had two shutdown cars for Bayer on a 1MSXHM-02 AT Corpus Christi, Texas, that we were not able to run out of Corpus across the Brownsville Subdivision for over 24 hours due to congestion on the UP. When the traffic manager for Bayer called the UP's Customer Service Center in St. Louis to inquire as to why the UP was refusing Tex Mex trains, she was told that the UP's congestion problems were caused by interchange problems with (TFM) Mexico. She was told that the UP had over 4,000 cars backed up and Mexico wasn't taking cars which was causing a severe service interruption.

We both know that UP's problems cannot be ascribed to Tex Mex or TFM and consider statements to that effect from your Customer Service Center to any customer shipping goods to Mexico to be gross impropriety which may constitute business liability. We informed customers that the start up of TFM was going smoothly and was exceeding everybody's expectations, including those expectations of some officials on the UP. I also told them that there had been a series of service interruptions on the UP that was hampering the ability of both the Tex Mex and the UP to get traffic to Laredo.

I hope that you've been made aware that the Tex Mex is withholding our traffic to cross into Mexico so that the UP can cross additional cars to help relieve the congestion caused by your Devine, Texas, derailment. The Tex Mex has also offered to allow the UP to detour trains over our railroad between Laredo and Robstown.

The best approach to UP's current operating problems is our continued cooperation in the manner described above. Your delays result in our delays. Trying to shift the blame where it doesn't belong is not a constructive approach to the problem. Therefore, I also ask that you personally see to it that your people are instructed not to attempt to deflect shippers' concerns for those delays either to Tex Mex or TFM with slanderous allegations of the character made to Bayer.

Sincerely,

L. D. Fields

LARRY D. FIELDS

ATTACHMENT B

Houston Chronicle
Section C ★★
Saturday, July 26, 1997

BUSINESS

Finance & Markets

Traffic report

Ben DeSoto / Chronicle

Trains head into and out of the Englewood Yard, a Union Pacific facility in the northeast part of Houston. Heavy rail traffic has swamped such yards in recent weeks and made it hard for the traffic to enter and exit the city.

Plants deal with rail bottleneck

By NELSON ANTOSH
Houston Chronicle

It is the railroad equivalent of something any Houston motorist can understand — congestion.

The Union Pacific Railroad, which since last September has owned Southern Pacific, has for about the past two weeks been having difficulty getting rail cars into and out of the city.

That's in part because it lacks the facilities and manpower to handle the traffic brought about by the increased business in the petrochemical market.

It is basically the only rail line serving the nation's largest petrochemical complex, scattered through cities such as Galena Park, Deer Park, Pasadena and Baytown.

Hardest hit are the plants that rely on tank cars or hopper cars to transport their products to customers.

For example, Texmark Chemicals, a relatively small plant on Clinton Drive in Galena Park, will be forced to shut its facility in a week if it can't get tank cars to ship its chemicals to customers, said Chief Financial Officer Vaughan Counts. That is how long it will take to fill storage tanks on the property, he said.

Texmark's leased tank cars returning from customers are being diverted to places like Beaumont and Lewisville because the rail yards in Houston are full, said Counts. The company makes a chemical that is the primary ingredient in resins.

It prefers not to ship by truck because that is considerably more expensive, plus many of its customers are set up to receive shipments only by rail. In Galena Park, there are no rail lines other than Union Pacific, Counts said.

A spokesman for one of the largest plastics companies here, who preferred not to be identified, said the problem "has definitely hampered movement of product in and out of Houston."

The rail line concedes there is a problem. Union Pacific spokesman Mark W. Davis in Omaha, Neb., described the situation in Houston as the result of growth. Business volume grew steadily in the last six weeks, to the point of affecting service starting two weeks ago.

"This is pure boom business in the Houston market. The petrochemical business has just taken off," Davis said.

An example is plastic pellets, being produced in such amounts that the rail yards handing them immediately became full, he said.

The company was caught short in two areas, Davis said. There is a shortage here of locomotives, and of crew members such as engineers and conductors to operate the trains.

Union Pacific has offered crew members from across the nation the opportunity to come here to work, Davis said. New hires are being trained. Members of management with proper training are filling in, he said.

The company is looking at ways to bring in more locomotives without hurting shippers in other parts of the country. There is no shortage of cars, as happened with grain several years ago, just the ability to handle them.

A special management team has been assigned to Houston to move rail ship-

See RAIL on Page 8C.

Rail

Continued from Page 1C.

ments in, out and through the city. They are working literally around the clock to relieve the congestion, Davis said.

The company owns several yards in the area, including the big Englewood Yard off Loop 610 northeast of downtown.

Since the merger with Southern Pacific, Union Pacific is the largest rail company in the nation. Other major companies such as Burlington Northern also serve Houston but don't have tracks to the petrochemical plants, said Burlington spokesman Richard Russack of Fort Worth. Burlington also owns the Santa Fe railroad.

The plastic company official said that while shipments are up, they are not extraordinary. The biggest factor is the complexity of operating a newly merged rail system in a market such as Houston, he suggested.

VERIFIED STATEMENT

OF

S. GLENN TURNER

My name is S. Glenn Turner. I am employed by the Texas Mexican Railway Company ("Tex Mex") as the Regional Sales Manager. My office is located at 501 Crawford Street in Houston, Texas. Prior to my employment with Tex Mex, I was employed by the Southern Pacific Rail Corporation, where I served as Regional Account Manager. I have had an active career of over 39 years marketing rail services in the Houston, Beaumont and South Texas area.

I am presenting this verified statement in connection with the Comments of Tex Mex in the Oversight Proceedings with regard to the implementation of the Board's decisions in the UP/SP merger. This verified statement discusses the serious difficulties Tex Mex has had in marketing its rail services in the Houston area as a result of the traffic restriction imposed by the Board on Tex Mex's trackage rights in Decision No. 44.

I began work as Tex Mex's Regional Sales Manager in December of 1996. Since then, my job has been marketing Tex Mex's services, primarily to shippers in the Houston area. In doing so, the fact that Tex Mex can only carry traffic with a prior or subsequent move over Tex Mex's lines has caused significant problems. The reason for this is simple. For the majority of potential Tex Mex customers in Houston, the amount of rail traffic originating or terminating in Mexico comprises only a minor part of their total rail traffic. Tex Mex has been at a

substantial competitive disadvantage with UP/SP and BNSF in trying to solicit the Mexican traffic of these customers. The fact that UP/SP and BNSF can offer to handle all of the inbound or outbound traffic of these customers gives them a significant marketing advantage over Tex Mex, which can only offer to handle their traffic to and from Mexico (or points on Tex Mex's line between Laredo and Corpus Christi). That is so because many customers prefer to have a single carrier handle all of their business and because UP/SP and BNSF can offer lower rates on a customer's Mexican traffic if the customer agrees to give them all of the customer's traffic. Based on my many conversations with actual and potential Tex Mex customers in the Houston area, as well as my long experience with the rail transportation market in this region, I am quite certain that this disadvantage has cost Tex Mex a substantial amount of Houston-Mexico traffic that it would have otherwise obtained, and has significantly hindered Tex Mex's ability to compete for that traffic.

VERIFICATION

I, S. Glenn Turner, 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 30th day of July, 1997.

S. Glenn Turner

S. Glenn Turner
Regional Sales Manager
The Texas Mexican Railway Company

CERTIFICATE OF SERVICE

I, Bianca C. Bennett, certify that on August 1, 1997 I have caused to be served by first class mail, postage prepaid, or by more expeditious means a true and correct copy of the foregoing TM-2, Comments of The Texas Mexican Railway Company, on all parties that have appeared in STB Finance Docket No. 32760 (Sub-No. 21):

Bianca C. Bennett

Dated: August 1, 1997

180904

TROUTMAN SANDERS LLP

ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

180904

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William A. Mullins

202-274-2953

August 1, 1997

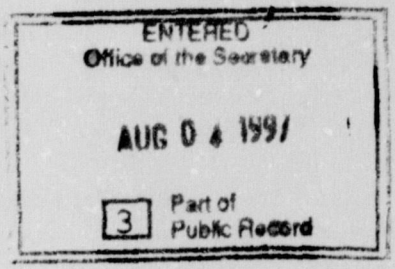
HAND DELIVERED

Mr. Vernon A. Williams
Case Control Unit
ATTN: STB Finance Docket No. 32760 (Sub-No. 21)
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20006

Re: Finance Docket No. 32760 (Sub-No. 21), *Union Pacific Corporation, et al. -- Control & Merger -- Southern Pacific Rail Corporation, et al. Oversight Proceeding*

Dear Secretary Williams:

Enclosed for filing in the above captioned proceeding are the original and twenty-six copies of KCS-2, The Comments Of The Kansas City Southern Railway Company. Please date and time stamp one of the copies for return to our offices. Included with this filing is a 3.5 inch Word Perfect, Version 5.1 diskette with the text of the pleading.



Sincerely yours,

William A. Mullins
Attorney for The Kansas City Southern Railway Company

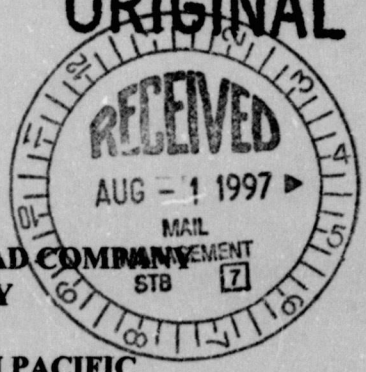
cc: Robert K. Dreiling, Esquire
All Parties of Record

KCS-2

180904

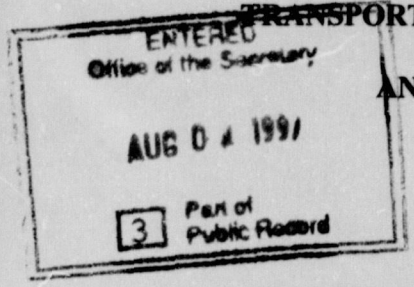
BEFORE THE
SURFACE TRANSPORTATION BOARD

ORIGINAL



FINANCE DOCKET NO. 32760 (Sub-No. 21)

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



OVERSIGHT PROCEEDING

COMMENTS OF THE KANSAS CITY SOUTHERN RAILWAY COMPANY

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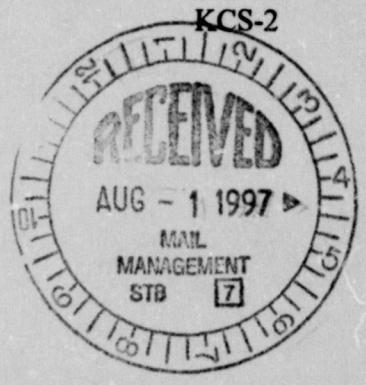
August 1, 1997



BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760 (Sub-No. 21)

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

OVERSIGHT PROCEEDING

COMMENTS OF THE KANSAS CITY SOUTHERN RAILWAY COMPANY

INTRODUCTION

In *UP/SP*, Decision No. 44,[1] the Surface Transportation Board ("STB" or "Board") approved, subject to various conditions, the common control and merger of the rail carriers controlled by Union Pacific Corporation (Union Pacific Railroad Company and Missouri Pacific Railroad Company) and the rail carriers controlled by Southern Pacific Rail Corporation (Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL

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[1] *Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company--Control and Merger--Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company*, Finance Docket No. 32760, Decision No. 44 (STB Served Aug. 12, 1996)("UP/SP").

Corp., and The Denver and Rio Grande Western Railroad Company).[2] As one of the conditions to its approval of the merger, the Board imposed a five year oversight condition to "examine whether the conditions we imposed have effectively addressed the competitive issues they were intended to remedy" and the Board specifically reserved jurisdiction over the merger in order to change, modify, or impose additional remedial conditions if the Board found during the course of its oversight proceedings that "the conditions already imposed have not effectively addressed the competitive harms caused by the merger."[3] To that end, the Board directed both UP and BNSF to submit quarterly progress reports and provided that it would begin the first oversight proceeding on or about October 1, 1997.

The present oversight proceeding was initiated by the Board in Finance Docket No. 32760 (Sub-No. 21), Decision No. 1, served May 7, 1997, to "take comments from interested persons on the effectiveness and implementation" of the conditions imposed in Decision No. 44. *See UP/SP*, Oversight Proceeding, Decision No. 1 at 3. The Kansas City Southern Railway Company ("KCS") was a party to the principal proceeding in Finance Docket No. 32760 and on May 9, 1997, KCS notified the Board of its intent to participate in the oversight process. KCS hereby submits its comments.

The Board has made it clear that "[t]he competition to be provided by BNSF will be one of the key matters to be considered in the oversight proceedings." *UP/SP*, Decision No. 44 at 147. If the competition provided by BNSF does not sufficiently address the competitive harms

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[2] 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 Corp., and The Denver and Rio Grande Western Railroad Company are referred to collectively as "Union Pacific" or "UP."

[3] *See UP/SP*, Decision No. 44 at 146-147 and Condition No. 6.

resulting from the UP/SP merger, the Board has reserved jurisdiction to impose additional remedial conditions. *Id.* at 146. Setting aside for the purposes of these comments KCS's arguments regarding the efficacy of the conditions imposed in Decision No. 44,[4] KCS believes that there has not been development and disclosure of meaningful data on which to measure BNSF's competitiveness vis-à-vis the newly merged system. This is due in part to the limited time that has elapsed since control was authorized. Indeed, BNSF indicated, in its July 1 quarterly progress report, that it did not start running its first trackage rights trains until October 8, 1996 and it was only on January 16, 1997 that BNSF began to run trackage rights trains on the Houston-Memphis-St. Louis corridor. Both UP and BNSF admit that there are many unresolved problems that have prevented them from fully implementing the conditions imposed by the Board. However, the lack of meaningful data is also due to the failure of UP and BNSF to present specific corridor-market share data or in BNSF's case, to provide access to traffic tapes in a timely manner.

I. THERE ARE SIGNIFICANT IMPLEMENTATION AND OPERATIONAL PROBLEMS THAT PREVENT BNSF FROM BEING AN EFFECTIVE COMPETITOR

KCS does not dispute that some benefits are occurring as a result of the merger. In fact, KCS predicted some of these benefits during the merger proceeding. While KCS acknowledges these benefits, none of them address the significant issues which KCS has consistently argued in this proceeding: (1) shippers will face operational and competitive problems in the Houston area and the Houston-Memphis-St. Louis corridor; and (2) the fact that UP could divest themselves of

[4] In other words, KCS should not be deemed hereby to waive its argument that BNSF's trackage rights do not make it an effective competitor or that the Board's proposed conditions are either ineffective or unlawful. These issues have been preserved for appeal in KCS's Petitions

one of the two parallel lines in those areas without harming, in any way, the benefits that are occurring in this merger. The Board should not ignore these issues.

To the limited extent that UP and BNSF have provided information in their progress reports and in discovery responses, that information indicates that there are still significant obstacles to BNSF becoming an effective competitor to UP. Additionally, UP itself appears to be experiencing significant post-merger congestion problems, and these problems only worsen BNSF's and Tex Mex's ability to provide effective competition to UP.

A. Significant Implementation Problems Prevent Effective Competition

In its progress report, UP describes those areas in which it has cooperated with BNSF in implementing the prescribed conditions (UP/SP-303 at 78-87) and, to the extent that cooperation has occurred, we can credit the Board's decision to maintain an oversight of UP's post-merger activities as an important contributor. On the other hand, BNSF describes numerous areas in which UP has thrown up road blocks in the way of implementation and notes the potential need to invoke arbitration or Board intervention to resolve many disputes.[5] Thus, at pages 3 through 4 of its most recent progress report, BNSF signals its problem in this regard when it states "[h]owever, even more vigorous competition is possible, and BNSF is committed to take whatever steps are necessary – including invoking arbitration or seeking the Board's intervention, as appropriate – to continue to improve its ability to compete with UP for business on these lines." (BNSF-PR-4 at 3-4).

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for Review filed in the U.S. Court of Appeals for the District of Columbia. *See* Docket Nos. 97-1004 and 97-1072.

[5] Not only has BNSF stated that there are many unresolved issues, but UP also points to two areas where they see disputes that may require STB resolution: (1) the definition of "new facility;" and (2) the specification of the UP/SP lines where BNSF is entitled to serve new industries and transloads. (UP/SP-303 at 79).

More specifically, BNSF states that the Board should re-examine and eliminate Guideline #9 from the contract reopener condition, which guideline provides UP the right to terminate the entire contract if a shipper seeks to reopen and re-negotiate a current contract it has with UP or SP. BNSF states that:

> This guideline has the effect of allowing UP to take away from the shipper any advantages on the remaining portion of the business for which the shipper may have bargained in the original contract as the price for electing to take advantage of the contract reopener condition ... that Guideline #9 has provided UP with undue leverage to retain business under existing contracts at '2-to-1' points that would otherwise have been open to competitive bidding by BNSF.

