

STB FD-32760 (SUB 21) ID-180889 8-1-97 D

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ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

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

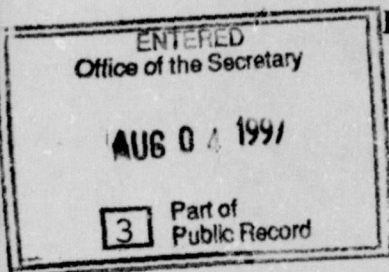
UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

--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 CALIFORNIA
PUBLIC UTILITIES COMMISSION**

The California Public Utilities Commission (CPUC) hereby submits its
comments in this oversight proceeding which focuses on the effects of the above-
described merger on competition and the implementation of conditions imposed to
address competitive harms.

I

INTRODUCTION

The CPUC is an administrative agency established under the
Constitution and laws of the State of California. Among its duties, the CPUC
oversees various aspects of railroad operations within California. The
Commission is authorized to represent the people of the State of California before
federal agencies, including the Surface Transportation Board (Board).

The CPUC was an active party in the merger proceeding, filing comments, briefs and participating in oral argument before the Board. In addition, the CPUC held three public hearings which addressed the effects on competition and service of merging Southern Pacific (SP), California's largest railroad, into the Union Pacific (UP), with the final public hearing being devoted to the prospects for competition in the Central Corridor.

Herein the CPUC looks at the status of three areas of rail operations affecting California to see how efforts to ensure competition between UP and the Burlington Northern Santa Fe Railroad (BNSF) have in fact developed, almost one year after the merger decision. These areas are the Central Corridor, the so-called I-5 Corridor between the Pacific Northwest and Southern California, and intermodal operations at the Port of Oakland.

All three areas are addressed in the BNSF Agreement whose terms the Board imposed as a condition of the merger. Decision No. 44 in Finance Docket No. 32760, served August 12, 1996 (Merger Decision), p. 145 (mimeo). The Board further stated in its decision that "[t]he competition provided by BNSF will be one of the key matters to be considered in the oversight proceeding." *Id.* at 147.

Additionally, the CPUC briefly addresses California's NAFTA gateway at Calexico/Mexicali.

II COMMENTS

A. **In The Central Corridor, A Wide Disparity Exists Between The Levels of BNSF and UP Service**

As of June 30, 1997, BNSF's through train operations to or from Northern California via the Central Corridor consisted of three manifest trains a week in each direction, between Stockton/Riverbank and Provo, Utah, running over SP/UP trackage rights. BNSF's Quarterly Progress Report, (BNSF Report), 7-1-97, p. 18; Verified Statement of E.L. Hord (Hord Stmt.), Attach. 1.¹ For purposes of comparison, UP operates approximately 20 trains a day in the Central Corridor via Donner Pass and the Feather River Canyon.

The above BNSF level of service represents less than originally anticipated. In its initial progress report, dated October 1, 1996, BNSF stated the following with respect to through train service in the Central Corridor between Denver and Stockton/Richmond.

"BN/Santa Fe will begin to serve this corridor with two daily trains, one in each direction, which will be mixed manifest/intermodal trains."

BNSF Report, 10-1-96, Ex A, p. 24.

Further, a review of graphs supplied by BNSF reveals that the tonnage being transported over the route is not high, particularly eastbound. Thus from

¹ The text of Mr. Hord's statement describes the three-day a week service as running between "Denver and Richmond."

April through June, 1997, the preponderance of railcars being moved from Stockton were empties. BNSF Report, 7-1-97, Verified Statement of P.J. Rickershauser, Attach. 18. Moreover, the average ratio of empties-to-loads increased during the reporting period until in June the average train consisted of 47 empties and three loaded cars. Id. Indeed, on 17 occasions during the three-month period, the Stockton to Provo train was entirely made up of empties. Id. Even westbound from Provo, while the proportion of loaded cars to empties was somewhat greater, the route has been characterized by small trains, with the average length being 18 cars. Id.

As can be seen, BNSF has yet to establish a significant presence in the Central Corridor vis-a-vis UP, with its schedule of 12 to 13 small trains per month in each direction. In fact, the trackage rights from Stockton eastward through the Central Corridor appear to have largely become a means for transporting empties. It should be noted that a high percentage of light empty cars traveling over that route does minimize trackage fees, which are calculated on gross ton miles. Applicants' Report on Merger and Condition Implementation (Applicants' Report), 7-1-97, Ex. B p. 19 (Table I).

BNSF's July 1, 1997 Report calls for increasing service between Denver and Stockton to seven days per week in the "near future." BNSF report, 7-1-97, Hord Stmt. P. 16. While this represents added service, it only will return BNSF to the level of frequency that was to have characterized its startup Central Corridor

operation, as noted supra. The CPUC sees a need for robust competition in the Central Corridor and understands that this remains an important goal of the BNSF Agreement.

In addition, BNSF appears to have made little use of its right to run intermodal trains in the Central Corridor. This was among the "Western Trackage Rights" granted in the BNSF Agreement, as later ratified in the merger decision. BNSF was authorized to run intermodal trains over the Central Corridor to and from the Port of Oakland. Applicants' Report, 7-1-97, Ex. B, p. 4 (1g).

Transportation would be via SP's "Cal-P" line, between Sacramento and Oakland.²

This authorization allows BNSF to use the shorter Donner Summit route for its intermodal traffic. In the ensuing months since the merger, however, there has been no discernible BNSF presence on the Donner Summit route with respect to intermodal shipments. BNSF's relatively few intermodal shipments via the Central Corridor appear to move along the Feather River route as part of manifest trains.

A review of some of the conditions that would apply to such intermodal traffic may show a basis for reluctance on BNSF's part. First, UP is presently increasing tunnel clearances along the Donner Summit so that the route may accommodate high cube double-stack containers. Thereafter, use of the line by

² BNSF also was given authority to run one manifest train per day in each direction over the Cal-P route.

BNSF to move such double-stacks will result in BNSF becoming responsible for paying half the cost of that UP double-stack clearance project. Applicants' Report, 7-1-07, Ex. B, p.5 (1j).

Farther east BNSF faces another tunnel clearance problem. This involves the Moffett Tunnel, just west of Denver. If Moffett Tunnel's clearances were to be increased to accommodate high cube double-stacks, the BNSF likely would have to bear the entire cost of the project. Meanwhile, UP does not have the same clearance problem. Its intermodal trains proceed along UP's superior main line through Wyoming.

The above circumstances may help to explain the lack of major developments with respect to BNSF intermodal traffic and the Central Corridor.

**B. In The I-5 Corridor, A Lengthy Rate Dispute,
Delayed The Start of "Inside Gateway" BNSF
Competition Via Bieber-Keddie**

UP's sale of its Bieber to Keddie line segment to BNSF was the centerpiece of establishing a north-south BNSF "Inside Gateway" route allowing BNSF to provide competition for UP's I-5 Corridor service. Sale of the line and the start of BNSF service were made contingent, however, upon BNSF and UP reaching accord on a proportional rate agreement giving UP access to shippers on the BNSF throughout the Pacific Northwest.

Since this accord was not reached for many months, it was not until July 15, 1997 that BNSF began I-5 operations over the Bieber-Keddie segment and its merger-related trackage rights between Keddie and Stockton. Thus there has been little time to gauge the degree of competition that can be expected between the two Pacific Northwest-Southern California (or "I-5 Corridor") routes.

As regards service levels, however, prior to July 15, BNSF service consisted of three trains a week in each direction between Klamath Falls and Stockton, with haulage performed by UP. On July 15, BNSF increased service to one train a day in each direction. For its part, UP runs at least 20 trains a day into and out of California along its I-5 route, and early in June 1997 began single-line intermodal service between Seattle and Los Angeles. As with the Central Corridor, continued oversight of the level of competition between UP's and BNSF's north-south routes seems well advised.

Also worthy of the Board's attention is the level of car supply being made available by UP to shippers located in close proximity to the I-5 Corridor or some other UP main line, as opposed to shippers located at farther distances. In listing competitive benefits for shippers in the Pacific Northwest, UP states that SP lumber shippers in that region "are already seeing dramatic improvements in service." Applicants' Report, 7-1-97, p. 70.

Further, UP reports the following:

“SP Pacific Northwest lumber shippers have also experienced a dramatic improvement in the availability of centerbeam and bulkhead flats, which are the preferred equipment type for this traffic.” Id.