Id. at 11.

BNSF also identifies (a) "the process to be used in locating new industries at '2-to-1' points and along trackage rights lines," (b) "[a]ccess to former UP or SP customers at New Orleans through reciprocal switch," which has not been permitted by UP, and (c) UP's failure to provide BNSF property and track at Salt Lake City with which to establish a team track, as additional areas where BNSF may, "if necessary, seek resolution through the Board or the arbitration process." (*Id.* at 12-13). Additional problems pointed out in the Verified Statements of Peter J. Rickershauser and Ernest L. Hord, contained in BNSF-PR-4, include: (a) BNSF's rates are higher than the rates formerly offered by SP, (V.S. Rickershauser at 13); (b) now that BNSF is operating over UP between Temple and Eagle Pass, instead of on prior SP trackage using haulage with BNSF crews, BNSF has been plagued with severe service disadvantages, (V.S. Hord at 5); (c) no directional flow has yet been established between Houston and Memphis/St. Louis, (V.S. Hord at 8); and, (d) BNSF has been continually hampered by "problems with shipments moving via haulage or reciprocal switch on UP, particularly on the former SP side." (V.S. Hord at 22). Thus, given these unresolved issues, the short time frame

between consummation of the merger and the beginning of this oversight proceeding, and the fact that BNSF has only recently been able to implement all of the trackage rights, the issue of whether or not BNSF is truly being an effective competitor to UP/SP cannot be fully answered at this time.

The West Lake Charles area also remains a potential post-merger issue.[6] At least to those points that were former KCS/UP routings that competed against former SP routings and would now constitute a UP/SP competitive bottleneck situation, KCS has always maintained, and the Board agreed, that an unconditioned merger would eliminate one of the two independent routings from that area, thereby creating a "2-to-1" problem for such shipments.[7] Nonetheless, it is unclear whether West Lake Charles is a "2-to-1" facility and therefore subject to the contract reopener condition. KCS believes that the Board should continue to review this problem and should perhaps request comments from the parties as to the best way to resolve these issues. In no event, however, should the Board apply the contract reopener provision to those routings from the Lake Charles area that would not be affected by a UP/SP bottleneck.

B. Significant Congestion Problems Prevent Effective Competition

UP's congestion problems in the Houston area, which UP fails to acknowledge in its quarterly report, are bottlenecking the nation's largest petrochemical complex and creating serious operational problems. The merged rail system of UP and SP is now the only rail line

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[6] KCS is aware that Montell USA, Inc. has filed a Petition with the Board for determination of West Lake Charles as a "2-to-1" point. By discussing the issue herein, KCS is not waiving its right to respond to Montell's Petition in a separate pleading.

[7] As noted in KCS's Petition To Reopen, KCS-65, V.S. Grimm, the amount of such "2-to-1" traffic is minuscule compared to the entire amount of volumes shipped from the Lake Charles area. KCS continues to believe, and is pursuing this issue in its appeal, that the Board had no authority to grant BNSF access to all of the Lake Charles area traffic in order to remedy

serving many of the petrochemical companies in Houston. According to recent press accounts, chemical plants in the Houston area, such as Texmark Chemicals, are close to being forced to close their doors based on UP's inability to ship chemicals to customers. Nelson Antosh, *Plants deal with rail bottleneck*, Houston Chronicle, July 26, 1997, at B1, attached hereto as Exhibit A. UP claims the problem is caused from a shortage of locomotives and crew members in the area that is being exacerbated by the huge increase in business; however, a chemical company official was cited as inferring that the problem was caused by the complexity of the recently approved UP/SP merger and the difficulties resulting therefrom. Id. This congestion has caused problems throughout the UP system and has created some operational difficulties for both Tex Mex and BNSF. *See* Exhibit B, Letter To Mr. A.L. Shoener, UP's Executive Vice President, from Larry Fields, President of The Texas Mexican Railway Company.

II. UP AND BNSF HAVE FAILED TO PROVIDE SUFFICIENT INFORMATION TO THE BOARD OR TO THE COMMENTING PARTIES

In addition to these many unresolved issues and the lack of a meaningful time frame by which to judge BNSF's performance, there is simply a lack of information provided in the quarterly progress reports and in answers to discovery to provide the Board with the data necessary for the Board to make a meaningful judgment on whether or not its conditions "have effectively addressed the competitive issues they were intended to remedy." In Decision No. 1 initiating this oversight proceeding, the Board indicated that it was not satisfied with the detail provided by either UP or BNSF in their respective progress reports filed since service of

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the competitive harm caused to the small amount of "2-to-1" traffic that would be affected by the merger.

Decision No. 44.[8] (Decision No. 1 at 6.) The Board stated that "we fully expect that the information presented by applicants in their July 1 progress report will be more extensive, including specific details of how each condition has been met." *Id.* With respect to BNSF's earlier progress reports, the Board stated "we expect that BNSF will provide more detailed information regarding its efforts to be an effective competitor to the applicants." *Id.*

Although both UP and BNSF, in their respective July 1 progress reports (UP/SP-303 and BNSF-PR-4) make a concerted effort to portray BNSF as an aggressive competitor, neither party even mentions the pertinent measuring stick---the fact that the absence or existence of competition is most often demonstrated by relative "market share."[9] It is not sufficient for either UP or BNSF simply to show the increase in BNSF's through trains, cars, or tonnage over trackage rights segments in the nine month period during which the conditions have been in effect or to only provide examples of movements in specific corridors. Those numbers and examples speak nothing of how BNSF competes with UP in those markets. Neither do the measurements provided by UP and BNSF show how BNSF's traffic volumes compare to SP's prior to the merger. The closest the progress reports come to a discussion of market share is UP's indication that, by March 1997, BNSF reportedly had reached "in the range of 20% of

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[8] Applicants and BNSF each filed quarterly progress reports with the Board on October 1, 1996, January 2, 1997, April 1, 1997, and July 1, 1997.

[9] *Special Procedures For Making Findings Of Market Dominance As Required By The Railroad Revitalization and Regulatory Reform Act Of 1976*, 353 I.C.C. 875, 893 (1976)("market share has traditionally been the most accurate way to ascertain relative competitive positions in any market"); *Union Pacific Corporation, Pacific Rail System, Inc. and Union Pacific Railroad Company-Control-Missouri Pacific Corporation and Missouri Pacific Railroad Company*, 366 I.C.C. 462, 507 (1982) (*UP/MP*)(utilizing market shares and traffic flows); *Burlington Northern Inc. & Burlington Northern R.R. -- Control and Merger -- Santa Fe Pacific Corp. & Atchison, Topeka & Santa Fe Ry.*, Finance Docket No. 32549, Decision No. 38 at 55 (ICC served Mar. 7, 1995)(*BNSF*)(examining increase in market shares and concentration); and *UP/SP*, Decision No. 44 at 100.

BNSF's estimate during the merger proceeding of a $1 billion total universe of available traffic" and "[q]uite simply, there is no reason why BNSF cannot ultimately reach 50%, or even more, of the entire available universe of traffic." (UP/SP-303, at pp. 94-5).

The somewhat loose 20% figure cannot be interpreted as a relevant "market share," as modest as it may be. The relevant market share or market shares in this instance apply to those competitive markets where harm will result from the merger and where remedial conditions were imposed by the Board. The "universe of available traffic," to which UP refers, includes more than those markets where the Board determined the merger will result in reduced competition. Similarly, the 50% market share, which UP envisions BNSF ultimately achieving, not only utilizes an irrelevant market, but is so obviously speculative and not based upon any empirical evidence as to deserve no evidentiary weight. In short, there is no evidence of how BNSF compares to UP in those corridors that saw a reduction from "2-to-1." More pertinently, neither UP nor BNSF has told the Board in their progress reports how each compares to the other.

As noted above and as previously pointed out by the Board, the quarterly progress reports filed by the UP and BNSF failed to provide meaningful information regarding whether and/or how the Board imposed conditions had been met. Therefore, on June 17, 1997, KCS, along with 12 other parties,[10] served Consolidated Information and Discovery Requests on both BNSF and UP. To date, BNSF has failed to provide written responses, or to produce any documents, or to even produce their traffic tape(s) in response to any of these discovery requests. UP sent written responses to these requests on July 2, 1997 along with producing a traffic tape, which is now in

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[10] These parties included The Texas Mexican Railway, Department of Transportation, Department of Justice, Public Service of Colorado, Capital Metro Transit Authority, Intermountain Power Agency, Texas Attorney General, Railco, National Industrial Transportation League, and Southwest Grain Company.

the process of being analyzed. UP placed additional responsive documents and additional documents are still being placed in the depository by UP. However, there is information and documentation outstanding from both BNSF and UP/SP, although mainly BNSF, which is needed to effectively evaluate the competitive issues requested in this oversight proceeding.[11]

III. CONTINUED OVERSIGHT IS NECESSARY TO ASSURE ADEQUATE COMPETITION

Due to the many unresolved issues, the lack of meaningful data to provide a comparison of BNSF's and UP's market shares in the relevant corridors, and the apparent congestion and service problems that UP seems to be experiencing in the Houston area, the Board needs to continue its vigilant use of its oversight process and its continuing jurisdiction. Based upon the knowledge the public has gained so far, it is clear that the Board should continue Condition 6, calling for 5 year oversight by the Board "to examine whether the conditions imposed by the Board have effectively addressed the competitive issues they intended to address." Conditions 6 and 9, which basically require BNSF to conduct trackage rights in the key corridors, *i.e.*, Houston-New Orleans, Houston-Memphis and the Central corridor, also should be continued. Failure by BNSF to do so should "result in termination of BNSF's trackage rights and substitution of another carrier or in divestiture." Decision No. 44 at 146, n. 178.

KCS agrees wholeheartedly that these conditions should be monitored by the Board. However, as currently worded, these conditions rely on the self-serving reporting of the party being policed and do not provide a trigger for the invocation of Board action. Therefore, in order to avoid future situations whereby the Board needs to basically order UP to provide "more

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[11] A brief discussion of these discovery issues and a sampling of the type of information that has not been produced is attached hereto as Exhibit C.

extensive [information], including specific details of how each condition has been met," and to tell BNSF that the Board "expect[s] that BNSF will provide more detailed information regarding its efforts to be an effective competitor to the applicants," (Decision No. 1 at 6), the Board should develop clear, objective standards by which the Board and the public could judge BNSF's competitive ability utilizing its trackage and other rights.

KCS suggests the following five step proposal, which if adequately complied with by UP and BNSF, will provide a complete picture from which the Board can draw its conclusion. If the information provided is inadequate or incomplete, then the Board and/or other parties should be entitled to request more information.

First, the market share should be the parameter against which effectiveness of competition should be measured. This means that the standard of "successful performance" of BNSF's trackage rights as an effective competitive substitute for the pre-merger SP ownership of the former SP parallel and competing track is the attainment of a BNSF market share equal to or greater than SP's pre-UP/SP merger market share. [Hereinafter referred to as "The Standard"].

Second, certain key shippers or shipper groups should be asked to voluntarily provide the Board the railroad market share data which each shipper (or shipper member) gives to UP and BNSF, respectively, from certain origin/destination pairs where BNSF is operating via its trackage rights. This would help to assess effectiveness of rail-to-rail competition over each of the key corridors. Disaggregated information so submitted would be treated by the Board with high confidentiality.

Third, traffic tapes from both UP and BNSF containing the information necessary for the Board to assess market shares should be provided quarterly to the Board on the same schedule as the quarterly progress reports.

Fourth, the Board should make an "effectiveness of competition" finding within 30 days after the filing of each quarterly report. This finding should address the effectiveness of BNSF's competition in each of the three key corridors, *i.e.*, Houston-New Orleans, Houston-Memphis and the Central Corridor. BNSF would be given a reasonable "market development time" from the date of the consummation of the merger, (for example, a two year period) to obtain "The Standard." Failure of BNSF to obtain "The Standard" within this period would call for Board action to impose additional remedial action to require attainment of "The Standard." This action could include termination of BNSF's trackage rights and substitution of another carrier or divestiture.

Fifth, the continued failure, within a specified period (perhaps three years) after the merger consummation date, of BNSF to attain "The Standard" over a specific corridor in spite of the Board's efforts to resolve the competitive problem would be proof that the Board should require UP to divest one of the two parallel lines in that corridor in a market-driven procedure.

This mechanism would produce the following benefits: it (a) would assure shippers that pre-merger levels of competition will be maintained because competition is essential if shippers are to be protected from UP's newly acquired market power; (b) would require BNSF and UP to prove, through their actions, that the BNSF Settlement Agreement, as modified by the Board in Decision No. 44, will provide effective competition for all markets; (c) would utilize objective criteria not susceptible to the subjective arguments that might be leveled against cost or rate level data or self-fulfilling comments; (d) would utilize market share data kept by shippers and railroads in the ordinary course of business; (e) would permit shippers to maintain the confidentiality of information through the possibility of reporting at the industry association level; (f) would shield individual shippers from retaliation since umbrella groups will do the

reporting; (g) would minimize the reporting costs per shipper; (h) would eliminate reliance upon BNSF's self-policing and reporting; (i) would provide the Board with a cost effective mechanism by which it could conduct its oversight process, eliminating the need of the Board to constantly warn, or otherwise chastise, UP and BNSF for the lack of meaningful information; and (j) would eliminate the need for interested parties to gain information through the discovery process, eliminating the chance of continued disputes over the scope of information to be provided.

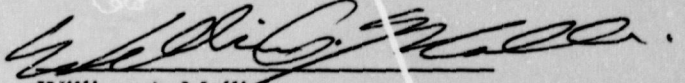
By way of example, one area under this mechanism that the Board would be better educated as to the exact nature of BNSF's competitive ability is the Memphis to St. Louis corridor. The Memphis to St. Louis corridor is conspicuously absent from BNSF's self-reporting documents because BNSF has entered into interline routing agreements with the Illinois Central for handling traffic that BNSF would have otherwise moved over the former SP/SSW lines between Memphis and St. Louis. However, while IC does serve both Memphis and St. Louis and thus it appears on the surface that the BNSF-IC interline agreement is an effective substitute for BNSF trackage rights, IC does not serve the "2-to-1" points on the old SP/SSW between those two cities. Thus, those "2-to-1" shippers are not benefiting from the fact that BNSF was granted access over the old SP/SSW route between Memphis and St. Louis. The Board should not view the BNSF-IC interline agreement as a substitute for lost SP competition on the Memphis to St. Louis corridor. Instead, BNSF's unwillingness to utilize its Memphis to St. Louis trackage rights suggests that continuation of monitoring by the Board is imperative to protect shippers requiring service to or from certain points, such as Memphis and St. Louis. In addition, the Board should consider BNSF's unwillingness to utilize these Memphis to St. Louis trackage rights as authority to consider alternative competitors or other means to increase

competition over that corridor. Adoption of the proposed mechanism would allow the Board to analyze this problem and determine whether or not such an alternative would be desirable.

CONCLUSION

The evidence currently available indicates to KCS that trackage rights are a cumbersome and difficult means by which to preserve competition over a broad geographic region. As recognized by Norfolk Southern and CSX in the current Conrail transaction, ownership is always preferable to trackage rights. Due to the numerous unresolved and disputed issues with respect to BNSF's trackage rights and to the lack of meaningful market share data, the Board should continue its oversight of the operations of both UP and BNSF to insure that the competitive harms resulting from the merger are alleviated by the conditions imposed in Decision No. 44. In effecting this oversight, the Board should adopt the five step program outlined above, or another similar program in order to provide for a meaningful, objective assessment of the efficacy of the conditions. At a minimum, both UP and BNSF should be required to produce current traffic tapes in a timely manner for subsequent oversight proceedings.

Respectfully Submitted,



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KCS-2
EHIBIT A

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LENGTH: 618 words

HEADLINE: Traffic report;
Plants deal with rail bottleneck

BYLINE: NELSON ANTOSH; Staff

BODY:
It is the railroad equivalent of something any Houston motorist can understand - congestion.

The Union Pacific Railroad, which since last September has owned Southern Pacific, has for about the past two weeks been having difficulty getting rail cars into and out of the city.

That's in part because it lacks the facilities and manpower to handle the traffic brought about by the increased business in the petrochemical market.

It is basically the only rail line serving the nation's largest petrochemical complex, scattered through cities such as Galena Park, Deer Park, Pasadena and Baytown.

Hardest hit are the plants that rely on tank cars or hopper cars to transport their products to customers.

For example, Texmark Chemicals, a relatively small plant on Clinton Drive in Galena Park, will be forced to shut its facility in a week if it can't get tank cars to ship its chemicals to customers, said Chief Financial Officer Vaughan Counts. That is how long it will take to fill storage tanks on the property, he said.

Texmark's leased tank cars returning from customers are being diverted to places like Beaumont and Lewisville because the rail yards in Houston are full, said Counts. The company makes a chemical that is the primary ingredient in resins.

It prefers not to ship by truck because that is considerably more expensive, plus many of its customers are set up to receive shipments only by rail. In Galena Park, there are no rail lines other than Union Pacific, Counts said.

A spokesman for one of the largest plastics companies here, who preferred not to be identified, said the problem ""has

definitely hampered movement of product in and out of Houston. ''

The rail line concedes there is a problem. Union Pacific spokesman Mark W. Davis in Omaha, Neb., described the situation in Houston as the result of growth. Business volume grew steadily in the last six weeks, to the point of affecting service starting two weeks ago.

""This is pure boom business in the Houston market. The petrochemical business has just taken off,'' Davis said.

An example is plastic pellets, being produced in such amounts that the rail yards handing them immediately became full, he said.

The company was caught short in two areas, Davis said. There is a shortage here of locomotives, and of crew members such as engineers and conductors to operate the trains.

Union Pacific has offered crew members from across the nation the opportunity to come here to work, Davis said. New hires are being trained. Members of management with proper training are filling in, he said.

The company is looking at ways to bring in more locomotives without hurting shippers in other parts of the country. There is no shortage of cars, as happened with grain several years ago, just the ability to handle them.

A special management team has been assigned to Houston to move rail shipments in, out and through the city. They are working literally around the clock to relieve the congestion, Davis said.

The company owns several yards in the area, including the big Englewood Yard off Loop 610 northeast of downtown.

Since the merger with Southern Pacific, Union Pacific is the largest rail company in the nation. Other major companies such as Burlington Northern also serve Houston but don't have tracks to the petrochemical plants, said Burlington spokesman Richard Russack of Fort Worth. Burlington also owns the Santa Fe railroad.

The plastic company official said that while shipments are up, they are not extraordinary. The biggest factor is the complexity of operating a newly merged rail system in a market such as Houston, he suggested.

GRAPHIC: Photo: Trains head into and out of the Englewood Yard, a Union Pacific facility in the northeast part of Houston (color); Ben DeSoto / Chronicle

KCS-2
EXHIBIT B

THE TEXAS MEXICAN RAILWAY COMPANY
P. O. BOX 419
LAREDO, TEXAS 78042-0419

LARRY D. FIELDS
President & Chief Executive Officer

TEL: 956-726-6700
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July 10, 1997

Mr. A. L. Shoener
Executive Vice President-Operations
Union Pacific Railroad
1416 Dodge Street, Room 1206
Omaha, NE 68179

Dear Mr. Shoener:

The Tex Mex has been suffering severe delays to our trains over the trackage rights between Beaumont and Robstown, Texas, for several months now. However, in the past 30 days, these delays have gotten much worse.

EXAMPLES:

On June 5th, 1SHMXM-04 spent 10 hours in the siding at Harlem, TX, due to UP congestion.
On June 5th/6th, 1SHMXM-05 spent 4 hours at Huffman, 9'50" at Harlem, and 6 hours at Flatonia due to UP congestion.
On June 27th, 1MXSHM-26 spent over 3 hours in Houston's Englewood Yard (N-3).
On July 1st, Tex Mex operated a Loram rail grinder out of Beaumont destined to Laredo. This rail grinder can only operate during daylight hours but can run maximum track speed. On July 1, it operated a total of 162 miles in 18 hours (9 mph avg. velocity). On July 2, the rail grinder operated 50 miles in 12 hours (4 mph avg. velocity). On July 3, the rail grinder operated 51 miles in 18 hours (3 mph avg. velocity). The Tex Mex used 6 train crews to run this rail grinder between Beaumont and Corpus Christi, TX.
On July 3rd, 1SHMXM-02 spent over 7 hours at Placedo due to congestion on the Brownsville Subdiv. And waited over 3 hours for Union Pacific track bulletins.
On July 6th, 1SHMXM-06 spent over 8 hours in Houston trying to get on the "old SP", 3'45" at Eagle Lake, 1'35" at Glidden, and 3'25" at Weimar. It took 5 train crews to get this train from Beaumont to Corpus Christi.
There have been numerous occasions when local UP personnel have refused to allow the Tex Mex their trackage rights through (Houston) Settegast Yard. The most recent refusal was on July 2nd causing a delay to traffic interchanged to the Tex Mex from the PTRA.

These extraordinary delays increase Tex Mex's operating costs and impair the quality of service of our trackage rights operations so as to render Tex Mex less competitive and frustrate the STB's mandate in requiring those trackage rights as a condition to your merger. To the extent that UPSP is experiencing operating difficulties not foreseen in your pre-merger

projections, delays incidental to those difficulties should be borne equally by your company and Tex Mex, your trackage rights tenant.

We are receiving numerous telephone calls from customers of both the Union Pacific Railroad and The Texas Mexican Railway Company inquiring about service interruptions. The Tex Mex had two shutdown cars for Bayer on a 1MSXHM-02 AT Corpus Christi, Texas, that we were not able to run out of Corpus across the Brownsville Subdivision for over 24 hours due to congestion on the UP. When the traffic manager for Bayer called the UP's Customer Service Center in St. Louis to inquire as to why the UP was refusing Tex Mex trains, she was told that the UP's congestion problems were caused by interchange problems with (TFM) Mexico. She was told that the UP had over 4,000 cars backed up and Mexico wasn't taking cars which was causing a severe service interruption.

We both know that UP's problems cannot be ascribed to Tex Mex or TFM and consider statements to that effect from your Customer Service Center to any customer shipping goods to Mexico to be gross impropriety which may constitute business liability. We informed customers that the start up of TFM was going smoothly and was exceeding everybody's expectations, including those expectations of some officials on the UP. I also told them that there had been a series of service interruptions on the UP that was hampering the ability of both the Tex Mex and the UP to get traffic to Laredo.

I hope that you've been made aware that the Tex Mex is withholding our traffic to cross into Mexico so that the UP can cross additional cars to help relieve the congestion caused by your Devine, Texas, derailment. The Tex Mex has also offered to allow the UP to detour trains over our railroad between Laredo and Robstown.

The best approach to UP's current operating problems is our continued cooperation in the manner described above. Your delays result in our delays. Trying to shift the blame where it doesn't belong is not a constructive approach to the problem. Therefore, I also ask that you personally see to it that your people are instructed not to attempt to deflect shippers' concerns for those delays either to Tex Mex or TFM with slanderous allegations of the character made to Bayer.

Sincerely,

L. D. Fields

LARRY D. FIELDS

DETAILS REGARDING SPECIFIC DISCOVERY DISPUTES

As stated in the main text of KCS's comments, Consolidated Information and Discovery Requests were served on BNSF on June 17, 1997. BNSF's only response was in the form of a letter from counsel stating that (1) a "great deal" of responsive information is contained in the July 1 Fourth quarterly progress report; and (2) that a formal response will not be forthcoming since discovery is not authorized or appropriate at this time. A letter was sent, albeit not by KCS, to BNSF's counsel which expressed the disappointment in BNSF's failure to produce, in a significant and meaningful manner, information necessary to assess the efficacy of the competitive conditions imposed in the UP/SP merger approval. At a minimum, the requesting parties sought the immediate production of BNSF's 100% traffic tapes for analysis. It is KCS's understanding that BNSF has finally agreed to produce these tapes. However, their promised date of delivery is not until after the close of the comment deadline.[1]

As noted above, BNSF stated in their July 2, 1997 letter that a "great deal" of the requested information was contained in the July 1 quarterly report. However, upon comparison of BNSF's July 1 Report with the discovery requests, most of the requested discovery is still missing. For example, most of the crucial information is still needed in order to generate a direct

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[1] It is KCS's understanding that BNSF has recently promised that their traffic tapes will be produced on Monday, August 4, 1997. Of course obtaining the traffic tapes after the August 1 filing deadline provides no ability to analyze those tapes and comment on that analysis. Accordingly, due to this factor and others, on July 22, 1997, KCS and others requested an extension of the August 1 filing deadline. By decision dated July 25, 1997, the Board denied this request. Surely the Board cannot expect parties to provide a meaningful analysis of UP's and BNSF's competitive picture when the tools needed to conduct such an analysis are not even available and parties have been stonewalled in their attempts to get this information.

comparison of BNSF's traffic volumes in those parallel corridors where they were given trackage rights with UP's traffic volumes in those same corridors and to also compare these BNSF's volumes to the pre-merger volumes held by SP in those same corridors. A significant portion of this information may be obtained off of the 100% traffic tapes. However, as previously noted, BNSF has failed to produce these tapes.

Specific examples summarizing the information requested by KCS and the other parties, and still needed to fully analyze the competitive conditions in order to effectively comment in these oversight proceedings, but which BNSF has failed to provide, include: (a) information and documentation on the traffic which UP and BNSF have bid against each other since the merger; (b) information on the "2-to-1" shippers which BNSF has not solicited for traffic since the merger;[2] (c) identification and description of the traffic moved by BNSF in specific geographical corridors or origin/destination pairs which are at issue; (d) identification of traffic and shipments moved by Utah Railway acting as BNSF's agent; (e) the number of the Salt Lake City Southern Railway customers who cannot be reached by BNSF; (f) information on the plans and discussions of BNSF's opportunities for build-ins, new facilities or transloads; and (g) identification of all post-merger requests for common carrier rate quotations.

Again, as noted above, some of this information might be obtainable from BNSF's 100% traffic tapes. However, not only has BNSF failed to formally respond to the discovery requests, BNSF has stated that the traffic tapes will not be available until after the deadline for comments has passed. Obviously, once the traffic tapes are received, additional time will be needed to

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[2] This information would be particularly helpful in light of the fact that BNSF has stated that they only contact approximately 80% of the potential "2-to-1" customers. *See* BNSF -PR-4, V.S. Rickershauser at 12.

download and analyze the information contained on the tapes. Furthermore, as BNSF is just now producing its traffic tapes, which will finally allow a meaningful comparison of BNSF's and UP's market shares, the Board should allow parties sufficient time to analyze those tapes and provide the results to the Board. As an alternative, the Board should consider beginning another oversight proceeding within the next six months in conjunction with a mandate to both UP and BNSF to produce the most current tapes or the Board itself should request the 100% traffic tapes and conduct its own analysis of the competitive situation.

As noted above, UP did provide written responses to the Consolidated Discovery Requests, as well as producing their 100% traffic tape. However, some information is still missing. Examples summarizing the information and/or documentation requested from UP which has not been provided include: (a) identification of traffic, in excess of $250,000 annual revenues, where UP and BNSF have bid against each other since the merger; (b) identification of traffic and shipments moved by Utah Railway acting as BNSF's agent; (c) identification of traffic which UP competed with Utah Railway; (d) identification of all post-merger requests for common carrier rate quotations; and, (e) information on traffic and/or train movements or stoppages via the Moffat Tunnel and via the Tennessee Pass.

In addition, even some of UP's formal written responses to the discovery responses do not fully answer or provide the necessary information. For example, although UP provides some examples in UP's Confidential Appendices of traffic which BNSF and UP have obtained as the result of bidding, these are only self-serving examples which cannot provide a complete and accurate picture of the competition between UP and BNSF. Likewise, UP's response to the Consolidated Information and Document Requests regarding Utah Railway are insufficient.

UP's response that Utah Railway is a "potential competitor" is in blatant opposition to UP's minimal disclosure that Utah Railway has only moved 12 trains. Finally, in response to the discovery requests regarding traffic via the Moffat Tunnel and via the Tennessee Pass, UP states that these requests are premature since the shift in traffic only began on July 1, 1997.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "COMMENTS OF THE KANSAS CITY SOUTHERN RAILWAY COMPANY" (KCS-2) was served this 1ST day of August, 1997, by hand-delivery, overnight delivery, or first-class mail in a properly addressed envelope with adequate postage thereon addresses to all known parties of record.

William A. Mullins

Attorney for The Kansas City
Southern Railway Company

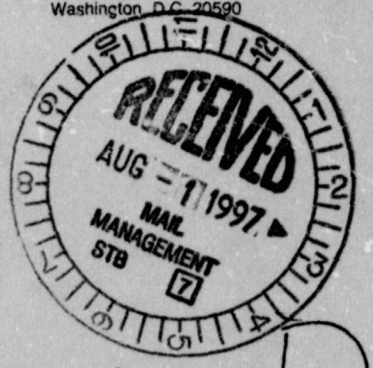
180902

U.S. Department of Transportation
Office of the Secretary of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.
Washington, D.C. 20590

August 1, 1997



Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company -- Control andMerger -- Southern Pacific Rail Corporation, Southern Pacific Transportaion Company, St. Louis Southwestern Railway Company, SPSCL Corp., and The Denver and Rio Grande Western Railroad Company [OVERSIGHT]
Finance Docket No., 32760 (Sub-No. 21)

Dear Secretary Williams:

Enclosed herewith please find the original and 25 copies of the Comments of the United States Department of Transportation in the above-referenced proceeding. I have also enclosed a computer diskette containing these Comments in a format readable by WordPerfect 7.0.

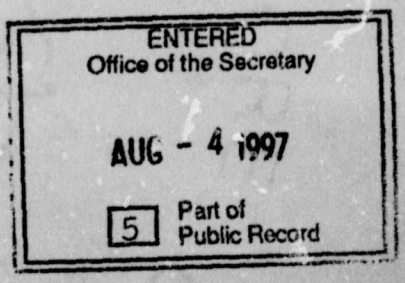
Respectfully submitted,

Paul Samuel Smith

Paul Samuel Smith
Senior Trial Attorney

cc: Parties of Record

Enclosures



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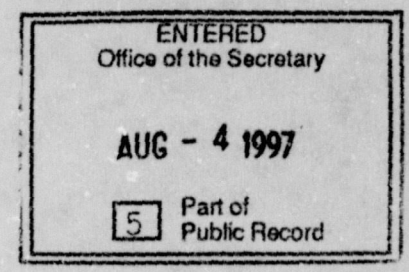
ORIGINAL

DOT-1

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

Union Pacific Corp., Union Pacific Railroad Co. and Missouri Pacific Railroad Co. -- Control and Merger -- Southern Pacific Railroad Corp., Southern Pacific Transportation Co., St. Louis Southwestern Railway Co., SPCSL Corp., and the Denver & Rio Grande Western Railroad Company (OVERSIGHT)	F.D. No. 32760 (Sub-No. 21)



COMMENTS OF THE
UNITED STATES DEPARTMENT OF TRANSPORTATION

Introduction

The Surface Transportation Board ("STB" or "Board") has instituted this proceeding to implement the oversight condition it imposed in Finance Docket No. 32760, the merger of the Union Pacific ("UP") and Southern Pacific ("SP") railroads (collectively, "UPSP"). Decision No. 1, served May 7, 1997 ("Decision"). The Board specifically sought comments on the effects of the merger and on the implementation of the conditions used to address the transaction's competitive harms. Id. at 2. The United States Department of Transportation ("DOT" or "Department") commends the Board for its timely initiation of the formal oversight condition. Like the STB and many other parties, DOT is very interested in ensuring that the conditions either serve their intended purposes or are modified accordingly.

To evaluate a rail consolidation, the Department in almost every case since the Staggers Act has assessed the information, evidence, and argument presented by other private and public parties before expressing its position on the merits. We will follow this approach as well for our general assessment of the

implementation of the UPSP merger, and particularly of the efficacy of the conditions imposed by the Board. To date, however, the only record evidence provided has been submitted by the UPSP and Burlington Northern Santa Fe ("BNSF") railroads in their quarterly reports. Accordingly, DOT intends to file its substantive views in its reply comments on August 20, once we have reviewed all the initial submissions. Nevertheless, there are two areas of concern that we wish to raise at this time.

Safety Must Be the Highest Consideration

The Department considers it appropriate that in this merger, as in others, approval has been conditioned on various safety-oriented conditions as well as on compliance with "all applicable FRA rules and regulations in conducting rail operations on the merged system." Decision No. 44, Appendix G, item 13. The Federal Railroad Administration ("FRA"), an operating administration of DOT, is responsible for overseeing the safety of railroad operations. FRA has performed interim safety assessments of UP and SP operations since the STB's approval of the merger. Preliminary findings, outlined below, raise concerns about the difficulties inherent in ensuring high levels of safety as operations the size of UP and SP are combined.

In any consolidation, once the requisite approval has been granted the applicants understandably wish to realize the efficiencies projected in their operating plan as soon as possible. However, this goal cannot be reached at the expense of maintaining a safe railroad. Particularly when the consolidation covers two rail systems as extensive as those of the Union Pacific and the Southern Pacific, it is imperative that there be a fundamental commitment to safety throughout the new entity, with unified safety plans and programs over the entire system. Integration of operations and services should proceed only when management is confident that safe and uniform operating practices have been implemented.