Additionally, in California, a verified statement by David L. Parkinson, the president of short line California Northern Railroad (CNR), states that the UP/SP merger has “resulted in significantly better car supply” and that “more UP equipment is being assigned to (CNR) customers.” Applicants’ Report, 7-1-97, Supporting Verified Statements, Stmt. of D.L. Parkinson, p. 2. Mr. Parkinson further stated:

“We have also benefited from a better supply of lumber cars and the availability of more centerbeam cars.” Id.

These favorable reports are in marked contrast to what the CPUC understands is often a problem for the Northwestern Pacific Railroad (NWP). This publicly-owned railroad, on which large amounts of state and federal money have been expended, serves a vast, remote area of Northwest California, at some distance from the UP. Nonetheless, the line is wholly dependent on UP for car supply which the NWP receives via the CNR, and most of the NWP’s traffic consists of lumber shipments.

Despite the positive car supply reports from elsewhere and a sudden improvement in NWP car supply in July, the CPUC understands that the NWP experienced a shortage of several hundred cars during May and June of this year,

suffering revenue loss. Continued rail service is an important element in keeping California's North Coast lumber shippers competitive with lumber shippers in the Pacific Northwest. Sufficient car supply for the NWP appears to be necessary for maintaining this competitiveness.

C. BNSF Utilization of The Port of Oakland For Intermodal Trains Has Yet To Materialize

BNSF's gaining of trackage rights between the Central Corridor and Oakland (including the Port of Oakland) has yet to result in significant changes in BNSF's operation at the port. BNSF's intermodal traffic still is trucked along the congested I-80 Freeway between the port and BNSF's marshaling yards in Richmond, a distance of about 10 miles.

Originally, the Port of Oakland was to create a joint intermodal terminal (JIT) for rail carriers. Applicants' Report, 7-1-97, Ex. B, p. 16 (8a). BNSF was to have access to the JIT, which the port, UP/SP and the BNSF were to construct. BNSF also was to build a connection at Richmond with UP's main line and share in the cost of upgrading that line to the Port of Oakland. Id.

Subsequently, however, UP reportedly determined that the existing UP yard and former SP yard at the port were sufficient for its needs. Plans for constructing a JIT stalled. Such an outcome is contrary to expectations prior to the merger. At that time, one of the benefits ascribed to selecting BNSF as the competing railroad

in the Central Corridor was its capability to provide fast, single-line intermodal service between the Port of Oakland and numerous destinations across the nation.

**D. The UP Report Contains No Mention Of
Development Of The NAFTA Gateway At Calxico**

In its merger filings the CPUC asked the Board to urge UP to develop the Calxico-Mexicali gateway that, with the advent of the North American Free Trade Agreement (NAFTA), has taken on new importance. Merger Decision, p. 79. In response the Board noted "that UP/SP has indicated that it intends to develop the Calxico gateway." *Id.*, p. 196.

In reviewing the Applicants' Report, the CPUC has found no reference to the Calxico gateway nor any indication as to when further development can be expected to take place. Attention should be given to the benefits of developing the line to Calxico and furthering the potential for trade through this gateway between the nation's most populous state and Mexico.

III

CONCLUSION

We note that our comments herein are based on less than one year's observations since the merger. We also note that the CPUC intends to continue monitoring the competitiveness of rail systems in California.

For varying reasons, BNSF freight volumes have remained low in the Central and I-5 Corridors, as compared to UP. Also, there seem to be few if any BNSF intermodal trains in and out of California via the Central Corridor.

Without strong rail competition involving at least two railroads, shippers in California increasingly have only one alternative, namely, trucks. This could lead to pressure for permitting triple trailer trucks or other LCV's (longer combination vehicles) in California. In turn, these "road trains" would create their own safety and road maintenance problems. It is important, therefore, that the Board's oversight of merger-related competition continue to encourage greater use of BNSF trackage rights in California.

Also, the Board is asked to consider the effect that insufficient car supply can have on the NWP, a publicly-owned short line that is seen as important for maintaining the competitiveness of California's North Coast lumber industry.

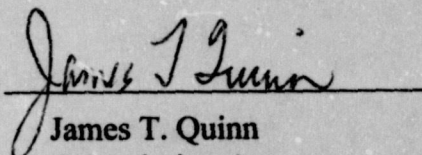
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Finally, the CPUC draws attention to the potential to be developed at Calexico-Mexicali, California's NAFTA rail gateway.

Respectfully submitted,


James T. Quinn
Commission Attorney

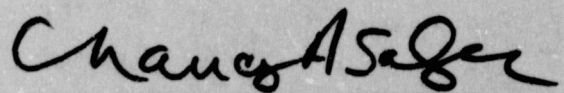
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July 31, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document entitled
COMMENTS OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION
upon all known parties of record in this proceeding by mailing by first-class mail a
copy thereof properly addressed to each party.

Dated at San Francisco, California, this 31st day of July 1997.



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STB FD-32760 (SUB 21) ID-180870 7-31-97 D

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CHARLES R. MATTHEWS, CHAIRMAN
BARRY WILLIAMSON, COMMISSIONER
CAROLE KEETON RYLANDER, COMMISSIONER

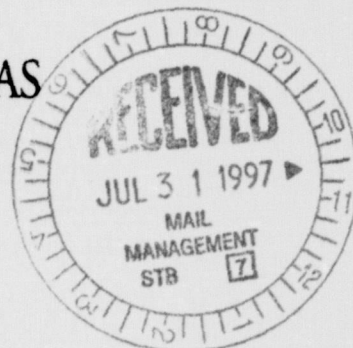


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GENERAL LAW SECTION

RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

July 30, 1997



Via Airborne Express

Mr. 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.

Dear Secretary Williams:

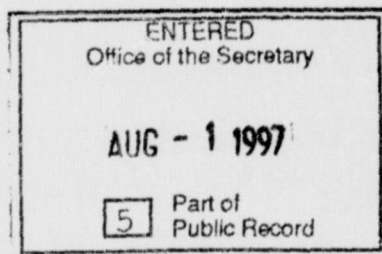
Enclosed for filing in the above referenced proceeding are the original and twenty-five copies of **The Railroad Commission of Texas' Notice of Intent to Participate, Request to be Added to Service List, Designation of Acronym for Pleading, and, Alternatively, Motion for Leave to Intervene.**

Also enclosed is a 3.5 inch diskette containing the text of this filing.

Sincerely yours,

Kenneth W. Nordeman

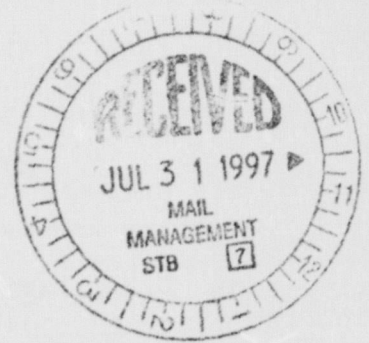
cc: parties of record



RRCT-1

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 CRP. AND THE
DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

THE RAILROAD COMMISSION OF TEXAS'
NOTICE OF INTENT TO PARTICIPATE,
REQUEST TO BE ADDED TO SERVICE LIST,
DESIGNATION OF ACRONYM FOR PLEADING, AND,
ALTERNATIVELY, MOTION TO INTERVENE

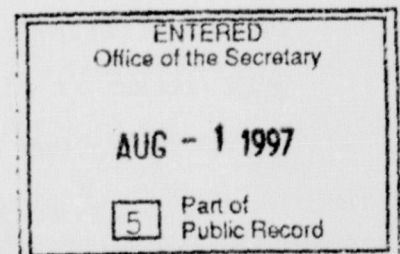
I. NOTICE OF INTENT TO PARTICIPATE

The Railroad Commission of Texas (the "RRCT") hereby notifies the Surface Transportation Board (the "STB") of the RRCT's intent to participate as a Party of Record in the STB's above-captioned oversight proceeding.

II. REQUEST TO BE ADDED TO SERVICE LIST

Please add the Railroad Commission of Texas, and its representative, to the official service list for this oversight proceeding as a Party of Record as follows:

Jerry L. Martin
Director, Rail Division
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967



III. DESIGNATION OF ACRONYM FOR PLEADING

The Railroad Commission of Texas hereby designates the acronym "RRCT" for identifying all documents and pleadings which it submits.