This merger in particular presents additional safety challenges because of the extensive trackage rights granted to the Burlington Northern Santa Fe. As with the integration of operations on the UP and SP, full integration of roughly 4,000 miles of trackage rights into the BNSF system must be accompanied by consistent and well-understood safety practices and programs in the interests of an accident-free environment.

UPSP reports that safety on both UP and SP lines has improved since the merger was approved, and specifically with respect to employee injuries and derailments. *See* UP/SP-303 at 60. DOT agrees that this improvement is a significant achievement, particularly with respect to the former SP lines. However, the preliminary results of FRA investigations of the UP and SP during this same period, which are outlined below, provide additional perspective on the nature of implementing such a challenging consolidation. FRA is working with UPSP management to address the problems identified in this review, and UPSP has taken additional steps on its own to resolve these issues. UP management has cooperated forthrightly with FRA on its Safety Assurance and Compliance Program on addressing every safety issue brought to its attention.

Specifically, the FRA has identified problems in the following areas:

1. **Train Control Systems and Operating Practices.** The transition may be affecting safety procedures on higher density tracks that are not signaled (and thus are subject to train orders or Track Warrants), as evidenced by two recent collisions on such tracks, both entailing significant fatalities. [1] Additionally, FRA has identified instances in which emergency braking units (so-called "End-of-Train" devices) have not been operational in areas with significant grades.

2. **Training and Quality Control at Central Dispatch Center.** FRA conducted a dispatching audit the week of June 22, 1997, at UPSP's consolidated Harriman Dispatch Center in Omaha, Nebraska. Errors in the transmission and acknowledgment of messages were commonplace -- almost 80% of the orders monitored contained one or more errors. The audit also found problems with the level of dispatcher experience and training levels, among other areas. Dispatching shortcomings may have also contributed to various incidents since the merger was approved, including one of the two fatal accidents cited above. [2]

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[1] / On June 22, 1997, in Devine, Texas, there was a collision of two opposing UP trains; four fatalities (two crew members, two stowaways) resulted. On July 2, 1997, in Delia, Kansas, a fuel tank fire and spill was caused by a side collision between two UP trains; one fatality (crew member) resulted and evacuation was required.

[2] / On December 4, 1996, a UP coal train was separated (uncoupled) by an act of vandalism. The rear powered section traveled over 43 miles, with no one on board, trailing the head power and trailing cars by up to 11 miles over numerous public and private road crossings. The Omaha Dispatch Center was unable to detect the separated train. Fortunately, no highway grade crossing collisions occurred. On June 30, 1997 a UP commuter passenger train standing at a

Heavy workloads and long working hours in this crucial facility may also pose safety risks. Through its Safety Assurance and Compliance Program, FRA is working with UPSP to address the concerns raised in the audit.

3. **Train Inspection and Hazardous Materials Defects.** Since approval of the merger FRA inspectors have documented increased power brake-related safety problems at UPSP, particularly on routes between Chicago and the West Coast. On other routes FRA has also found numerous instances of improper or missing documentation and/or labeling of hazardous materials shipments, situations that could pose problems for safe transport of such shipments and lead to improper procedures in the event of an accident. Poor or absent coordination of hazardous materials documentation between UPSP and BNSF has been found in at least one area in which BNSF operates on the UPSP lines via trackage rights.

4. **Hours-of-Service for Train Crews.** Excessive work hours and/or continuous loss of rest for crews in their off-duty periods can profoundly affect their performance and judgment, with attendant safety risks. Although the directional traffic flows promoted during the merger proceeding do indeed promise real efficiencies, the manner in which they are implemented may affect safety. For example, on crew districts without common initial or final release points, crews can be required to "commute" significant distances from one point to another, which can contribute significantly to employee fatigue and jeopardize safe operations. FRA is still studying the specifics of UPSP's operations in this regard. Moreover, since approval of the merger, UPSP has adopted a system of record-keeping in this area that could pose difficulties for compliance with hours-of service-laws. 49 C.F. R. Part 228. We are continuing efforts to resolve this matter with the carrier.

The results of these investigations have prompted the FRA to intensify its review of safety within the merging UPSP during the next six months. We will work with the railroad to determine whether these are relatively isolated instances or whether there are institutional or systemic obstacles to ensuring that

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(footnote continued from previous page) station came "face-to-face" with a coal train. The dispatcher ran the coal train on the same track that the commuter train was using; both trains managed to stop before a collision occurred.

safety receives the highest priority throughout such a large and complex organization, particularly during the consolidation process. Once this effort is completed, we will apprise the Board of relevant findings and of any remedial actions that appear appropriate.

At this time the Department believes that the concerns noted herein are sufficient grounds to consider means by which the Board could augment or assist FRA efforts to ensure the safest possible integration of merging railroads. The combined resources and authority of the STB and DOT could conceivably enhance safety during such a difficult period more than either single agency could do alone. We suggest that other interested parties may wish to address this point, and we may offer more specific recommendations for the Board in subsequent filings.

Competitive Conditions

In its brief in this consolidation, the Department expressed its view that trackage rights, even as enhanced by various agreements between the Applicants and other parties, were inadequate to provide sufficient competition to the merged UPSP. DOT-4 at 34-39. In Texas, where UP and SP competed along parallel corridors, DOT supported the sale of one of the lines as the best way to provide protection for shippers. In the Central Corridor, where unique circumstances militated against divestiture of a parallel line, DOT recommended that the proposed trackage rights be augmented with conditions that would further strengthen the BNSF's ability to compete. Id. at 39-41. The Board declined to order divestiture of the Texas corridors, choosing instead to order trackage rights with unprecedented conditions to preserve competition in the affected areas of Texas and the Central Corridor. Decision No. 44 slip op. at 156-164. The unique nature of some of those conditions, crafted by the Board to address the singular competitive circumstances of the merger, has led to disputes between UPSP and the Board and between UPSP and BNSF, not all of which have been resolved.

Too little time has elapsed since the merger was approved for a thorough evaluation of the effectiveness of the trackage rights conditions. Nevertheless, by this time there should be general agreement on the specifics of the traffic for which BNSF is entitled to compete. While we can understand the natural desire of UPSP not to cede traffic to the BNSF without vigorously trying to maintain its customer base, DOT believes it is imperative that UPSP recognize that the

conditions imposed by the Board deliberately go beyond traditional considerations, such as whether a particular customer is classified as a 2-to-1 shipper based on switching tariffs. The STB has emphasized that the pivotal conditions in this proceeding, such as its "new facilities" and "transloading" conditions, were imposed for two purposes: (1) to replicate pre-merger competitive options, and (2) to enable BNSF to attain sufficient traffic density to conduct effective operations. *See* Decision No. 44, slip op. at 106; Decision No. 61, slip op. at 9-10. Only when both these purposes are served can a potential loss of competition be mitigated in the circumstances of this case. Id.

For these reasons the Department supports the request of BNSF that UPSP provide it with a clear determination on the shippers at 2-to-1 points to which BNSF has access rights. BNSF-PR-4, V.S. of Rickerhauser at 11. Indeed, since the Board's merger analysis primarily addressed 2-to-1 "points" and traffic in 2-to-1 "corridors" rather than 2-to-1 "shippers" (*see* Decision No. 44, slip op. at 121-124, 133; Decision No. 61, slip op. at 10; Decision No. 57 at 3-5), DOT suggests that the Board revisit the terms of the traffic rights agreements to consider providing BNSF access to all shippers at 2-to-1 points, regardless of whether a shipper was closed or open to switching under a tariff in place at the time of the merger. BNSF direct service is already restricted to 2-to-1 points; to further restrict access to selected shippers at those points may undermine BNSF's ability to develop the traffic base necessary to be an effective competitor.

Reciprocal switching in New Orleans appears to be a related problem. BNSF-PR-4 at 12, V.S., Rickerhauser at 25. DOT understands that UPSP has denied BNSF access to shippers that were open to UP and SP reciprocal switching before the merger. Presumably, UPSP's rationale is that, because there are eastern and/or midwestern railroads on the switching tariff in addition to UPSP, these shippers are still served by more than one railroad. However, to the extent that routes to the West are restricted under a new switching tariff to a single carrier, UPSP, it appears that UPSP has effectively created a 2-to-1 situation. We urge the Board to inquire into this problem and to take remedial action as necessary.

Finally, there still appears to be debate about what constitutes a "new facility," both in the context of 2-to-1 points and the transloading condition. *See* BNSF-PR-4, V.S. of Rickerhauser at 11. DOT believes such matters should be resolved on a functional basis, i.e., if newly rail-served or newly established as a

transloading operation, a facility should be considered "new" regardless of whether a building or structure was already in place on the property. We believe the STB should rule on this issue in such a way that allows BNSF access to the maximum number of shippers.

Conclusion

The safety of operations on the combined UPSP and on the newly extended BNSF is of paramount concern. Troubling incidents have occurred that warrant an investigation in order to determine the full extent of problems associated with the merger or its conditions. The Department will notify the Board of its findings and recommendations at the conclusion of this effort.

Although it is premature to evaluate definitively the competitive efficacy of the enhanced trackage rights imposed in this proceeding, it is clear by now that continuing disputes over the application of some conditions have delayed the onset of competitive service. We will closely monitor developments on this point, and we urge the Board to respond expeditiously to requests to clarify the implementation of the conditions that it has adopted.

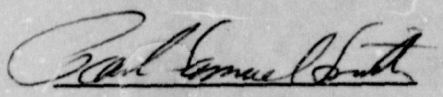
Respectfully submitted,

Rosalind A. Knapp
Deputy General Counsel

August 1, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused to be mailed a copy of the foregoing Comments of the United States Department of Tranpsortation in Finance Docket No. 32760 (Sub-No. 21) on all Parties of Record by first class mail, postage prepaid.



Paul Samuel Smith

August 1, 1997

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August 1, 1997

RECEIVED
AUG - 1 1997
MAIL
MANAGEMENT
STB

BY HAND

Office of the Secretary
Case Control Unit
ATTN: STB Finance Docket No. 32760 (Sub-No. 21)
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al. (Oversight)

Dear Sir or Madam:

Enclosed for filing in the above-referenced docket are an original and twenty-five copies of supporting verified statements from Sea-Land Service, Inc. and the Tennessee Valley Authority that Applicants received after filing their July 1 Report on Merger and Condition Implementation (UP/SP-303). Applicants are submitting these statements to supplement the supporting verified statements of shippers, public bodies and railroads that they filed in their July 1 Report.

Sincerely,

Arvid E. Roach II

Attorney for Union Pacific Corporation, Union Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company and St. Louis Southwestern Railway Company

ENTERED
Office of the Secretary
AUG - 4 1997
5 Part of Public Record

Enclosures

cc: All Parties of Record

Sea-Land

Sea-Land Service, Inc.
6000 Carnegie Boulevard
Charlotte, NC 28209-4637
(704) 571-2040
(704) 571-4640 (Fax)

CHARLES G. RAYMOND

Senior Vice President
and Chief Transportation Officer

Written Statement
of

Charles G. Raymond

on behalf of
Sea-Land Service, Inc.

My name is Charles G. Raymond, Senior Vice President and Chief Transportation Officer of Sea-Land Service, Inc., with world headquarters located at 6000 Carnegie Boulevard, Charlotte, NC 28209.

Sea-Land is the largest U.S. - based ocean carrier providing both liner and intermodal services and is a leader in the global transportation industry. Sea-Land, which is a wholly owned subsidiary of CSX Corporation, headquartered in Richmond, Virginia, is one of the largest providers of transportation solutions in the world. In order to accomplish this, Sea-Land operates more than 100 container ships and approximately 210,000 containers globally. We service more than 120 ports in 80 countries and territories on five continents. The majority of our rail intermodal cargo utilizes our major port complexes at Long Beach and Oakland, California, Tacoma, Washington and Vancouver, British Columbia. Major tradelanes extending from these ports include markets in the Midwest, Gulf, Southeast and East Coast areas, and are primarily served via a combination of daily and dedicated doublestack trains. Historically Sea-Land has utilized UP in the Pacific Southwest (PSW) and BNSF in the Pacific Northwest (PNW). Due to Sea-Land's extensive intermodal network, a high volume of cargo utilizing

West Coast ports must be interchanged with Eastern railroads at Midwest and Gulf gateway points.

Sea-Land has seen initial benefits as a result of the UP/SP merger. Although the merger is still in its early stages, Sea-Land has seen improvements in the basic components required to provide rail transport services namely, an adequate supply of locomotives, crews and doublestack cars. Shorter routes, comprised of track segments from both the SP and UP, should eventually result in improved transit times and a higher level of service consistency for our traffic. We look forward to the introduction of new doublestack service offerings that will enhance the overall Sea-Land service products that we provide to our customers. We have been especially pleased with the improvement in communication we have experienced since the merger. The merged UP/SP has been more responsive to Sea-Land's needs than the SP Railroad was prior to the merger.

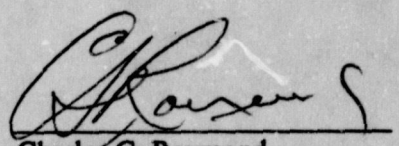
Sea-Land has always welcomed stronger competition between UP/SP and BNSF. Both carriers have a broad route structure, giving us two viable competitive alternatives for our major tradelanes extending from the PSW and PNW ports to markets in the Midwest, Gulf, Southeast and East Coast areas. Following their mergers, both carriers are in a position to provide us with competitive pricing proposals. As we have historically shown in the marketplace, we will continue to evaluate all of our intermodal carriers and tender our cargo to those that provide to Sea-Land the greatest customer-value. BNSF's new access to the New Orleans gateway and improvements via the Memphis gateway have the potential to improve service, due to the fact that it gives us a new alternative for cargo moving from our PSW ports through the New Orleans gateway and into the Southeast. BNSF has been aggressive in its effort to win traffic over the New Orleans gateway. The stronger competition between UP/SP and BNSF is not

limited to our New Orleans gateway traffic. For example, in response to a new competitive rate and service offering, we recently diverted to UP/SP some containers moving from Tacoma, Washington to Memphis, Tennessee, which we previously moved via BNSF.

In Sea-Land's experience, the shift from three carriers (including a marginal SP) to two well-matched carriers following the merger has initially resulted in stronger competition, improved communication and increased service options for our traffic.

At this point in time, Sea-Land is pleased with the progress of the merger. We expect and will require further benefits (including important service consistency and product improvements) as UP/SP fully implements its capital expenditure program and further integrates the operations of UP and SP. We feel this action by the UP is a business imperative, given the fact that we must provide to our customers a market-competitive level of service.

I 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 June ___, 1997.



Charles G. Raymond

VERIFIED STATEMENT
OF
W. Gary Quinn
ON BEHALF OF
TENNESSEE VALLEY AUTHORITY

My name is W. Gary Quinn, and I am the Manager, Fuel Development for the Tennessee Valley Authority (TVA), 1101 Market Street, LP5G, Chattanooga, TN 37402-2801. I have been employed by TVA for 4-1/2 years in this position and as Manager, Fuel Transportation. As such, I have participated in business transactions and negotiations with the Union Pacific Corporation and the Southern Pacific Rail Corporation, both prior and post merger.

TVA is the largest producer of electric power in the United States, providing electricity to over seven million individuals and over 65 industrial customers. TVA is also the largest single utility buyer of coal in the US, purchasing approximately 40 million tons of coal annually for use in eleven coal-fired power plants. Recently, TVA has purchased increasing amounts of coal from sources in the western United States. In the first four months of 1997, TVA purchased nearly 2.3 million tons of Colorado/Utah coal, compared with approximately 1.5 million tons during the same period of 1996. Therefore, TVA is greatly interested in the progress of the ongoing merger of the Union Pacific Corporation (UP) and the Southern Pacific Rail Corporation (SP).

We are pleased with the progress the two railroads have made in implementing the merger and with the early benefits to TVA that have resulted. Following the merger, the dependability of deliveries to TVA of western coal shipments improved immediately. We have also experienced a greater availability of equipment as a result of the merger. Prior to the merger, SP often had shortages of railcars and locomotives, which affected our service.

TVA's options for coal sources have increased significantly as a result of the merger. TVA now has single-line service from both Colorado and Utah coal sources as well as from Hanna Basin and Powder Basin coal sources to multiple river transfer facilities, which gives TVA options not available before the merger. The increase in the number of facilities with single-line access to a range of coal sources has given TVA the flexibility to blend coals from various sources more easily, which enables us to take advantage of the most efficient fueling options. This has been accomplished while maintaining the aggressive pricing instituted by SP for TVA. We have been pleased with our new ability to develop a comprehensive transportation package for western coals as a result of the merger.

Although some minor problems arose in the context of the recent computer system cutover, those problems are being addressed. Those difficulties do not detract from the fact that, from TVA's perspective, the merger of UP and SP generally has proceeded quite smoothly.

The merger of UP and SP is generating the service improvements that TVA, the UP and SP promised would result from the merger. There is no basis, at this point, for altering the terms of the merger approval, which could jeopardize the significant benefits that have been achieved and

the additional significant benefits that are expected as the implementation of the merger continues.

I, W. Gary Quinn, 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 July 30, 1997

W. Gary Quinn
Manager, Fuel Development
Tennessee Valley Authority

c:\mydocuments/UPSPstatmnt

180895

A Partnership Including
Professional Corporations
1850 K Street, N.W.
Washington, DC 20006-2296
202-887-8000
Facsimile 202-778-8087

Boston
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August 1, 1997

VIA HAND DELIVERY

Office of the Secretary
Case Control Unit
ATTN: STB Finance Docket No. 32760 (Sub-No. 21)
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: STB Finance Docket No. 32760 (Sub-No. 21),
Union Pacific Corp., et al. -- Control & Merger
-- Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

Enclosed is an original and 25 copies of the Response of Cyprus Amax Coal Sales Corporation to the July 1, 1997 Applicant's Report on Merger and Condition Implementation and Request for Relief.

We also enclose a Certificate of Service together with a 3.5 inch diskette formatted in Wordperfect 5.1.

Very truly yours,

Mary C. Chapin

Enclosures

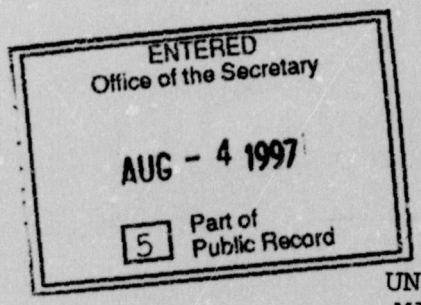
cc: All Parties of Record

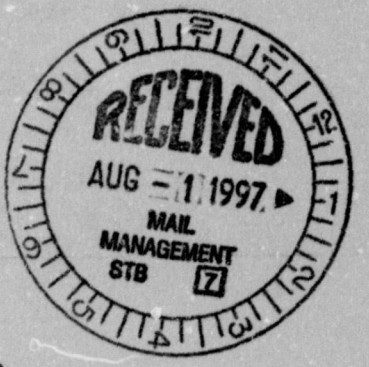
ENTERED
Office of the Secretary
AUG - 4 1997
5 Part of
Public Record

180895

CYP-2

BEFORE THE
SURFACE TRANSPORTATION BOARD





Finance Docket No. 32760
(Sub-No. 21)

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

--CONTROL AND MERGER--

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

RESPONSE OF CYPRUS AMAX COAL SALES CORPORATION TO JULY 1, 1997 APPLICANTS' REPORT ON MERGER AND CONDITION IMPLEMENTATION AND REQUEST FOR RELIEF

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Attorneys for
Cyprus Amax Coal Sales Corporation

August 1, 1997

Cyprus Amax Coal Sales Corporation ("Cyprus Amax"), on behalf of itself and its operating affiliates, by its attorneys, hereby responds to the July 1, 1997 Applicants' Report on Merger and Condition Implementation.

Introduction

Despite the good faith efforts of this Board, the Union Pacific ("UP"), the Southern Pacific ("SP") (hereinafter the merged entity shall be referred to as the "UP/SP"), the Burlington Northern/Santa Fe ("BNSF"), the Utah Railway and Cyprus Amax, the merger of the Applicants has resulted in the elimination of effective competition with respect to the westbound shipment of Cyprus Amax coal from Provo, Utah to the seaports of southern California. Cyprus Amax therefore requests this Board to take such action as it deems appropriate to restore such competition.

Statement of Facts

For many years, Cyprus Amax has operated the Star Point Number 6 coal mine (commonly referred to as the "Plateau mine") near Price, Utah. In the past five years, total sales from this mine have increased from approximately 1.4 million tons to over 3 million tons of coal annually. This growth reflects the rise of export sales to certain Pacific Rim countries, most notably Japan, Korea and Taiwan. Export sales from the Plateau mine have grown from under 300,000 tons to almost 2 million tons annually during this period.

Experts predict that the Pacific Rim steam coal export market will grow substantially over the next decade, and the

Energy Department forecasts annual U.S. coal exports to Asia will grow from 10 million tons in year 2000 to 24 million tons in year 2010. (Statement of Richard J. Barber, independent economic consultant, Railroad Merger Application, Vol. 3, p. 404). However, this market is "intensely competitive, with lower cost Australian coal the leading contender in end-markets and U.S. production factor on the margin that is highly sensitive to transportation cost." (Statement of Richard B. Peterson, Senior Director, Interline Marketing of UP, Railroad Merger Application, Vol. 2, p. 286.) Typically, rail costs account for approximately 38% of the cost of Utah coal delivered to southern California ports for export.

The reserves of the Plateau mine are nearly exhausted. Cyprus Amax is about to begin production at a newly developed nearby mine, Willow Creek, in which Cyprus Amax has invested approximately $135 million. The Willow Creek mine will have an initial production capacity of 5 million tons per year -- as opposed to Plateau's 3 million tons. Over 3 million tons of Willow Creek's capacity are targeted for the Pacific Rim export market. If Cyprus Amax loses economical access to that market, the domestic market will not be able to absorb this additional tonnage at profitable price levels. The projected growth of the Pacific Rim export coal market and Cyprus Amax's investment in its new Willow Creek mine means that the availability of reliable, dependable and cost efficient westbound rail service is vitally important to Cyprus Amax, and to other Colorado and Utah coal exporters.

The Pre-Merger Situation

For many years prior to 1995, Cyprus Amax shipped its Utah coal bound for the ports of Long Beach and Los Angeles via the UP line through Las Vegas. Over time, the timeliness and reliability of the UP service deteriorated. Loading times were missed, trains were delayed in transit, and trains did not meet arriving vessels in a timely fashion. As a result, when coal was not available to load on vessels, Cyprus Amax incurred substantial demurrage charges. The UP refused to reimburse Cyprus Amax for these demurrage charges and failed to improve its service despite many promises to do so.

In 1995, Cyprus Amax shifted its business to the SP. Although the northern SP route was 470 miles longer than the UP route, the SP priced its service competitively. The SP also gave Cyprus Amax better shipping terms, including: (1) a rolling four week shipment commitment of 154,000 net tons, (2) its agreement to reimburse Cyprus Amax for demurrage charges incurred at southern California ports that were the fault of the SP, and (3) an extra 24 hours to unload trains that the SP delivered to port on major holidays. Throughout 1995 and into 1996, the SP provided service that was far superior to the service that the UP previously had provided, including both timeliness and faster cycle times. The SP's more efficient service lowered the total delivered cost of U.S. export coal and helped keep U.S. coal competitive in the Pacific Rim market.

The UP/SP Merger

Under the terms of the UP/SP merger and settlement agreements reached with the BNSF and Utah Railways as part of the merger proceedings, the BNSF received trackage rights over the old SP line to Long Beach and Los Angeles and access to the Plateau and Willow Creek mines via the Utah Railway. The UP/SP has identical access to the Cyprus Amax mines.[1/]

The Post-Merger Situation

The merger shifted Cyprus Amax's westbound coal traffic from the old SP to the newly formed UP/SP, and the UP/SP now transports Cyprus Amax westbound coal over the UP route that runs through Las Vegas. However, service on the UP/SP has slipped to the levels that existed prior to Cyprus Amax shifting its business to the SP in 1995. In addition, the UP/SP has informed Cyprus Amax that it will: (1) not offer the favorable shipping terms which the SP provided; (2) not allow Cyprus Amax to use its own rail cars as opposed to cars owned by the UP/SP; and (3) next year, for the first time since 1981, not allow its rail rates to float proportionately downward should the F.O.B.T. price of export coal decline from current fiscal year levels.[2/]

1/ The Utah Railway has always exclusively originated the transport of Plateau coal and it obtained exclusive access to Willow Creek as a result of the referenced settlement agreements. Both the UP/SP and the BNSF have a westbound interchange with Utah Railway at Provo, Utah.

2/ Rail contracts for the shipment of Utah coal to Long Beach and Los Angeles typically are negotiated prior to the final establishment of export coal prices for the then current Japanese fiscal year, which begins on April 1.

Faced with declining service, less advantageous shipping terms and potentially higher rail rates from the UP/SP, Cyprus Amax solicited a bid for the 1997 fiscal year from BNSF. Although the BNSF expressed great interest in the Cyprus Amax business, its quoted rates out of Willow Creek and Plateau were not even close to being competitive.[3/] The BNSF has informed Cyprus Amax that it cannot be competitive operating over the old northern SP route, and it also has informed the Board of this fact. (Verified Statement of Peter J. Rickershauser, pp. 13-14, BNSF Quarterly Progress Report, BNSF-PR-4, July 1, 1997).

The UP/SP has informed Cyprus Amax that it is aware that the BNSF is not a viable competitor for the Cyprus Amax westbound export coal business. Apparently as a result, the UP/SP has not been responsive to Cyprus Amax's service complaints and also felt free to announce its new pricing policy which could result in significantly higher rail rates for westbound coal shipments. In addition, because of several statements made by UP/SP personnel, Cyprus Amax is concerned that its mere filing of this response may lead the UP/SP to take some form of retaliatory action against Cyprus Amax.[4/]

[3/] Cyprus Amax will provide the respective quotes of the UP/SP and the BNSF to this Board upon request if the Board believes such information would be helpful to it. Should the Board so request, Cyprus Amax would respectively request that appropriate procedures be implemented so that the other parties to this proceeding, including their outside counsel and consultants, not be privy to such information.

[4/] Cyprus Amax hopes that its concerns regarding such reprisals are unwarranted and that the UP/SP will so affirm.

The Requested Relief

Cyprus Amax hereby respectfully requests this Board to take whatever actions it deems appropriate to restore competition to the westbound coal shipments between Provo, Utah and the ports of Los Angeles and Long Beach, California. Such actions might include granting the BNSF trackage rights over the UP/SP line through Las Vegas, taking steps to reduce BNSF's cost structure in providing service over the old SP northern route to California, or yet other forms of relief. Cyprus Amax stands ready, willing and able to work with this Board and the railroads to arrive at a workable solution to this problem. It does not seek to gain extra-competitive advantages, nor is it asking this Board to do anything that would jeopardize the positive aspects of this merger. It only seeks the reestablishment of competition in the market for westbound coal shipments out of Provo, Utah, and the right to seek such relief without fear of reprisals.

Respectfully submitted,

CYPRUS AMAX COAL SALES CORPORATION

By: Mark L. Yeager/mee
One of Its Attorneys

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Robert E. Kohn
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5th Floor
Washington, D.C. 20036
(202) 778-8300

CERTIFICATE OF SERVICE

I hereby certify that I have on this 1st day of August, 1997, caused to be mailed upon all parties of record on the service list a copy of the foregoing Response of Cyprus Amax Coal Sales Corporation by first-class mail, postage prepaid.

Mary C. Chapin

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180893

GALLAND, KHARASCH & GARFINKLE, P.C.

ATTORNEYS AT LAW

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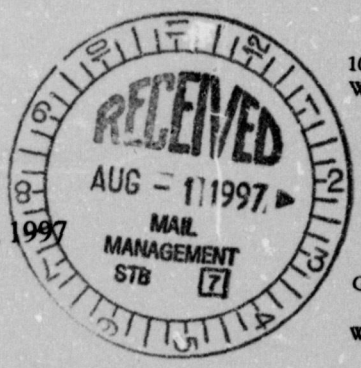

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WRITER'S DIRECT DIAL NUMBER
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August 1, 1997

VIA COURIER

Mr. Vernon A. Williams, Secretary
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, DC 20423-0001

Re: Finance Docket No. 32760 (Sub-No. 21)--Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company--Control and Merger--Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company (Oversight)

Dear Secretary Williams:

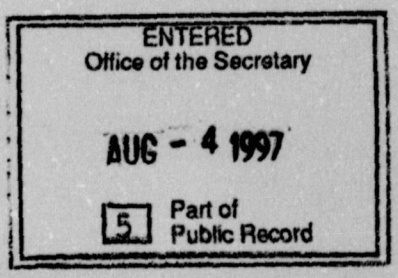
Enclosed for filing in the above-captioned case is an original and twenty (25) copies of the Comments of The International Paper Company, designated as document IP-19. We have also enclosed an additional copy to be date-stamped when filed and returned to us.

Also enclosed is a 3.5" WordPerfect 6.1 disk containing the text of IP-19.

Very truly yours,

Edward D. Greenberg

Enclosures



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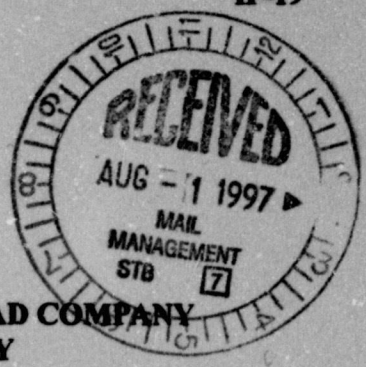
180893

IP-19



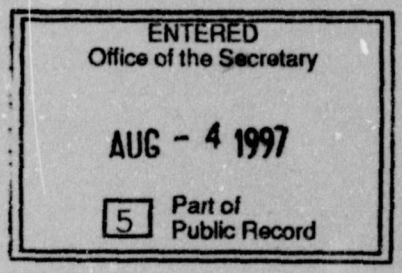
BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760 (Sub-No. 21)

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

[OVERSIGHT]

COMMENTS OF THE INTERNATIONAL PAPER COMPANY



Edward D. Greenberg
GALLAND, KHARASCH & GARFINKLE, P.C.
1054 - 31st Street, N.W.
Washington, DC 20007
(202) 342-5277

Counsel for The International Paper Company

Dated: **August 1, 1997**

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760 (Sub-No. 21)

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

[OVERSIGHT]

VERIFIED STATEMENT OF CHARLES E. McHUGH

My name is Charles E. McHugh and I am Manager, U.S. Distribution Operations for The International Paper Company (referred to as "IP"). I previously submitted a verified statement in the underlying merger proceeding involving UP and SP (*see* Verified Statement of Charles E. McHugh, submitted as part of the Comments of IP, filed March 29, 1996 (the "March 29 Statement"); IP-11). I am submitting these comments in response to the Board's Decision No. 1 in this oversight proceeding, served May 7, 1997, to address the issue of whether the conditions imposed by the Board on the merger are effective in addressing the anticompetitive effects of the merger.

PREFATORY STATEMENT

In the March 29 Statement and in the other submissions filed on behalf of IP, we pointed out that the company was heavily dependent on rail transportation at numerous points that were competitively served by both the UP and SP rail systems. In particular, we pointed out that IP had two large mills that were situated at the so-called "2-to-1" points of Camden and Pine Bluff,

Arkansas in the Houston-Memphis Corridor that together accounted for approximately 15,000 rail shipments in 1995 alone. As the Board will undoubtedly recall, IP was extremely active in the underlying merger proceeding because of its concern that the announced settlement agreement between the BNSF and the UP/SP might not be an effective alternative for the loss of the existing competitive services offered by the then separate UP and SP rail systems. Given the importance of rail competition and our concerns about the practicability and viability of the BNSF alternative initially proffered by the Applicants, we spent a great deal of time during the discovery phase of the hearing to ascertain whether the BNSF would be able to fill the vital role of providing a competitive alternative to UP/SP service at Camden and Pine Bluff.

Notwithstanding the assurances of the BNSF--namely, that the trackage rights accorded it under the original Settlement Agreement would be all that was required to permit it to compete as vigorously for IP's business as had both the UP and SP--we concluded that this would not be the case. We came to these conclusions primarily due to our belief that the trackage rights accorded BNSF in this particular corridor would not permit it to make the necessary investment to operate effectively and efficiently, that BNSF had neither the experience nor interest in serving our mills, that it did not have sufficient facilities or assets (*i.e.*, cars) to handle the needs of these large mills, that it could not compete price-wise for this business, and that it would largely operate between the end points of Houston and Memphis without providing any effective service at points along the line. It was for this reason that IP called for divestiture of the SSW lines and all rail-related facilities between Houston and Memphis, rather than merely giving BNSF trackage rights.

The STB nonetheless found, in its Decision No. 44, served August 12, 1996, that the conditions imposed would be sufficient to ameliorate the anticompetitive effects caused by the merger, that the trackage rights accorded BNSF over the Houston/Memphis Corridor would be

sufficient to make it a viable and aggressive competitor, but that the STB would retain oversight over "the competition provided by BNSF (Decision 44, at 147).

The following facts address the degree to which BNSF has provided competition to UP/SP at Pine Bluff and Camden, Arkansas for IP's business.