IV. ALTERNATIVELY, MOTION FOR LEAVE TO INTEREVE NE

Alternatively, should the Surface Transportation Board determine that a Motion to Intervene is appropriate to permit participation by the Railroad Commission of Texas at this time, then, in that event, the RRCT respectfully submits its Motion to Intervene and in support thereof would show as follows:

(a) The RRCT was a full party of record, filing formal comments and submitting oral argument, in the prior original proceeding in which the STB approved the merger of the Union Pacific and Southern Pacific Railroads subject to conditions and oversight;

(b) Only after the initial time for filing Notices of Intent to Participate in this oversight proceeding has the Rail Division of the RRCT received numerous phone calls from irate shippers and shortline railroads protesting the condition of services received resulting from the ongoing attempts to integrate the Union Pacific's and Southern Pacific's operations in Texas. Specifically, there seems to be a shortage of motive power and crews, and it appears that loaded cars are not being delivered in a timely fashion and that empty cars are not being returned promptly for reloading. Many of the problems relate to conditions in the congested Houston terminal area operations hub.

(c) At its public meeting on July 22, 1997, the Railroad Commission formally acted to authorize its participation in the STB's oversight proceeding; and

(d) The participation of the Railroad Commission of Texas in this oversight proceeding is consistent with its participation in the prior original proceeding, is appropriate concerning the interests of the State of Texas and its citizens, and will not delay the oversight proceeding in any way.

WHEREFORE, THE RAILROAD COMMISSION OF TEXAS respectfully prays that the Surface Transportation Board: accept the RRCT's Notice of Intent to Participate; add the RRCT to the official service list as a party of record; accept the RRCT's designation of its acronym of "RRCT" for identifying pleadings herein; and grant the RRCT's Motion to Intervene, if the same be necessary to permit participation by the Railroad Commission of Texas in this oversight proceeding.

DATED AND SIGNED at Austin, Texas on this 30th day of July, 1997.

Respectfully submitted,




Kenneth W. Nordeman
Texas Bar No. 15071000
Assistant Director, General Law
Office of General Counsel

Railroad Commission of Texas
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CERTIFICATE OF SERVICE

I certify that on July 30, 1997 I have caused The Railroad Commission of Texas' Notice of Intent to Participate, Request to be Added to Service List, Designation of Acronym for Pleading, and, Alternatively, Motion for Leave to Intervene to be served on the parties of record on the official service list for this oversight proceeding.


Kenneth W. Nordeman

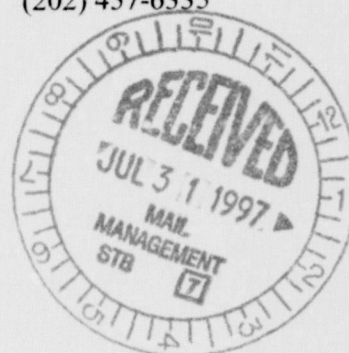
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180859

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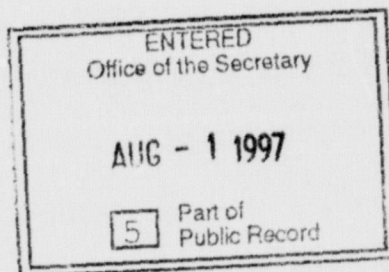
WRITER'S DIRECT DIAL
(202) 457-6335

July 31, 1997



By Hand

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, DC 20036



D

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

Dear Mr. Williams:

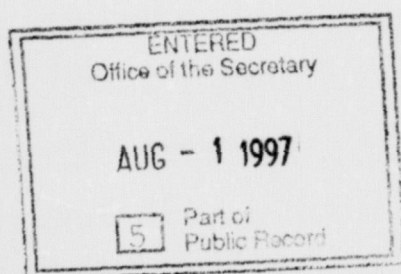
Enclosed for filing in this docket are a signed original and 25 copies of the "Joint Comments of The Chemical Manufacturers Association and The Society of the Plastics Industry, Inc." (CMA-2/SPI-3). Also enclosed is a computer disk containing a copy of the submitted filing in WordPerfect 5.X.

Please acknowledge receipt of these comments by date-stamping the enclosed copy and returning it with our messenger. Thank you for your attention to this matter.

Sincerely,

Scott N. Stone

Enclosures



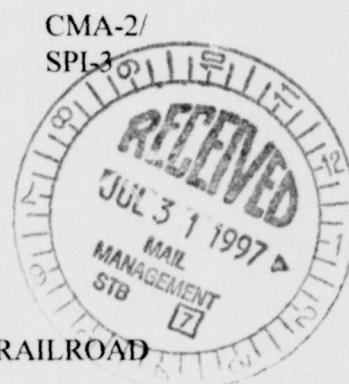
BEFORE THE
SURFACE TRANSPORTATION BOARD

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 CORPORATION AND THE DENVER AND
RIO GRANDE WESTERN RAILROAD COMPANY
-- OVERSIGHT



JOINT COMMENTS OF
THE CHEMICAL MANUFACTURERS ASSOCIATION
AND THE SOCIETY OF THE PLASTICS INDUSTRY, INC.

The Chemical Manufacturers Association ("CMA") and The Society of the Plastics Industry, Inc. ("SPI") appreciate having the opportunity to comment in this oversight proceeding. In accordance with the Board's Decision No. 1 instituting the oversight proceeding, these comments will address "any effect of the merger on competition and the implementation of the conditions imposed to address competitive harms." Finance Docket No. 32760 (Sub-No. 21), Decision No. 1 (served May 7, 1997) at 2. In light of their related products, similar interests and

overlapping memberships, and in order to avoid duplication, CMA and SPI submit these comments jointly.

I. Introduction

A. Statement of CMA's Interest

CMA is a non-profit trade association whose member companies represent more than 90% of the productive capacity for basic industrial chemicals in the United States. In 1995, the chemical industry shipped 138 million tons of products by rail and paid over \$4.5 billion in rail freight charges. CMA's members depend heavily on rail transportation in particular for movement of bulk chemicals, which typically move in tank cars and covered hopper cars owned or leased by the companies. CMA's rail transportation policy emphasizes safety, service, and competition. Given the heavy concentration of chemical production facilities in Texas and Louisiana areas served by the UP and SP prior to the merger, CMA's members have an especially keen interest in the preservation of rail competition in that vital region as well as throughout the United States generally. CMA participated in the UP/SP merger proceedings, and negotiated with the Applicants an agreement containing a series of provisions designed to augment the BNSF Comprehensive Agreement and otherwise to attempt to maintain rail-to-rail competition post-merger. This agreement, which is now generally referred to as the "CMA Agreement," was broadened and strengthened by the Board in its Decision No. 44 approving the merger.

B. Statement of SPI's Interest

SPI is the major trade association of the plastics industry. Its members consist of more than 2,000 companies which supply raw materials, process or manufacture plastics and plastics

products, and engage in the manufacture of machinery used to make plastics products or materials of all types. Its members are responsible for an estimated 75% of total sales of plastics materials and plastic products in this country. Plastics resins, STCC 28211, the primary material of interest to SPI in this proceeding, constitute approximately 60 billion pounds of railroad traffic, amounting to more than 347,000 carloads of traffic and \$1.1 billion in freight revenue.

SPI actively participated in the UP/SP merger proceeding. The Board's decision approving the merger cites to many of the facts and arguments advanced by SPI as the basis for imposing conditions on the merger approval. While SPI did not achieve the primary relief sought in the proceeding, SPI is committed to participation in the oversight process and working to assure that the remedies imposed by the Board intended to maintain competitive balance in the Gulf Coast are realized and effectively implemented.

C. Purpose of Oversight Proceeding

Institution of a five-year oversight process was one of the elements of the CMA Agreement. CMA believed that oversight was needed in light of the unprecedented scope of the remedial conditions designed to maintain rail competition, and in particular the critical dependence of all of those conditions on the ability of the BNSF to compete in the new territories opened to it and hence replicate the competition that existed between the UP and SP prior to the merger.

The Board in Decision No. 44 ordered five years of oversight, and required UP/SP and BNSF to submit quarterly reports of their progress in implementing the conditions designed to preserve competition. In its Decision No. 1 initiating the oversight proceeding, the Board stated its expectation that the July 1, 1997 progress reports would contain more detail than in previous

reports, and that BNSF in particular would provide more detailed information "regarding its efforts to be an effective competitor to the applicants." The Board stated further that:

The oversight effort is intended to allow us to determine whether any problems have developed, with respect to implementation of the merger conditions addressing competitive harms, that require us to take further action. Our oversight effort will not exclude, related to those conditions, any aspect of the transaction or the existence of any type of anticompetitive effect. **** We will review the comments and replies and will then determine what further action is appropriate.

Finance Docket No. 32760 (Sub-No. 21), Decision No. 1 (served May 7, 1997) at 6.

II. Comments

A. Summary

CMA and SPI appreciate the more detailed information provided on July 1 by UP/SP and BNSF, and also thank the Board for opening the oversight proceeding to comments on all types of anticompetitive effects. CMA and SPI submit that, despite some progress by UP/SP and BNSF, the BNSF and CMA Agreements, as broadened and strengthened by the Board, have yet to create an effectively competitive environment for Gulf Coast chemical/plastics shippers.¹ CMA and SPI therefore focus their comments on ensuring that the Board establish clear expectations that can enable all parties to continue to monitor progress by means of concrete metrics and timeliness. CMA and SPI also suggest the need for modification of the 50% contract

¹ BNSF suggests in its July 1 report that it is benefiting from the trackage rights received over the UP/SP lines in serving customers other than those it may serve under the BNSF Agreement and the other conditions imposed by the Board. While CMA and SPI encourage service efficiencies that enhance BNSF's ability to serve traffic to and from the UP/SP system, service to overhead or bridge traffic does not itself satisfy, or substitute for, the BNSF's primary mission to provide a replacement for the competition between UP and SP that existed prior to the merger at 2:1 points and in 2:1 corridors.

reopener provision to (1) eliminate the ability of the UP/SP to cancel contracts where 50% of the business is given to BNSF and (2) clarify that the contract reopener provision applies to Lake Charles, West Lake Charles, and Westlake, Louisiana.

Apart from progress on the specific competition-related conditions, CMA and SPI are most concerned about severe service deficiencies prevailing since the merger in the Houston and Texas Gulf areas. These problems, which appear to relate in part to the integration of the UP and SP systems and in part to coordination of operations among the UP/SP and BNSF, are frankly acknowledged in the UP/SP's July 1, 1997 quarterly report (at 11-14). Shippers should not continue to bear the burdens of the merger's implementation in terms of longer transit and car cycle times, decreased car utilization, emergency truck shipments, and temporary plant shutdowns or near shut-downs. CMA and SPI suggest below certain metrics and timelines for measuring progress in resolving this situation.

Additionally, CMA and SPI are concerned that a number of critical items relating to implementation of the Board's conditions remain unresolved between the UP/SP and BNSF. The lack of resolution on these items clearly hinders BNSF from effectively competing with UP/SP. In general, and as discussed in more detail below, the Board should require (1) that UP/SP and BNSF submit a list of unresolved issues and (2) that any such unresolved items be presented for resolution by the Board if the UP/SP and BNSF cannot finalize arrangements within a specified time, e.g., 30 days after service of the Board's order in this oversight proceeding.

B. Comments on Selected Conditions Imposed in Decision Nos. 44, 57 and 61

1. Right of BNSF to Serve New Facilities on Trackage Rights Lines

This condition had its origins in paragraph 2 of the original CMA Agreement, and was expanded by the Board in Decision No. 44 approving the merger. In Decision No. 61 (served November 20, 1997) the Board clarified that new facilities for purposes of this condition include transload facilities. CMA and SPI in their comments on this issue supported the position ultimately taken by the Board that transloading facilities should not be excluded.

CMA and SPI are concerned that UP/SP and BNSF have not yet been able to agree on a written protocol to implement this condition. See UP/SP July 1, 1997 progress report at 84; BNSF July 1, 1997 progress report at 12 & Rickershauser VS at 24. There has been ample time to agree on such a protocol. CMA and SPI submit that UP/SP and BNSF should be required to submit to Board resolution of this issue within 30 days of the Board's decision in this oversight proceeding, if they have not resolved the issue prior to that time.

2. Requirement that UP/SP Open 50% of Contract Volumes to BNSF

a. Guideline No. 9/Decision No. 57

The fundamental intent of the competitive conditions imposed by the Board was to position BNSF to replicate SP's competitive position in the Gulf Coast petrochemicals market and other markets and to assure, in conjunction with the trackage rights, that BNSF could realize sufficient traffic density to offer efficient, reliable and competitive service. To date, BNSF is far from achieving its expectation of capturing substantial portions of the traffic available to it,² and

² "Specifically, we anticipate our competitive price and service capabilities to be sufficient for BN/Santa Fe to capture at least 25% initially and up to 50% over time of the new traffic to which we would gain access." Verified statement of Matthew K. Rose filed April 29, 1996 (BN/SF-54) at 3.

has garnered minimal traffic under the contract reopener provision. Earlier this year, it was reported that BNSF advised financial analysts that it had revised its expectations for UP/SP traffic rights revenues "from a net benefit of \$450 million of revenue to 'neutral' or no positive impact."³

The CMA Agreement provided that, following consummation of the merger, applicants would allow shippers at 2:1 points in Texas and Louisiana to modify contracts to allow BNSF access to at least 50% of the contract volume. This was intended to offset the "foreclosure" effect of UP and SP having signed contracts with Gulf Coast petrochemical shippers in anticipation of the merger. This condition directly addressed the ability of BNSF to realize an adequate traffic density to support efficient and competitive operations. The Board expanded this condition from application to shippers to 2:1 points in Texas and Louisiana to shippers at 2:1 points generally. Decision No. 44 at 146.

This contract reopening provision was subject to numerous issues of interpretation and application. The Board ruled in Decision No. 57, served November 20, 1996, on those issues, and it adopted ten interpretive guidelines. While declining to interpret the requirement that UP/SP must release shippers from "at least 50%" of their committed volumes as meaning that shippers may divert 100% of their committed volumes to BNSF, Decision No. 57 at 5-6, the Board extended to UP/SP the power to terminate any contract, in its entirety, at its sole option and without opportunity for STB review, where a shipper exercises its right to avail itself of the contract reopener condition. Guideline No. 9, Decision No. 57 at 12. A shipper may, however,

³ See Transportation Finance, James J. Valentine, Salomon Brothers; Association Highlights, Association of Transportation Law, Logistics and Policy, Vol. 20, No. 3 (March/April 1997) at 22, 23.

inquire whether UP/SP would cancel the contract in its entirety; and the Board requires UP/SP to promptly respond. Guideline No. 10, Decision No. 57 at 12-13.

UP/SP reports that only six shippers have inquired about UP/SP's response if the shipper were to exercise the contract reopener condition, and 50% were told that contract would be terminated. UP/SP-303 at 85-87. BNSF has identified this power to cancel contracts in the entirety as a substantial inhibition on shippers affording BNSF the opportunity to provide competitive service. BNSF-PR-4 at 10-12. CMA and SPI wholly concur with BNSF that the contract cancellation power granted to UP/SP inhibits shippers from availing themselves of the contract reopener provision. Granting UP/SP the power to avoid its obligations under the balance of the contract in most cases has effectively eliminated the shipper's ability, and even willingness, to negotiate competitive offerings with BNSF.

It is not that chemical/plastics shippers have not desired to take advantage of BNSF service opportunities.⁴ Rather, in many cases the power of UP/SP to cancel the contract in its entirety discourages the shipper from considering a contract reopener. The shipper's predicament typically is the following:

A 2:1 Gulf Coast shipper under contract to UP/SP moves product variously to the eastern gateways and to western destinations. The only portions of that traffic realistically open for competition by BNSF are the traffic moving to (1) Eastern Gateways and (2) the relatively few western chemicals/plastics destinations served by BNSF (or, in rare cases, by both UP/SP and BNSF). BNSF is unable, however, effectively to compete for movements to sole-serviced UP/SP points. If those points constitute a significant portion of the traffic covered by the UP/SP contract, the shipper faces the risk that, on exercising the contract

⁴ See, e.g., Verified Statements of Thomas R. Phalin, Bayer Corporation, B. Kenneth Townsend, Jr., Exxon Chemical Americas; Antonio G. Orbegoso, Occidental Chemical Corporation, Supporting Verified Statements to UP/SP-303.

reopener condition, UP/SP will cancel the contract and impose substantially higher rates on the traffic captive at destination.