I. Pre-Merger Competitive Situation

In the years leading up to the merger, the SP and UP were aggressive, head-to-head competitors for IP's rail business at the Camden and Pine Bluff facilities. As I pointed out in the March 29 Statement, IP required both the UP and SP to submit responsive bids for all competitive rail business (*i.e.*, that business was not local to one of the carriers) that addressed both price and service parameters. (March 29 Statement, at 14-17.) After weighing the competing bids of UP and SP and giving full consideration to their service performance for the preceding years, IP awarded its competitively served traffic to UP and SP for the years 1993 through 1995 as follows:

Table No. 1

	Pine Bluff		Camden	
Year	UP	SP	UP	SP
1993	35%	65%	55%	45%
1994	36%	64%	46%	54%
1995	52%	48%	23%	77%

II. Post-Merger Performance of BNSF at Pine Bluff

Shortly after the STB issued Decision No. 44, IP sent a Request for Proposal ("RFP") to the UP/SP and BNSF with respect to the movement of a product called bleached board which is manufactured at Pine Bluff, Arkansas. As relevant to this discussion, this product is sent primarily

to liquid packaging facilities in the Conrail territory and various points in Arkansas and Tennessee and is used in the manufacture of containers for products, such as milk and juices, suitable for human consumption. Accordingly, a railroads ability to move the large rolls of this bleached board commodity in clean boxcar equipment is essential. Although responses on this bid were due on September 27, 1996 (which is the date the UP responded), the BNSF responded three days late and, at that, bid on less than one-third of the routes for which traffic was moving. Nor did BNSF's response address the transit time standards required by the RFP. Two weeks later, BNSF supplemented its bid by addressing two additional routings, so that they ultimately bid on seven of the 17 joint line routings for which we had requested bids, but again failed to address the important service issues.

On November 4, 1996, I met with Messrs. Hord and Rickershauser of BNSF--the same two gentlemen that filed statements on July 1, 1997--to discuss the BNSF's initial offer in response to our RFP and explained that BNSF was substantially non-competitive from a rate perspective. I also criticized the BNSF's failure to address the issue of car supply, the transit standards and the operating plans were are required by the RFP. As a result, on November 11 BNSF submitted amended rates, transit standards for volume moves and an operating plan. In addition, the BNSF provided a one-page sheet reflecting the car supply that would be available to service the Pine Bluff traffic. I have attached that one-page sheet as Exhibit 1 to this statement.

On November 25, 1996, IP awarded BNSF with 28% of IP's outbound rail tonnage from Pine Bluff. This award represented the right for BNSF to handle 1,200 carloads annually.[1/] Although we

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1/ The UP/SP's Progress Report incorrectly states that IP awarded 1,300 cars to BNSF at Pine Bluff. *See* Confidential Appendices to Applicant's Report on Merger and Condition Implementation, UP/SP-304, at Appendix B5.

(continued...)

could have awarded BNSF 45% of the outbound tonnage from this facility (or 1,900 carloads), we were somewhat hesitant to do so since this was BNSF's initial attempt to serve this facility and we needed some experience to rate their service before relying more heavily upon that carrier. This award of business was to be effective commencing on December 1, 1996 and involved traffic destined to various liquid packaging facilities in Conrail territory and points local to BNSF in Arkansas and Tennessee.

In mid-December 1996, representatives of the BNSF met with our staff at Pine Bluff to discuss the BNSF's new role and how they planned to serve that facility. For our part, we discussed our needs and in particular, due to the handling characteristics for these large rolls of bleached board, how our customers preferred either double-door boxcars or 12-foot single door boxcars. A similar discussion concerning our need for these types of boxcars was held a week earlier with another representative of the BNSF. At these meetings, the BNSF representatives indicated--for the first time--that BNSF did not have an abundance of these car types; nonetheless, they conveyed their belief that BNSF could supply some quantity of double-door cars and would be able to supplement this with a sufficient quantity of 12-foot single-door boxcars. They further advised that the BNSF was investigating its ability to lease, buy or rehabilitate additional double-door boxcars to satisfy IP's needs.

In January of this year, BNSF advised us that they could not supply any double-door boxcars, although they did have a fleet of the alternative 12-foot wide single-door boxcars that would be acceptable to our customers. IP's Pine Bluff facility accordingly ordered 20 of these boxcars per

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1/ (...continued)
Parenthetically, this award simply means that BNSF had the ability to handle 1,200 cars, assuming it could do so. As noted below, BNSF could not do so and has actually handled less than 10% of the business it was awarded.

week. Rather than send us 20 of these cars, the BNSF sent 80 of them. However, instead of the normal loading capacity of 152,000-153,000 pounds per car, these cars could not hold more than 134,000-140,000 pounds. Assuming the BNSF actually handled the 1,200 cars allotted to that carrier, this light loading problem would have caused a freight penalty of $542,500 per year. This is of course a major service deficiency attributable to BNSF.

Moreover, most of the cars BNSF did provide were rusty and did not possess the necessary anchor plates that were essential to secure the loads. Consequently, IP was required to reject 65 of the cars due to their poor condition. Even so, the BNSF's service was very poor, in that we experienced severe damage to the rolls of bleached board that were shipped, substantial monetary penalties because of the light loading of the cars and excessive transit delays due to BNSF's inability to promptly move or track the shipments.

Throughout February, March and April of this year, we held a number of meetings and discussions with BNSF personnel concerning its inability to meet their boxcar commitments or otherwise satisfy IP's service requirements. Initially, BNSF claimed that it had never committed to provide double-door boxcars. However, as is evident from the attached Exhibit 1, its amended response to our RFP (which was submitted on November 11, 1996) identified the various cars that would be available to support any business that would be awarded to the BNSF. And, 464 of the cars that appear on that list are in fact double-door boxcars. In any event, IP's original RFP that was provided to the BNSF specifically stated our preference for double-door boxcars, specifying that 70% of the fleet used to service this mill should consist of that type of equipment. At no time during its responses to the bid did BNSF indicate that this was unattainable. Nonetheless, and notwithstanding its earlier commitment that 464 double-door boxcars were available to serve the Pine Bluff mill, BNSF's representatives now claimed that there had been no such understanding.

In May of this year, we again had a comprehensive business review with BNSF officials to discuss the Pine Bluff situation. At this point, they agreed to talk with "their people" about buying, leasing or reassigning the double-door boxcars both we and our customers need at Pine Bluff, and promised to respond by the end of May. And, on May 30, 1997, William E. Nordberg, a BNSF Vice President, did respond, essentially refusing to provide any of the equipment promised in their response to the RFP. (*See* Exhibit 2.) After alleging that there had been some "misunderstanding" of the BNSF's equipment commitments, he contended--incorrectly--that their "existing fleet did not contain any surplus double-door equipment." Contrary to other assertions in his letter, the BNSF never stated--until Mr. Nordberg's letter--that it could not supply the double-door cars. Nor had BNSF stated, until the May 30 letter, that the economics of the contract would not justify leasing or buying this equipment. Regardless, at this point the BNSF took the position that if IP would reopen the bid, they would make "a new proposal, using economics that would justify the investment in or reallocation of double-door equipment."

This raises several obvious points. First, IP never dictated what the transportation price should be when it issued the RFP; instead, we merely specified the traffic that was available, the equipment that was desired, and the service parameters that were required. The pricing of its bid was up to BNSF, and the BNSF was supposedly intending to compete with the UP/SP for this business. Second, it is now apparent that the BNSF has concluded that it cannot compete economically with the UP/SP for service at this mill, and therefore was asking us to agree to pay a premium for BNSF service.

In any event, although BNSF was awarded the opportunity to handle 1,200 cars from the Pine Bluff facility, and should have handled at least 650 carloads during this time frame, it in fact was only able to handle 57 cars--less than 10% of the total it was awarded. As a consequence of BNSF's

inability to supply the necessary cars, IP was compelled to tender these shipments instead to the UP/SP at a substantial freight cost and service penalty.

As I outlined in great detail in the March 29, 1996 Statement, the service provided by the railroads is equal to pricing in importance to IP. (Statement, at 12-17.) And, aside from the provision of inadequate supply of clean and acceptable boxcars, one of the most important service deliverables that a railroad can provide pertains to on-time transit. By and large, IP and its customers are relatively indifferent to how long it takes for a railroad to move a car; the critical issue is whether they are able to deliver the car when they say they will. I have attached, as Exhibit 3 to this Statement, several graphs showing the on-time transit performance at the Pine Bluff mill for the SP and UP respectively in 1996, and for the UP only for the first six months of 1997. Despite our request, we have received no transit performance statistics from the BNSF and have not received any SP reports since December of 1996. In any event, these figures can be compared to the performance statistics reflected in my March 29 Statement at 16-17. The results have not been very encouraging.

III. Post-Merger Performance of BNSF at Camden

On May 20, 1997, IP sent both UP/SP and BNSF an RFP seeking bids covering the competitive traffic that was available out of its Camden mill, and asked that the carriers' bids be returned to us by June 23, 1997. This amounts to 2,400 cars annually of kraft paper, moving generally throughout the United States.

On June 2, I made follow-up calls with both the UP/SP and BNSF to check on their progress. At that time, Dave Kiehn, who was the Account Manager--Forest Products assigned to this project by the BNSF, advised that he was still working on the bid. Late in the afternoon on June 23 (the due date), I again called Mr. Kiehn to ask where the BNSF bid was. He advised me that he was still

waiting for additional information, but that the complete bid package would be prepared by Friday, June 27. Because of our concerns about this matter, I made additional calls to BNSF officials, including Mr. Nordberg, attempting to ensure that the BNSF would be able to produce a bid. Unfortunately, BNSF did not deliver anything on June 27. Accordingly, on Monday, July 1, I called Mr. Kiehn but was advised he was on vacation. After enlisting the assistance of Mr. Nordberg, Mr. Kiehn eventually left me a voice message advising that BNSF was still unsure about its operating plan and that he was still waiting for concurrences from various connecting carriers.

On Monday, July 7, I received a partial rate offer from BNSF, but was advised by Mr. Kiehn to expect the complete package by Friday, July 11. When we received nothing further on July 11, I again called Mr. Kiehn, this time on Monday, July 14. He then advised me that he was still working on an operating plan and, again, waiting for concurrences. On this occasion, he promised that he would have the complete bid package prepared by Wednesday, July 16.

Unfortunately, July 16 came and went, again without any bid from the BNSF for the Camden business. On July 17, I contacted Mr. Kiehn early in the morning and advised him that any rate offers he wanted to be considered in the bid had to be in our office by noon. I also told him that the operating detail and transit standards had to be in our office by the end of the day. Regrettably, we received no response of any kind from the BNSF in response to that inquiry.

As a result, we had no choice except to award the entirety of the Camden business to UP. On July 28, we finally received a response from BNSF containing a rate offer and providing transit standards for a number of the routings that had been included in the RFP. However, that offer was still missing an operating plan concerning how the business was to be switched at the Camden Mill and contained no car supply assurances whatsoever. In any event, the information that was supplied,

a month and a half later than the required bid date, came in after the business had already been awarded to the UP/SP.

Accordingly, BNSF has handled no cars into or out of our Camden facility, with the UP/SP now handling 100% of all traffic at that location.

I have attached, as Exhibit 4, the "on-time transit performance" statistics for 1996 and the first six months of 1997 pertaining to railroad operations out of the Camden Mill. As was the case with Pine Bluff, we received no SP performance data for 1997. And, since the BNSF elected not to compete for this business at all, there is no performance data for that carrier.

IV. Conclusion

From the foregoing, it is difficult to conclude that the BNSF has been able to provide effective competition to the UP/SP at least with respect to the rail service needs of IP at Pine Bluff and Camden, Arkansas.

VERIFICATION

I, Charles E. McHugh, do verify that the foregoing is true and correct to the best of my knowledge, information and belief.

Charles E. McHugh

STATE OF TENNESSEE)
)ss:
COUNTY OF SHELBY)

Subscribed and sworn to before me by Charles E. McHugh this 30th day of July, 1997.

Janice A. Katsoulis
Notary Public

My Commission Expires September 15 1998

My commission expires: _____

US OFFICE PRODUCTS

Exhibit 1

PINE BLUFF, AR

B. Controlled Equipment Series

BNSF Series		Description	Car Type	Number of Cars
*ATSF	45685-46199	50' High Cube 100 ton	A406	464
BN	286000-286306	" " "	A405	303
BN	287000-287299	" " "	A406	298
BN	375880-375999	" " "	A406	120
BN	376000-376199	" " "	A406	163
BN	376400-376649	52' High Cube 100 ton	A406	226
BN	376750-376959	52' High Cube 100 ton	A406	200
			Total	1774

BNSF Series		Description	Car Type	Number of Cars
ATSF	151900-152499	50' 100 ton	A406	565
ATSF	151700-151899	" "	A436	147
ATSF	501400-501801	" "	A435	386
ATSF	504001-504098	" "	A436	38
BN	375619-375799	" "	A405	180
BN	376202-376749	" "	A402	180
			Total	1496

BNSF Series		Description	Car Type	Number of Cars
BN	218600-218949	50' High Cube 70 ton	A406	117
BN	219000-219084	" " "	A402	53
BN	219250-219299	" " "	A406	39
BN	236401-236696	50 ' 70 ton	A406	115
BN	244300-244963	" "	A405	592
BN	319070-330977	" "	A405	246
BN	375800-375849	" "	A405	32
			Total	1194
			Grand Total	4464

*- Double Door Boxcars

Exhibit 2

US OFFICE PRODUCTS

BNSF

William E.Nordberg, VP

Burlington Northern Santa Fe
P.O. Box 961060
Fort Worth, TX 76161-0060
817.352.6350

JUN 5 1997

May 30, 1997

Mr. Charlie E. McHugh
Manager U.S. Distribution Operations
International Paper
International Place II
6400 Poplar Avenue
Memphis, TN 38197

Dear Charlie,

This letter is in accordance with our commitment to respond to you, formally, on BNSF's plans to provide equipment and service to your mills in Arkansas. We feel there may be a misunderstanding of what equipment BNSF has committed to deliver to handle this traffic.

In BNSF's September '96 meeting with IP to discuss the upcoming Pine Bluff bid for traffic, BNSF expressed our desire to participate in this business. We stated that we would be able to supply 70 ton, single door paper grade cars, but our existing fleet did not contain any surplus double door equipment. Consequently, when the '96-'97 bid package was resubmitted (our initial bid was rejected as non-competitive), BNSF's bid was based on an equipment base of 75%-80% foreign 70 ton single door, cushioned boxcars, with the remainder to be supplied from BNSF's paper fleet. Although we had stated BNSF could not supply double door cars, the business awarded to BNSF was for approximately 60% double door and 40% single door equipment. Through the first five months of this year very little traffic (50 cars) has moved to the proposed single door destinations and we have been unable to meet your requirements for double door equipment. We remain willing and able to supply single door equipment for this business as needed, however, we cannot economically justify leasing or building new double door equipment for this business.

If IP would like to reopen the bid for the Pine Bluff traffic, BNSF would be willing to submit a new proposal, using economics which would justify the investment in or reallocation of double door equipment.

Although our lack of supply of double door cars will keep us from handling large volumes of traffic from the Pine Bluff mill, we do have a sufficient quantity of single door cars suitable for the Camden mill for which we have just received the 1997-1998 bid

package. Based on a quick look over this package, we estimate BNSF would be able to handle approximately 58% of this traffic. Given this share, and a percentage of the single door traffic out of Pine Bluff, IP would be able to maintain or improve the same competitive rail share numbers as were experienced pre-UP/SP merger.

BNSF wants to participate in your business. We are working very hard to make the service in the Houston to Memphis lane high quality. As you know, we have added a Superintendent position in Pine Bluff for the sole purpose of overseeing all traffic handled in this corridor and now have two merchandise trains daily, each direction operating through Pine Bluff between Texas and the Memphis gateway.

By working together, I believe we will be able to make this a long term successful arrangement. We would appreciate your response to this letter, which will enable us to go forward with a clear understanding of your business needs and requirements of BNSF..