CMA and SPI respectfully submit that the contract cancellation power bestowed upon UP/SP is counterproductive to the intent of the contract reopener condition. The Board should therefore rescind Guideline No. 9.

The Board in adopting Guideline No. 9 was evidently swayed by the argument that it would be inequitable to modify one portion of a contract while allowing the shipper to enforce the balance of the contract. The Board, however, enjoys broad authority to impose conditions in railroad consolidation proceedings,⁵ and such conditions by their nature limit the applicant carriers. Equally important, UP/SP, in the CMA Agreement, voluntarily agreed to the 50% contract reopener provision without reference to any right to cancel contracts in their entirety.

To the extent UP/SP may have "rate averaged" in contracts entailing service to both captive and competitively-served points, the opening of (and potential loss of) the competitive traffic simply must be counted as a cost of securing approval of the merger. Indeed, any "cost" to UP/SP is of limited nature and duration since, as UP/SP argued during the course of the proceeding and reasserts in its July 1, 1997 progress report, the majority of the contracts with 2:1 shippers "were to expire within a year or less." UP/SP-303 at 86.

CMA and SPI further respectfully submit that there is no statutory authority for extending to UP/SP the power to terminate contracts in their entirety if shippers avail themselves of the contract reopener provision. Contracts, once established and having been formalized under the procedures applicable before the ICCTA, are not subject to the Interstate Commerce Act; and the

⁵ See 49 USC (former) § 11344(c); Decision No. 44 at 144. The UP/SP merger was decided under the provisions of the Interstate Commerce Act which pre-dated the ICC Termination Act of 1995. See Decision No. 44 at 1, n. 2.

Commission may not require a rail carrier to violate the terms of a contract (except under war emergency conditions). 49 USC (former) § 10713(i) and (g). The Board's contract reopening condition was not based upon § 10713; rather, it was based upon the conditioning power of § 11344(c); and that power necessarily must be limited to the imposition of conditions upon parties to the control transaction. While the Act does convey the power to exempt the applicant carrier "from all other law ... as necessary to ... carry out the transactions," 49 USC (former) § 11341(a), voiding contractual obligations, especially where UP/SP voluntarily agreed to refrain from enforcing a portion of the contracts, is not "necessary" to carry out the merger.

In summary, CMA and SPI respectfully urge the Board to rescind Guideline No. 9 of Decision No. 57. Even if the majority of contracts may expire within a year of the date of consummation, there nonetheless will be value and benefit to shippers of being able to negotiate with BNSF, and such ability will allow BNSF to be a more effective competitor.

b. 2:1 Shippers Are Impeded from Dealing with BNSF Where Other Facilities Are Exclusively Served by UP/SP.

In its comments, SPI addressed the leverage exercised by applicants due to their domination of the Gulf Coast plastics market. SPI's position was supported by the testimony of Larry D. Ruple, a former marketing manager with the SP, as well as by applicants' own documents. See Comments, SPI-11, at 25-28. BNSF, in its progress report, also notes the effect of UP/SP's leveraging power as inhibiting BNSF's ability to secure traffic which otherwise would be competitive with UP/SP. See VS of Peter J. Rickershauser at 21-22. While leverage power existed pre-merger of the UP and SP, that power pre-merger was divided between the UP and the

SP. The merger brought the UP and SP market shares and leveraging powers together. See VS of Larry D. Ruple, VS 3 at 9-10, SPI-11.

CMA and SPI share BNSF's disappointment that it has had only limited success in capturing traffic at 2:1 points and in 2:1 corridors. In the event BNSF does not have greater success in penetrating the 2:1 markets in the near future, the Board may need to consider enhancing the conditions in a manner which would enable BNSF successfully to compete for the subject traffic.

3. Requirement that BNSF Have Equal Access to SIT Facilities

One of the issues identified in the UP/SP merger proceeding as impeding BNSF's potential competitiveness was a lack of in-place infrastructure in the form of storage-in-transit (SIT) facilities necessary to serve the plastics industry. Access to the SP storage yard at Dayton, Texas, was provided in the settlement agreement with CMA, and this access was expanded by the Board in the decision approving the merger. Decision No. 44 at 151-152.

The progress reports submitted by UP/SP and BNSF are vague with regard to the implementation of this condition. UP/SP advise that they have made storage available to BNSF at Dayton and Beaumont. UP/SP-303 at 84. BNSF notes that there are a number of operational problems with regard to its access to the Dayton SIT facility. Rickershauser VS at 26.

CMA and SPI respectfully submit that additional information is required concerning the implementation of the SIT access conditions, and BNSF's SIT capacity in general. For example, there is no indication of whether BNSF has secured a fixed allotment of SIT capacity or whether it obtains access on an as-available/as-needed basis. This is an important distinction since access on an as-available/as-needed basis provides no incentive for BNSF to aggressively pursue the

plastics traffic, as compared with committed access where underutilization constitutes a wasting resource. Moreover, shippers cannot have confidence in BNSF's service quality if SIT capacity is not committed to BNSF. The continued, dynamic growth of the plastics industry requires a concomitant increase in storage capacity; and BNSF can demonstrate its commitment to serving the industry only through its investment in the yards and other facilities necessary to provide that service.

4. Requirement that UP/SP Segregate BNSF Trackage Rights Fees

One of the elements of the CMA Agreement required UP/SP to establish segregated funds to receive trackage rights fees paid by the BNSF, with the funds to be used solely to pay for the maintenance of the trackage rights lines. CMA and SPI note the UP/SP's assurance that these funds have been established and that expenditures on the trackage rights lines are greatly exceeding trackage rights fees received. UP/SP July 1, 1997 progress report at 85.

CMA and SPI suggest that in future quarterly reports UP/SP be required to report the respective amounts received in the two funds and the total amount of expenditures on the respective trackage rights lines. To the extent this information is deemed to be confidential, it could be reported to the Board and persons on the restricted service list.

5. Lake Charles, West Lake Charles, and Westlake, LA as 2:1 Points

Points within Lake Charles, West Lake Charles, and Westlake, LA are treated as 2:1 points under the CMA Agreement⁶ because, although some of these points were served by three

⁶ The original CMA Agreement dealt only with Lakes Charles and Westlake, LA. See UP/SP-219 (April 19, 1997) ¶8. The Agreement was later amended to include West Lake Charles, LA. See UP/SP-260 at 26 n 9. The Board in Decision No. 44 (at 152-54) strengthened these provisions.

carriers (UP, SP and KCS) prior to the merger, the route limitations of the KSC meant that as to most routings KCS was not an effective competitor, and hence the points were effectively 2:1 points. See Decision No. 44 (served August 12, 1996) at 152.

Nonetheless, UP/SP has not recognized these points as 2:1 points for purposes of the 50% contract reopener provision, although the shippers at the points believe that the 50% reopener should apply. The intention and internal logic of the 50% contract reopener was to enable BNSF to compete at all of the points open to it by modifying UP or SP contracts to give BNSF access to 50% of the traffic. BNSF agrees and suggests that the Board clarify that the contract reopener apply to shippers at these points. See BNSF July 1, 1997 progress report at 23-24.⁷ CMA and SPI agree that the contract reopener should apply to all Lake Charles area points.

6. Agreement on Final List of 2:1 Points

The CMA Agreement (para. 12) set out a definition for determining which points BNSF will be entitled to serve. BNSF has subsequently, following physical surveys and other forms of research, determined that some 241 additional points should be subject to BNSF access, but UP/SP and BNSF have not yet been able to agree on the final list of 2:1 points. See BNSF July 1, 1997 progress report, Rickershauser VS at 9-12. BNSF has stated that it may seek relief from the Board if it is unable to resolve with UP/SP issues relating to the agreed list of 2:1 points. CMA and SPI submit that UP/SP and BNSF should be required to submit to Board resolution of these issues within 30 days of the Board's decision in this oversight proceeding, if they have not resolved this issue prior to that time.

⁷ On July 24, 1997 Montell USA, Inc. filed a petition seeking a Board determination that West Lake Charles is a 2:1 point and that the contract reopener therefore applies.

7. Implementation of Oversight Condition

CMA and SPI believe that the quarterly reports filed prior to July 1, 1997 lacked substance, focused on legalities, and gave piecemeal treatment to the conditions imposed by the Board. By contrast, those filed on July 1, in response to the Board's Decision No. 1 served May 7, 1997, represented an improvement.

CMA and SPI urge the Board to require UP/SP and BNSF to provide in their future reports performance metrics demonstrating clearly and concretely the progress (or lack of progress) made by the UP/SP in implementing their merger and by BNSF in capturing traffic available to it under the merger conditions. It is critical that the carriers continue to provide metrics by which all parties can assess progress objectively, consistently, and expeditiously by reference to concise statistics.⁸

Based on experience to date with the merger, CMA and SPI expect that oversight will need to continue for the allotted five years. CMA and SPI offer the following suggestions regarding the oversight proceedings:

(A) As it has done in this current round of the oversight proceeding, the Board should (i) annually invite all parties of record, by mail and Federal Register notice, to submit comments, and (ii) after evaluating the comments in this and subsequent years' proceedings, issue written decisions providing its views (including non-confidential evaluations of the highly confidential information submitted by the UP/SP and BNSF), and dealing with any requests for clarification or intervention to resolve disputes.

⁸ Metrics of progress should be measured against a baseline. CMA and SPI suggest that the baseline be considered to be 2Q or 3Q 1995, the period immediately before the merger was announced.

(B) Interested parties should also be given the opportunity to respond to or comment on any quarterly report within 30 days of the filing of the report, and to request that the Board issue a decision or take action as appropriate.

8. Other Conditions

It is too soon to form any judgment regarding implementation of several other conditions contained in the CMA Agreement and imposed by the Board. For example, since UP/SP has not yet been able to commence directional running between Houston and Memphis, it is too soon to try to judge whether BNSF will be accorded equal access to these directional lines. Since BNSF has not yet commenced trackage rights operations to Brownsville, Texas, it is too soon to judge whether there will be problems with implementation of the condition regarding BNSF's right to purchase a yard in Brownsville to support those operations. CMA and SPI expect that future quarterly reports will constrain appropriate metrics concerning these conditions.

Likewise, regarding the build-in/build-out condition, it is probably too early to expect that concrete, publicly announced plans would have materialized. Developments regarding build-ins and build-outs are one of the areas in which it would be helpful for the Board, in a written decision at the end of each annual oversight round, to review both public and highly confidential information presented and provide a non-confidential evaluation of progress.

As a general matter, it would be helpful for the Board to make clear, as it did in Decision No. 44, that it will, absent developments beyond the Applicants and BNSF's control, hold them to the representations made in their progress reports. Thus, where UP/SP or BNSF have stated in their progress reports that certain labor agreements, track upgrades, computer systems integration, or other milestones are expected to be achieved by a specified date, the Board and

interested parties should have a right to expect that those dates will be achieved, in the absence of information explaining why they could not be. Furthermore, the Board should make clear the consequences of failure to achieve the specified dates.

C. Other Concerns of CMA and SPI

1. Service Disruptions in Houston Terminal Area

As noted above, CMA and SPI are extremely concerned about the severe service deficiencies prevailing since the merger in the Houston and Texas Gulf areas. These problems, which are acknowledged in UP/SP's July 1, 1997 quarterly report (at 11-14), do not relate to one specific condition, but rather generally to the question whether the merger results in better, more competitive service for shippers. Unfortunately at this moment the merger has resulted in considerably worse service in the Houston area. While UP/SP is evidently devoting attention to resolving this problem, as described in the July 1 report, CMA and SPI urge the Board to require the UP/SP and BNSF to provide updates in their quarterly reports.

In order to obtain a concrete and objective measure of progress in resolving the Houston terminal problems, CMA and SPI suggest that the Board require UP/SP and BNSF to provide in their quarterly reports the following specific information: (1) the on time performance (measured in number of hours deviation from schedule, and averaged by week) of merchandise trains from Houston to the New Orleans, Memphis, St. Louis,⁹ and Chicago gateways, and (2) the percentage of cars tendered by shippers in the Houston area that are included on the next scheduled train (averaged by week).

⁹ Includes East St. Louis, St. Elmo, Effingham, and other St. Louis area junction points.

2. Functionality of SIT Facilities

Rail consolidations inevitably bring implementation problems impacting upon service to the shipping public; and the UP/SP merger is no exception. One of those problems relates to the availability, and serviceability, of SIT capacity for the plastics industry. The industry's requirements for sufficient and efficiently located SIT capacity was well documented in SPI's comments, SPI-11 at 36-40; and it was recognized by the Board in the decision approving the merger. Decision No. 44 at 151-152.

Post-merger, the industry has experienced serious degradation of service, including the provisioning of SIT capacity. Storage near the plant is optimal, since such storage reduces transit time, both into and out of storage, and minimizes car handling. See Ruple, VS-3 to SPI-11 at 15-19. Unfortunately, the industry today is experiencing a substantial number of cars which are being stored at remote locations, being moved from the Gulf Coast to locations as far as Arkansas and Illinois. This is a serious degradation of service, which adds cost to both the railroads and to industry. See Verified Statement of Antonio G. Orbegoso (Occidental Chemical Company) at 2, Supporting Verified Statements to UP/SP-303.

Rail mergers are promoted as improving efficiencies and reducing costs. It is evident, at least with regard to SIT operations, the merger of the UP and SP is leading to inefficiency and increased costs that are borne by shippers. CMA and SPI urge the Board to require applicants to provide further information in the ensuing progress reports concerning (a) the location of SIT facilities and the quality of service being provided, e.g., distance from Gulf Coast production center (Houston), (b) average transit times into storage and from storage to the main route of movement to the customer, and (c) time from receipt of order of cars to the release of cars from

storage to train service. Only by measuring service can the Board truly measure merger benefits and/or problems.

3. Integration of UP/SP and BNSF Computer Systems

Both UP/SP and BNSF describe their timetables for integrating their respective computer systems. See UP/SP July 1, 1997 progress report at 14-16; BNSF July 1, 1997 progress report, Rickershauser VS at 16-17. As computer systems integration is vital to efficient movement of cars and trains, CMA and SPI request that the Board require UP/SP and BNSF to continue to provide updates in their quarterly reports on the status of computer systems integration. Again, the Board should make it clear that it will expect the carriers to maintain their projected schedules for integration absent supervening circumstances.

III. Conclusion

In summary, CMA and SPI, while acknowledging a number of initial steps to implement the merger and its attendant competitive conditions, conclude that the BNSF and CMA Agreements (as broadened and strengthened by the Board) have yet to create an effectively competitive environment for Gulf Coast chemical/plastics shippers. In order to bolster the short-term ability of BNSF to provide this competitive balance, CMA and SPI urge the Board to delete Guideline No. 9 from the 50% contract reopener condition and to clarify that shippers in the Lake Charles area are able to benefit from the contract reopener condition. In addition, CMA and SPI provide several suggestions concerning how this and future oversight proceedings should be conducted, and request that the Board require that certain specified metrics be included in future quarterly reports.

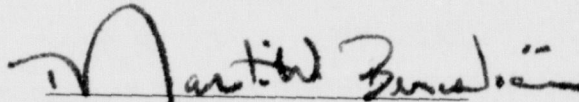
Respectfully submitted,



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Manufacturers Association



Maureen A. Healey
Director, Federal Environment
and Transportation Issues
The Society of the Plastics
Industry, Inc.
Suite 600K
1801 K Street, N.W.
Washington, DC 20006-1301
(202) 974-5219

Martin W. Bercovici
Keller and Heckman, L.L.P.
1001 G Street, N.W.
Suite 500W
Washington, DC 20003
Phone: (202) 434-4144

Counsel for The Society of
the Plastics Industry, Inc.

Dated: July 31, 1997

CERTIFICATE OF SERVICE

I hereby certify that copies of the Joint Comments of The Chemical Manufacturers Association and The Society of Plastics Industry, Inc. have been served this 31st day of July, 1997, by fax or hand to counsel for UP/SP and BNSF and by first-class mail, postage prepaid on all parties of record in Docket No. 32760 (Sub-No. 21).

A handwritten signature in black ink, appearing to read "Scott N. Stone", is written over a horizontal line.