Respectfully,

Bill

William E. Nordberg

cc: Matt Rose
Peter Rickershauser
Teresa Perkins
David Klehn

Exhibit 3

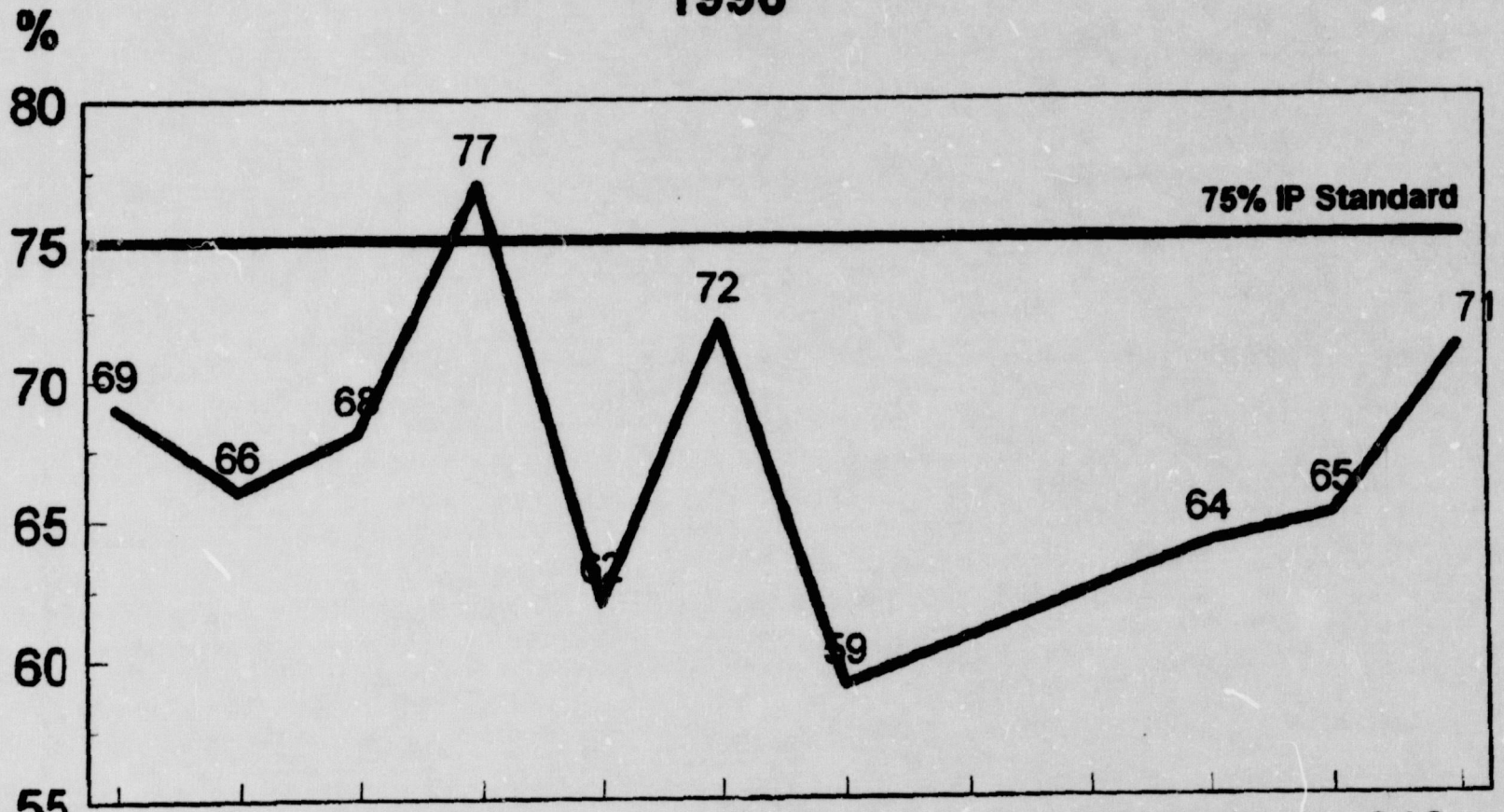
US OFFICE PRODUCTS

JUL-28-1997 10:49 INT'L PAPER DIST. OPS. 901 753 6875 P.09/18

Southern Pacific Transportation

On-Time Transit Performance - Pine Bluff

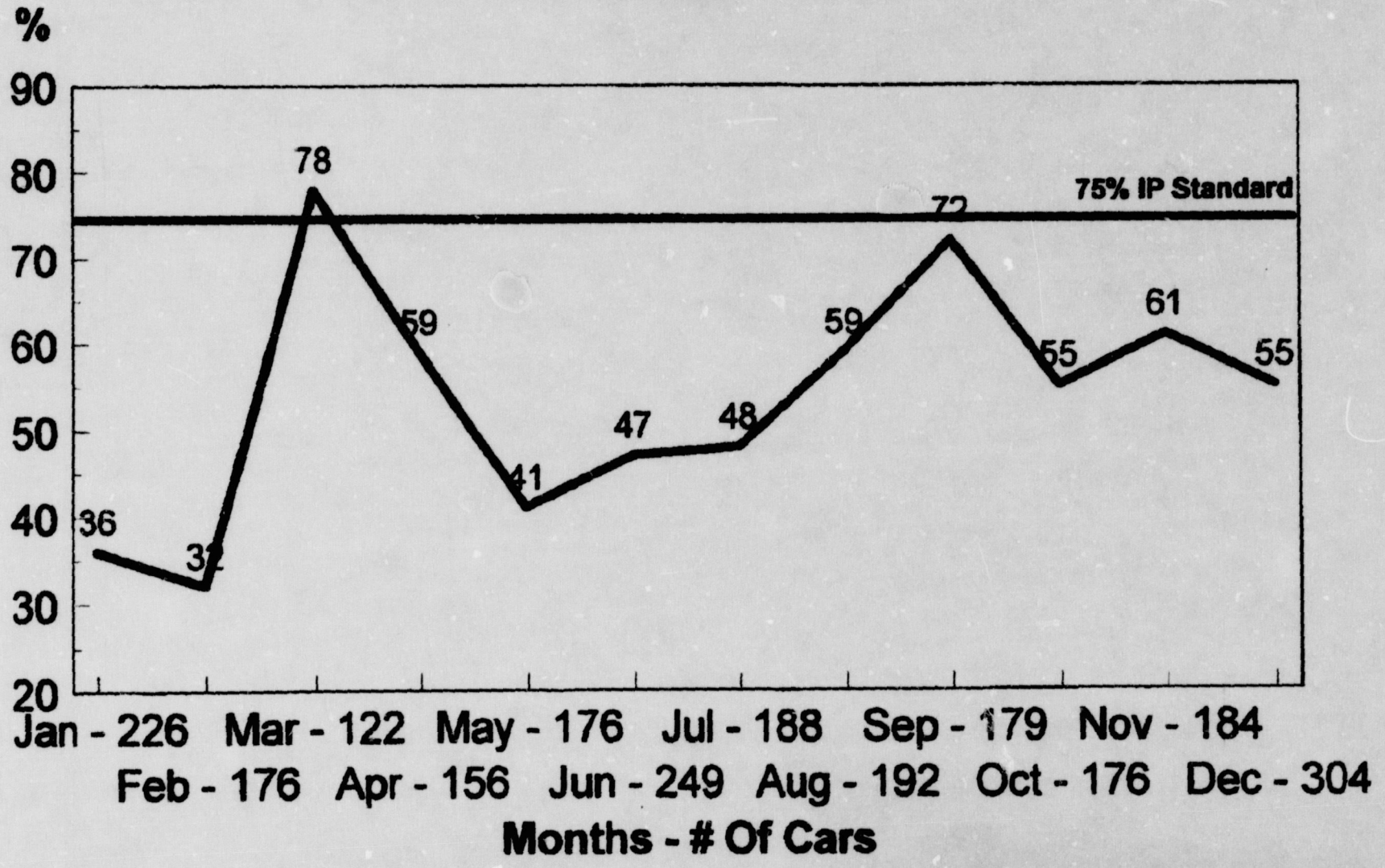
1996



Union Pacific Railroad

On-Time Transit Performance - Pine Bluff

1996



JUL-28-1997 10:50 INT'L PAPER DIST. OPS. 301 753 6875 P.10/18

JUL-28-1997 10:50 INT'L PAPER DIST. OPS. 901 763 6875 P.11/18

Union Pacific Railroad

On-Time Transit Performance - Pine Bluff

January - June 1997

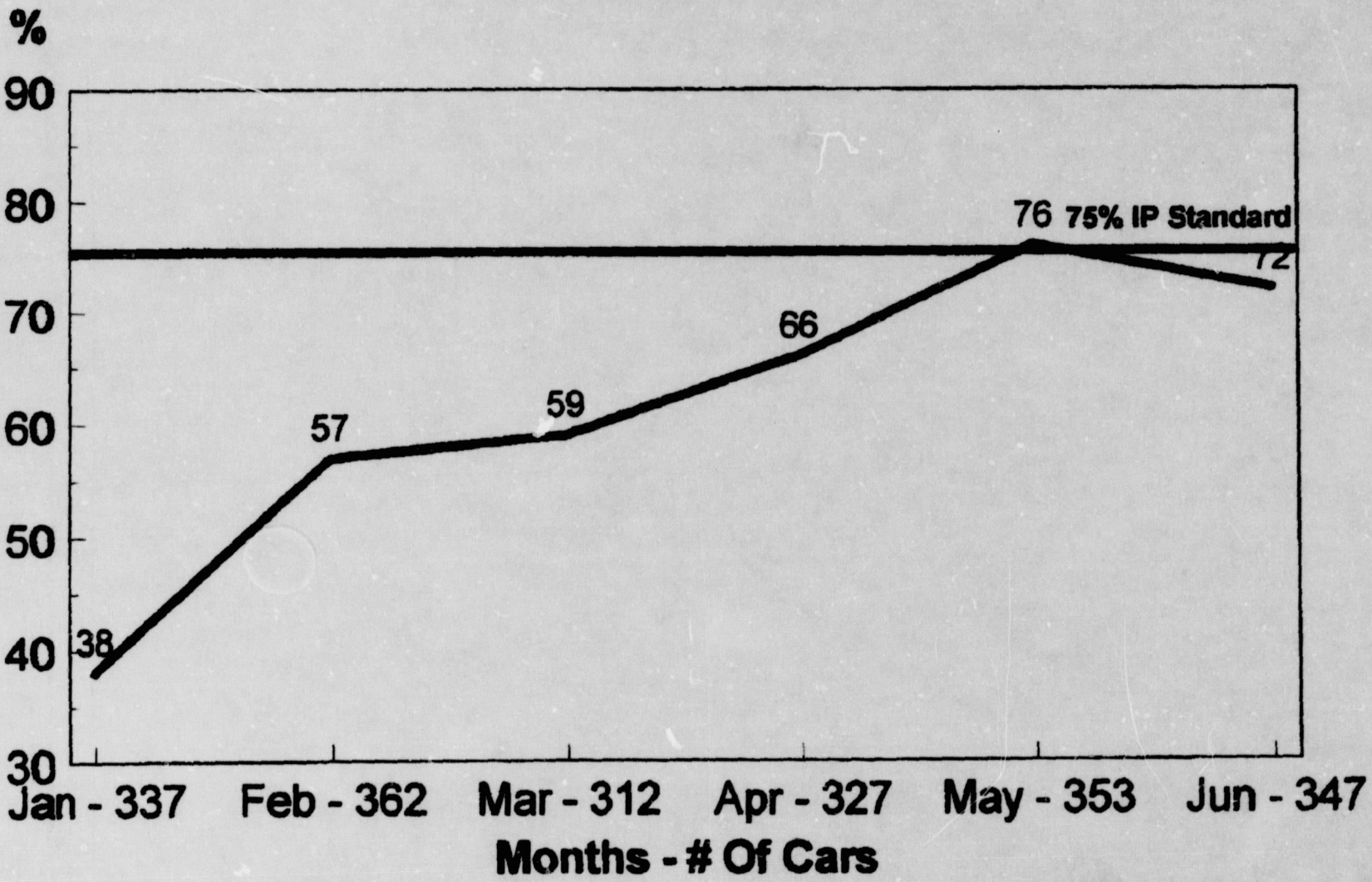


Exhibit 4

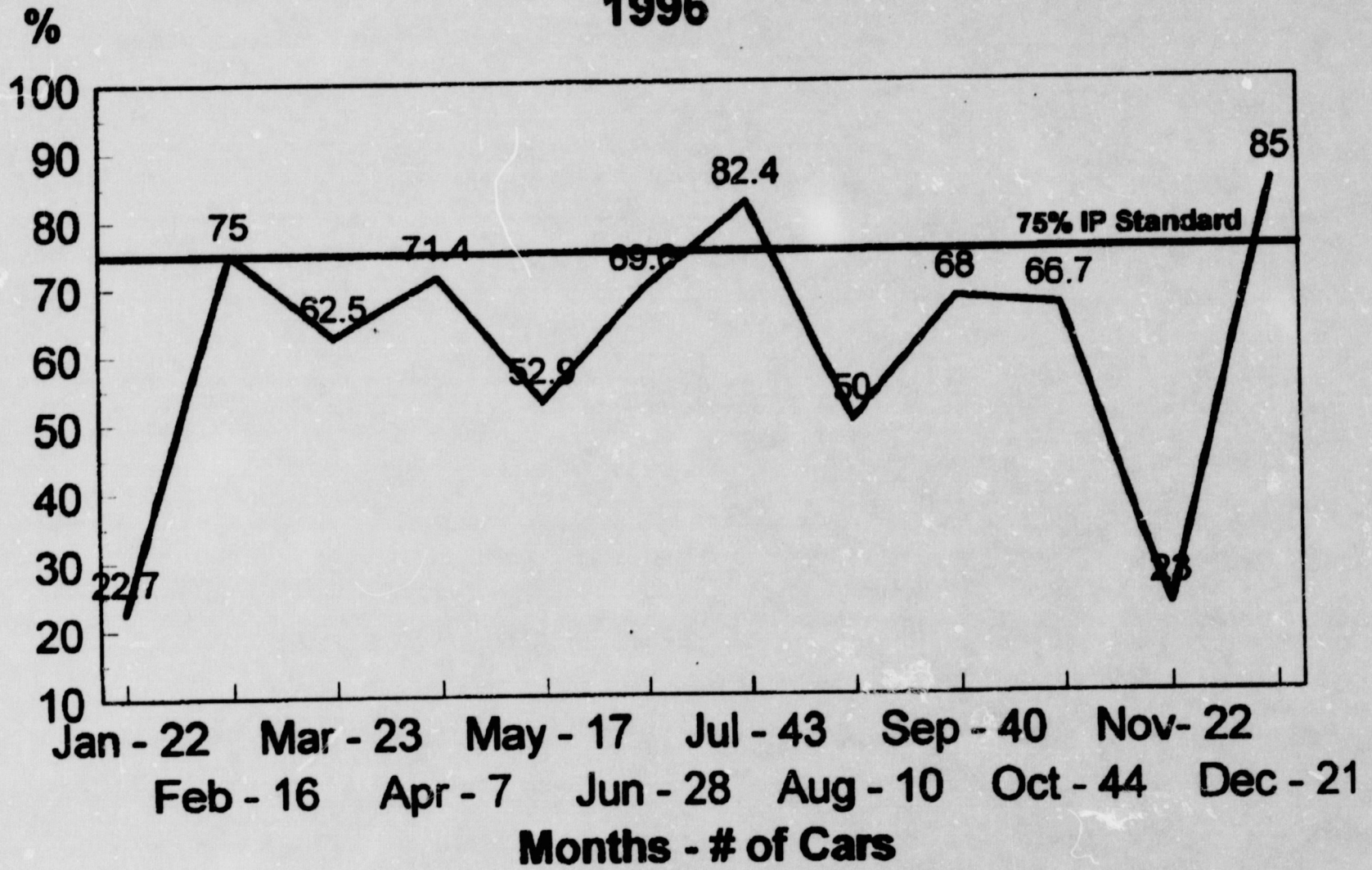
US OFFICE PRODUCTS

JUL-28-1997 10:53 INT'L PAPER DIST. OPS. 901 763 8875 P.15/18

Union Pacific Railroad

On-Time Transit Performance - Camden

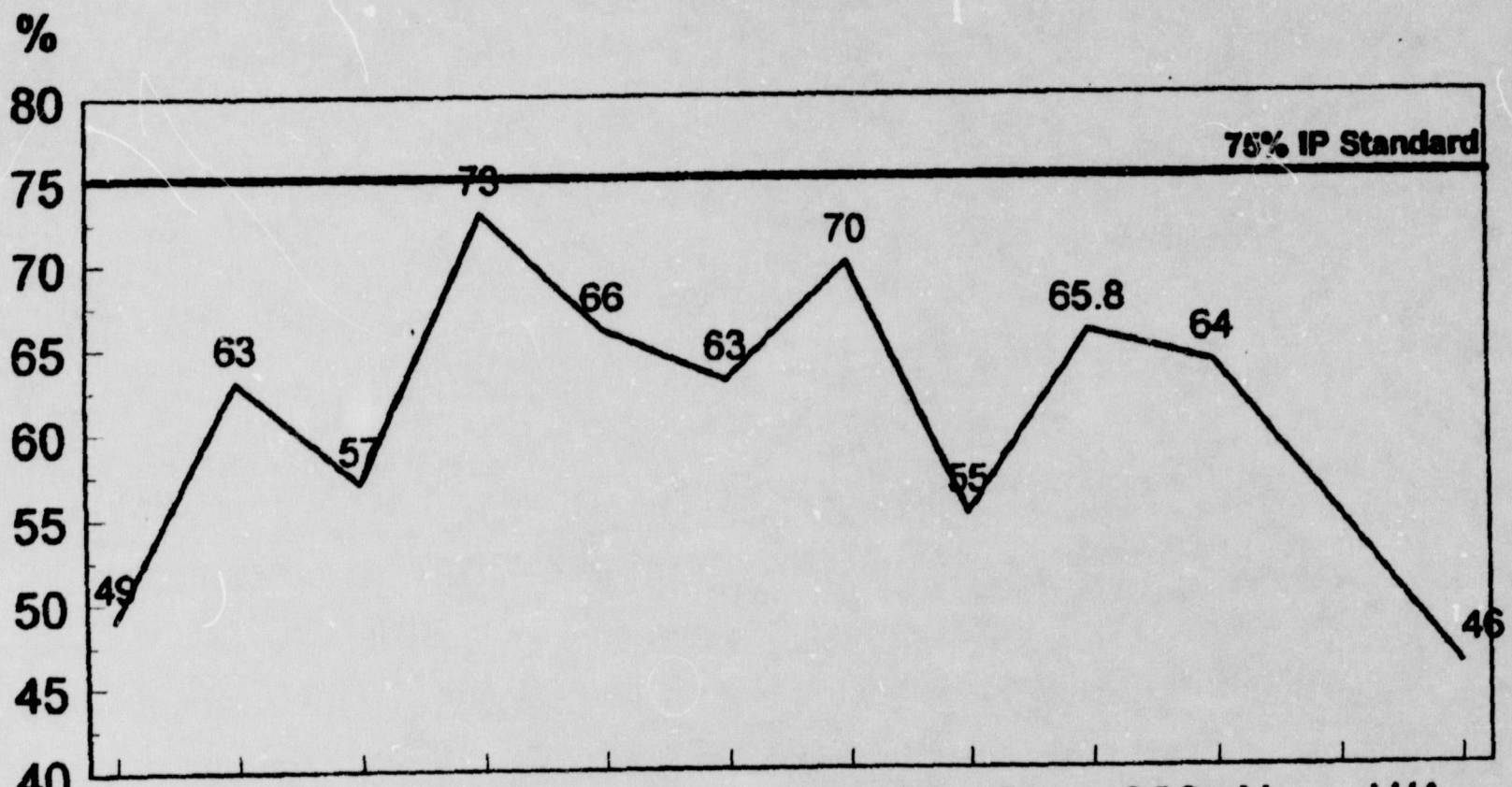
1996



Southern Pacific Railroad

On-Time Transit Performance - Camden

1996



Jan - 179 Mar - 126 May - 201 Jul - 163 Sep - 209 Nov - N/A
Feb - 147 Apr - 120 Jun - 222 Aug - 205 Oct - 249 Dec - 121