Scott N. Stone
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, DC 20037
(202) 457-6335

STB FD-32760 (SUB 21) ID-180841 7-30-97 D

180841

SLOVER & LOFTUS

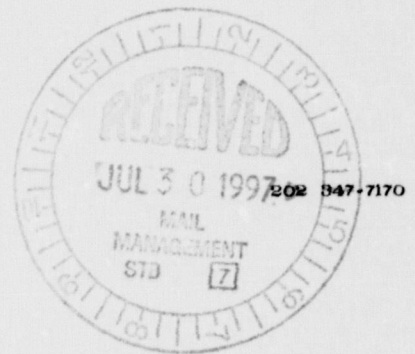
ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEUR
KELVIN J. DOWD
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III

July 30, 1997



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

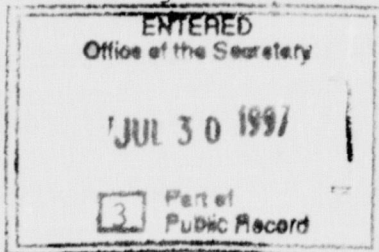
D

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

Dear Mr. Secretary:

Enclosed for filing in the above-referenced proceeding, please find an original and 25 copies of The Empire District Electric Company's Notice of Intent to Participate, and accompanying Motion for Leave to Late-File Notice of Intent to Participate. Also enclosed is a diskette containing the text of these filings in WordPerfect 5.1 format.

We have included an extra copy of each document. Kindly indicate receipt by date-stamping these copies, and returning them with our messenger.



Sincerely,

C. Michael Loftus

C. Michael Loftus
An Attorney for The Empire District
Electric Company

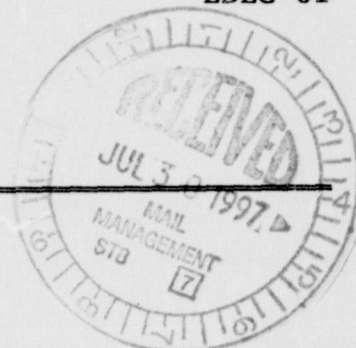
Enclosures

cc: All Parties of Record

780841

EDEC-01

BEFORE THE
SURFACE TRANSPORTATION BOARD



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
(Sub-No. 21)

NOTICE OF INTENT TO PARTICIPATE
OF THE EMPIRE DISTRICT ELECTRIC COMPANY

The Empire District Electric Company ("Empire") hereby notifies the Board of its intent to participate as a party of record in the above-captioned proceeding. Pursuant to 49 C.F.R. §1180.4(a)(2), Empire selects the acronym "EDEC" to identify all documents and pleadings it submits in this proceeding.

Empire requests that the Board serve the following persons representing Empire in this proceeding with copies of all pleadings, notices, and decisions:

C. Michael Loftus, Esq.
Frank J. Pergolizzi, Esq.
Jean M. Cunningham, Esq.
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

Respectfully submitted,

THE EMPIRE DISTRICT ELECTRIC
COMPANY

OF COUNSEL:

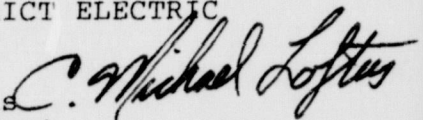
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

Dated: July 30, 1997

By: C. Michael Loftus
Frank J. Pergolizzi
Jean M. Cunningham

Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

Attorneys and Practioners



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

2. Empire recognizes that the Board set a due date of May 27, 1997 for filing Notices of Intent to Participate. Empire had no intent of participating in this oversight proceeding, until Empire was recently made aware of certain portions of UP/SP's July 1, 1997 Progress Report, which Empire believes inaccurately represent the merged railroads' performance since

consummation of the merger, and, in particular, seriously overstate UP/SP's success in meeting contractual obligations, at least insofar as UP/SP's service to Empire is concerned. Empire wishes to participate in this oversight proceeding for the purpose of identifying and calling the Board's attention to the inconsistency between UP/SP's reported progress in improving rail service for its coal traffic, and the continuing and worsening service problems experienced by Empire.

3. Empire is prepared to file Comments in this proceeding by August 1, 1997, as the Board's Decision No. 1, served May 7, 1997, directs.

WHEREFORE, Empire respectfully requests that the Board grant this Motion, and accept Empire's accompanying Notice of Intent to Participate in the above-captioned proceeding.

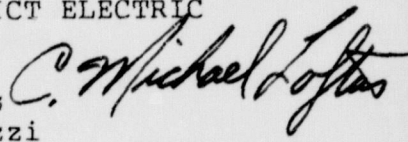
Respectfully submitted,

THE EMPIRE DISTRICT ELECTRIC
COMPANY

OF COUNSEL:

Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

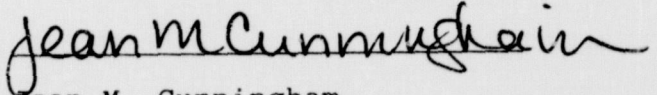
Dated: July 30, 1997

By: C. Michael Loftus 
Frank J. Pergolizzi
Jean M. Cunningham
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

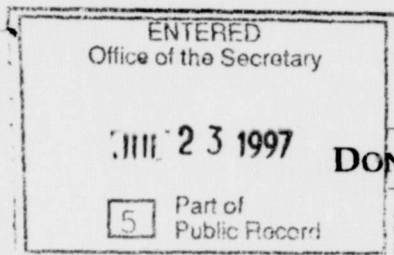
Attorneys and Practitioners

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Notice of Intent to Participate and Motion for Leave to Late-File Notice of Intent to Participate were served this 30th day of July, 1997, by first-class mail, postage pre-paid, upon all parties of record.


Jean M. Cunningham

STB FD-32760 (SUB 21) ID-180748 7-23-97 D



OFFICE: (202) 371-9500

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

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

July 22, 1997

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

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

Dear Mr. Williams:

On behalf of the parties of record to the above proceeding listed below, this letter is a request under 49 C.F.R. §1104.7(b) for a fourteen-day extension of the time for filing comments presently due on August 1, 1997. On July 17, the U.S. Department of Agriculture submitted a request for a similar postponement, in order to enable the Department to obtain information in the next few weeks from a series of field hearings on this matter. Several of the undersigned parties expect to be participants in those hearings.

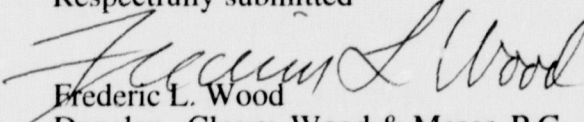
In addition, all of the parties listed below are participants in an ongoing process of obtaining information from the railroads involved about the implementation of the merger and its conditions. That process will apparently not be completed in time to allow the information developed to be included in the comments, if they need to be filed on August 1, 1997.

For all these reasons, as well as the reasons set out in the request by USDA, good cause exists for granting the requested extension. If this request is granted, there would also need to be a corresponding adjustment in the time set for filing reply comments by the Applicants (presently set as August 20, 1997).

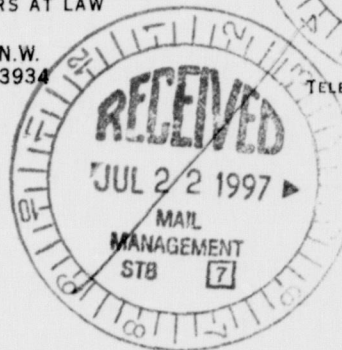
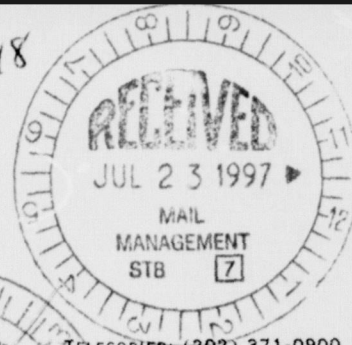
Respectfully submitted

Andrew P. Goldstein
McCarthy, Sweeney & Harkaway, P.C.
1750 Pennsylvania Avenue, NW
Suite 1105
Washington, DC 20006

For: AG Processing, Inc.