Months - # of Cars

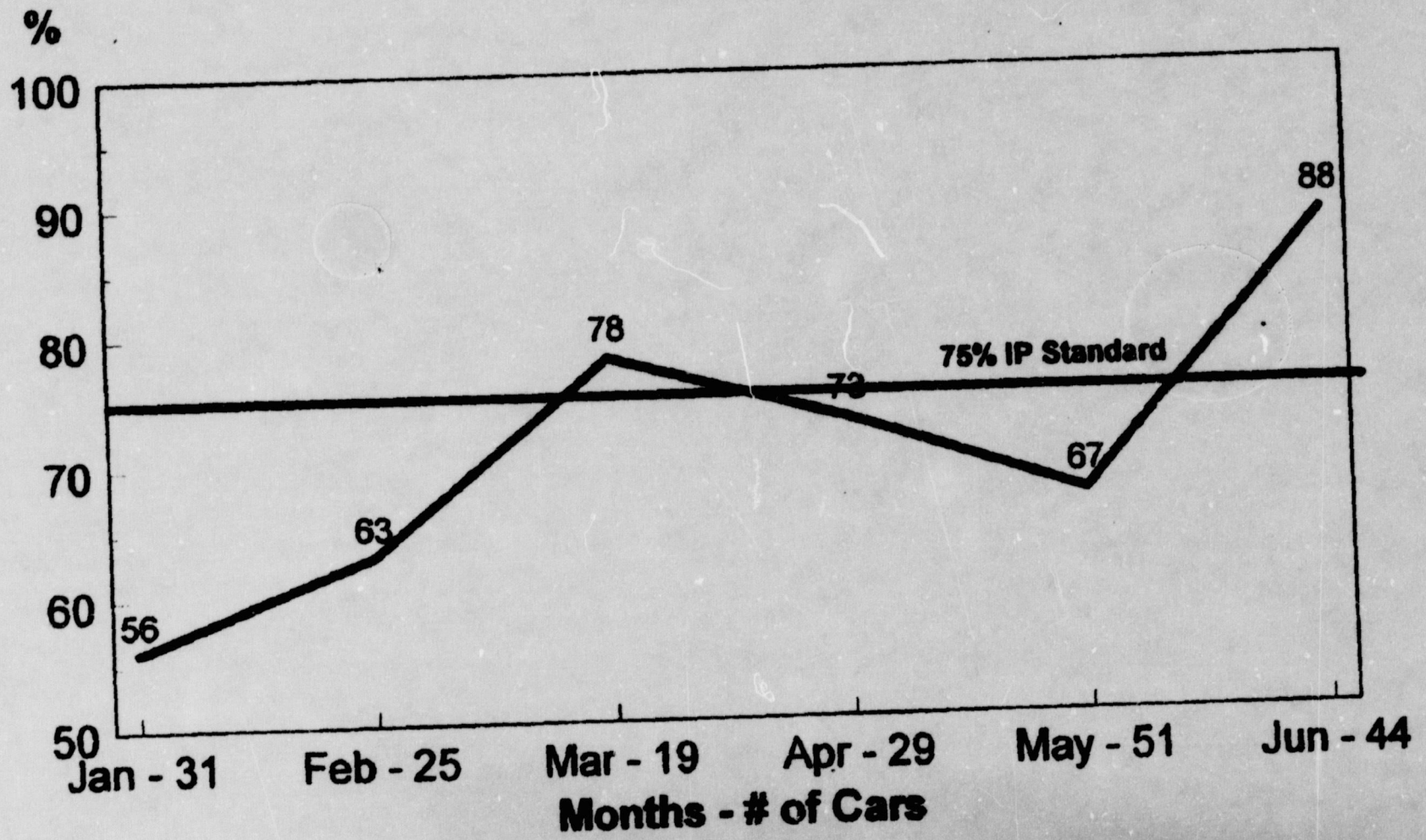
JUL-28-1997 10:53 INT'L PAPER DIST. UPS. 901 763 6875 P.17/18

JUL-29-1997 10:53 INT'L PAPER DIST. OPS. 901 763 6875 P.18/18 TOTAL P.18

Union Pacific Railroad

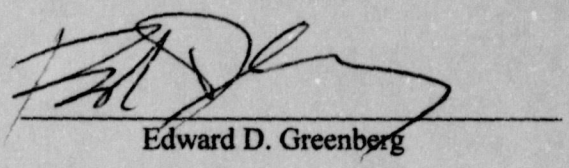
On-Time Transit Performance - Camden

January - June 1997



CERTIFICATE OF SERVICE

I certify that on this 1st day of August, 1997 I caused a copy of the foregoing Comments of The International Paper Company to be served by first-class mail, postage prepaid, on all parties of record in this proceeding.



Edward D. Greenberg

Knightsbridge Drive
Hamilton, Ohio 45020
513 868-4974, Fax: 513 868-5778

Richard E. Kerth
Transportation/Distribution Manager—Commerce, Regulatory Affairs
and Organizational Improvement
Corporate Transportation/Distribution

180891

180891

Champion
Champion International Corporation

RECEIVED
AUG - 1 1997
MAIL
MANAGEMENT
STB 7

July 31, 1997

Via Federal Express - Overnight Delivery Service

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

re: Finance Docket No. 32760 (Sub. No. 21), Union Pacific Corporation, et. al -- Control & Merger-- Southern Pacific Rail Corporation, et. al (Oversight)

Dear Mr. Secretary:

Enclosed for filing in the above referenced proceeding are the original and twenty-five copies of the Comments of Champion International Corporation.

Sincerely,

Richard E. Kerth

Richard E. Kerth

ENTERED
Office of the Secretary
AUG 04 1997
3 Part of
Public Record

cc: All parties of Record

180871

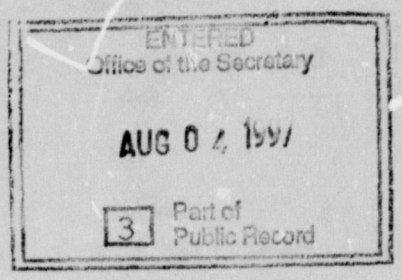
CIC-2

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760 (Sub. No. 21)

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

COMMENTS OF CHAMPION INTERNATIONAL CORPORATION



Richard E. Kerth
Transportation Manager -
Commerce & Regulatory Affairs
CHAMPION INTERNATIONAL CORP.
101 Knightsbridge Drive
Hamilton, OH 45020
(513) 868-4974

July 31, 1997

BEFORE THE

SURFACE TRANSPORTATION BOARD

FINANCE DOCKET No. 32760 (Sub. No. 21)

Union Pacific Corp. et al -- Control and Merger --

Southern Pacific Rail Corporation, et. al

COMMENTS OF CHAMPION INTERNATIONAL CORPORATION

Pursuant to the provisions of Decision No. 1, served May 7, 1997 and published that day in the *Federal Register* at 62 FR 25014, Champion International Corporation (hereinafter referred to as "Champion") hereby comments on the competitive effects of the merger and the implementation of conditions imposed to address competitive harms. Champion did not anticipate, prior to the May 27, 1997 filing notification deadline, the need to participate or offer further comments[1] in these oversight proceedings. On July 17, 1997, however, Champion was compelled to file a Motion for Leave to Participate in these Oversight Proceedings because rail service in East Texas had deteriorated to unacceptable levels and on-going efforts to resolve those problems were not effective. Between early June and our July 17th filing, Champion facilities in East Texas, (viz. at Sheldon, Texas our newsprint manufacturing operations; at Camden, Texas and Corrigan, Texas plywood and lumber manufacturing operations), were consistently experiencing an inadequate supply of empty railroad equipment to ship our products to customers. In addition, local operating problems and traffic congestion between New Orleans and Houston and between Houston and Pine Bluff (Arkansas) have interrupted the flow of inbound raw materials and chemicals to our facilities and outbound finished product to customer (in available cars). Champion experienced a potential production interruption

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[1] Champion International Corporation is a party of record in Finance Docket No. 32760. See Decision No. 44, Finance Docket No. 32760, Service Date: August 12, 1996 at page 76 and page 193.

when raw materials were not delivered for five (5) days to our newsprint manufacturing facility in Sheldon (Houston), Texas.

In comments filed December 19, 1995, Champion indicated that SP's service had a history of inadequacy but allowed that the merger may result in improved service. We also expressed concern that the merger may cause certain problems, particularly service on the Houston - Fair Oaks line may deteriorate further if applicants used that line for southbound traffic and if BNSF puts its own overhead trains on that line. Champion requested the Board to condition the merger by granting BNSF access to all Class III railroads and their customers who are dependent on the Houston-Fair Oaks Line to counter-balance the service problems from added traffic. The Board denied the conditions sought by Champion indicating that customers on the Houston to Fair Oaks line were rail-served exclusively by SP pre-merger and would be rail-served exclusively by UP/SP post-merger and ruled that there was no reason to believe the new post-merger traffic flows would cause service problems.[2]

Acute, on-going service problems have effected Champion operations located on the Houston to Fair Oaks Line. Champion has experienced continuing boxcar shortages since June 1st forcing us to utilize three (3) trucks for every order moved from rail to truck. Compounding the shortage, we rejected nineteen (19) cars between June 1, 1997 and July 18, 1997 because: (a) 9 cars were loaded with cargo but delivered to us as empties; (b) 7 cars were the wrong size and could not accommodate our shipment size; (c) 2 cars were bad ordered for door problems; and (d) 1 car was dirty (smelled so bad that we could not clean it). Our normal car order for the seven week period cited is 175 cars; during this period Champion received 138 cars or 78% of our order.

The UPSP has changed their operation for supplying cars to shippers on this line. UPSP no longer blocks cars for setout in Houston and provides no local train. Cars for Moscow, Texas (setout 45210 which serves Champion at Camden, TX) are taken through Moscow, Texas to Lufkin, Texas. At Lufkin, the cars are blocked and brought back to Moscow, thus adding two days to delivery time. On several occasions, the cars designated for Camden, Texas (setout 45210) were delivered to setout 45240 (Corrigan, TX) or setout

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[2] See Decision No. 44, Finance Docket No. 32760, page 193

45200 (Leggett, TX). It then takes an additional day or two to have the UPSP move the cars to the correct setout.

Loaded cars are not being moved by UPSP in a timely manner. Shipments made by Champion's Camden, TX facility were switched from the mill to Moscow, TX by the Moscow, Camden & San Augustine RR ("MC&SA") on July 11 where the shipments were delivered to the UPSP. The UPSP did not pick up these cars until July 16 -- 5 days after delivery. Our customers were inconvenienced by this action because their loads arrived 5 days later than necessary.

Champion's newsprint manufacturing facility located in Sheldon, (Houston) Texas has experienced similar problems. Champion has filled all available plant warehouse space with orders because the UPSP could not furnish empty cars. At the same time, loaded cars sat for days waiting for the UPSP to move the cars toward our customers. Information flowing from the local UPSP representatives has been non-existent or incorrect. UPSP's representatives in Omaha attempted to correct these deficiencies but their efforts could be categorized as a "Band-Aid approach to a severed artery."

On July 16, 1997, we faced a likely production disruption as the UPSP could not deliver raw materials, chemicals, and sufficient empty cars to the facility. Champion's Director of Transportation, Gerald M. Loomis, placed a personal phone call to Jerry Davis, President and Chief Operating Officer of the UPSP for his personal intervention. Mr. Davis took swift action and averted a shutdown.

On Saturday, July 19, 1997, Champion and officials of the UPSP met at the Sheldon, Texas facility to establish final resolutions to these problems. Since that date, accurate and timely information is provided to Champion regarding UPSP's ability to provide adequate equipment for loading. The Sheldon facility has been set up to receive six (6) day service without interruption. Empties from the Pine Bluff line are now being handled through Dayton instead of Houston and availability has improved significantly.

Despite these improvements and well intended efforts, outbound loads are still experiencing significant delays of 3 to 5 days between our Sheldon mill and the Englewood yard. Congestion in Englewood stills accounts for additional time lost. We are hopeful that UPSP will continue to focus on these service deficiencies.

Further, Champion remains concerned that a reoccurrence of these problems wili occur as BNSF increases the number of scheduled BNSF trains operated weekly over UPSP

lines, particularly, the line between New Orleans (UPSP line from Iowa Junction) and Houston; between Houston and Pine Bluff; between Houston and Brownsville (on the Mexican border); and between Houston and Eagle Pass (on the Mexican border). In its fourth Quarterly Progress Report[3], the Burlington Northern Santa Fe Railway Company ("BNSF") indicates they have acquired a significant contract from Exxon for traffic from the Gulf Coast (plants in Baytown and Mount Belvieu, Texas) on the UPSP's Baytown Branch. That business, expected to begin moving in August, is projected at 4,000 carloads which may increase train congestion and service problems in Houston if operations and services are not coordinated properly. BNSF has committed to various capital projects including an operating track at Dayton, TX and construction of a 8,500 foot siding at Iowa Junction, LA. which, in due time, may allow more efficient handling of additional BNSF freight traffic. We are concerned that additional BNSF traffic will begin moving before completion of these projects. As BNSF continues to increase market share and marketing efforts to attract new customers to locate in this region, the infrastructure must support the timely and efficient movement of rail traffic.

Champion anticipated minor service disruption as UP and SP operations in Houston were combined and as BNSF began operating trains on the UPSP lines. We did not anticipate that these disruptions would escalate to the degree described herein. UPSP has worked earnestly at resolving our immediate problems and to restore service to meet our expectations since mid July. We continue to hold them to the commitments made in our joint July 19 meeting and action plan.

Champion does not seek any supplemental order(s), modification of any decision, or the imposition of additional remedial conditions. We do, however, urge the Board to continue oversight for the full five (5) year period.

Respectfully submitted,
CHAMPION INTERNATIONAL CORPORATION

Richard E. Kerth

Richard E. Kerth

[3] Finance Docket No. 32760, The Burlington Northern and Santa Fe Railway Company's Quarterly Progress Report, BNSF-PR-4, page 5 and Verified Statement of Witness, P. J. Rickershauser

CERTIFICATE OF SERVICE

I hereby certify that I have this 31st day of July, 1997, served a copy of the foregoing comments upon counsel of record for the Applicants by first class mail, and all other parties of record, by first class mail, postage prepaid, in accordance with the Board's Rules of Practice.

Richard E. Kerth

Richard E. Kerth

copy to:

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