Frederic L. Wood
Donelan, Cleary, Wood & Maser, P.C.
1100 New York Avenue, NW
Suite 750
Washington DC 20005-3934

For: The National Industrial
Transportation League



Letter to Secretary Williams

2

July 22, 1997

Michael C. Loftus
Christopher A. Mills
Slover & Loftus
1224-17th Street, NW
Washington, DC 20036

For: Public Service Company of
Colorado

Craig Elkins
P. O. Box 5808
Brownsville, TX 78523

For Southwest Grain Co., Inc.

cc: David M. Konschnik
Director
Office of Proceedings
Room 626
Surface Transportation Board

E-mail: r.wood@dcwm.com

William A. Mullins
Troutman Sanders, L.L.P.
1300 I Street, NW
Suite 500 East
Washington, DC 20005-3314

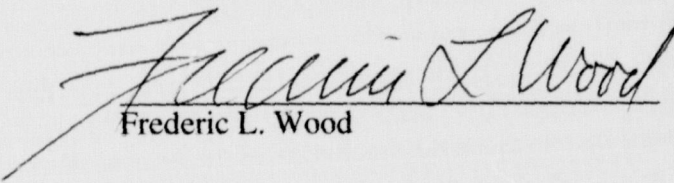
For Kansas City Southern Ry. Co.

Richard A. Allen
Zuckert, Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, NW
Washington, DC 20006-3959

For: Texas Mexican Ry. Co.

Certificate of Service

I hereby certify that I have this 22nd day of July, 1997, served a copy of the foregoing request upon all parties of record, via first-class mail, in accordance with the Rules of Practice.


Frederic L. Wood

STB FD-32760 (SUB 21) ID-180688 7-18-97 D

180688



BEFORE THE
SURFACE TRANSPORTATION BOARD

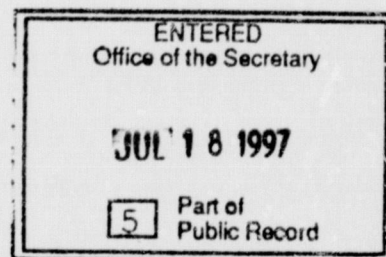
FINANCE DOCKET NO. 32760 (Sub. No. 21)

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

MOTION FOR LEAVE TO PARTICIPATE
IN OVERSIGHT PROCEEDINGS

Richard E. Kerth
Transportation Manager -
Commerce & Regulatory Affairs
CHAMPION INTERNATIONAL CORPORATION
101 Knightsbridge Drive
Hamilton, OH 45020
(513) 868-4974

July 17, 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

MOTION FOR LEAVE TO PARTICIPATE
IN OVERSIGHT PROCEEDINGS

Champion International Corporation ("Champion") respectfully requests leave to file comments and participate as a party of record in the above proceeding (62 Fed. Reg. 20514). The Board's Decision No. 1, (decision served May 1, 1997) Notice of Oversight Proceeding and Request for Comments, provides that any person who intends to participate actively as a "party of record" (POR) must notify the Board of this intent by May 27, 1997. Prior to the May 27 deadline, Champion did not anticipate the necessity to participate or offer comments in the oversight proceeding although Champion participated as a party of record in Finance Docket No. 32760.

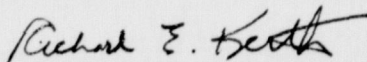
Beginning in June, Champion asserts rail service to Champion's businesses in east Texas have been significantly impacted because of traffic congestion between New Orleans and Houston and between Houston and Pine Bluff. Since that time, Champion's facilities have consistently experienced an inadequate supply of empty railroad equipment to ship product to customer; loaded cars of product are not being moved by the UPSP to customers due to local operating problem and traffic congestion; and we experienced a potential plant shut down is eminent because raw materials, such as chlorine, were not being delivered to our manufacturing facility at Sheldon (Houston), Texas.

Based upon these experiences, Champion now intends to file comments in the oversight proceeding by the August 1, 1997 deadline.

Should the Board accept this filing and grant our motion, Champion selects the acronym "CIC-X" for identifying all documents and pleadings its submits in this proceeding in accordance with 49 C.F.R. § 1180.4(a) (2).

Enclosed with this petition are 25 copies of this document and a 3.5 inch diskette formatted for WordPerfect 5.x for Windows which can be imported into WordPerfect 7.0.

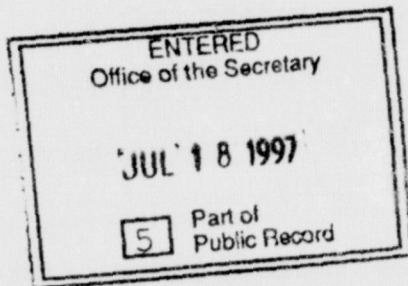
Copies of this document are being served this 17th day of July, 1997 by first class mail, on all Parties of Record in Finance Docket No. 32760.



Richard E. Kerth, Transportation Manager -
Commerce & Regulatory Affairs
CHAMPION INTERNATIONAL CORPORATION
101 Knightsbridge Drive
Hamilton, OH 45020
(513) 868-4974
Fax: (513) 868-5778

cc: Parties of Record

STB FD-32760 (SUB 21) ID-180677 7-17-97 D



Law Office OF
Norman G. Manley
City Attorney
Andover City Hall
909 North Andover Road
Andover, KS 67002

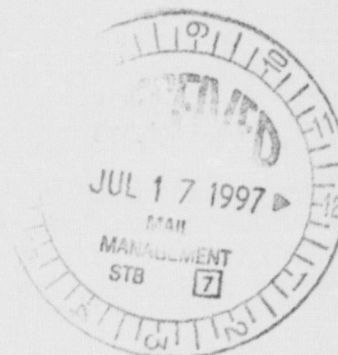
180677
D

(316) 733-1303
FAX (316) 733-4364

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

July 15, 1997

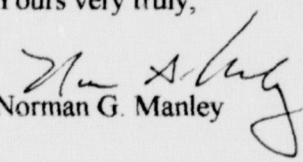
Re: Finance Docket No. 32760 (Sub No. 21)
Union Pacific Railroad Corporation, Union Pacific
Railroad Company, and Missouri Pacific
Railroad Company - Control and Merger -
Southern Pacific Rail Corporation, Southern
Pacific Transportation, St. Louis Southwestern
Railroad Company, SPCL Corp. and the Denver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



Dear Secretary Williams:

This letter is intended as a notice of the intent of the City of Andover, Kansas, to participate in the captioned proceeding as a party of record (POR). The City is very hopeful that it is not too late at this point to be included as a party of record. The City has just recently determined that the proposed merger will have indirect but fairly dramatic potential impact upon its growth. The project itself is expected to increase rail traffic through the City of Wichita, Kansas. In response to what the City of Wichita perceives to be an increase in traffic congestion Wichita has undertaken a study to determine the feasibility of re-routing rail traffic around the City of Wichita, Kansas, as a number of the routes under consideration would involve routing the traffic directly through the City of Andover, Kansas. In the event that such a route is selected and in the further event that the City of Wichita follows through with its plans to re-route rail traffic there would undoubtedly be a dramatic impact upon the future growth of the City of Andover. For this reason the City is wishing to kept fully informed and abreast of all proceedings. Thanks very much for your consideration.

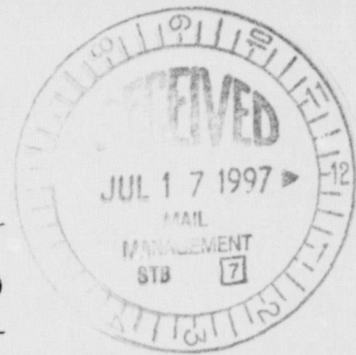
Yours very truly,


Norman G. Manley

NGM/peh
cc: All parties of record

Before The
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

Finance Docket No. 32760 (Sub No. 21)



Union Pacific Railroad Corporation, Union Pacific
Railroad Company, and Missouri Pacific Railroad
Company - Control and Merger - Southern Pacific
Rail Corporation, Southern Pacific Transportation,
St. Louis Southwestern Railroad Company, SPCL
Corp. and the Denver And Rio Grand Western
Railroad Company (Oversight)

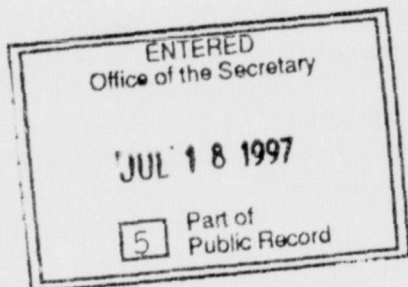
Notice of Intent to Participate

Please enter the appearance of the undersigned counsel on behalf on the City of Andover,
Kansas, which intends to participate and become a party of record in this proceeding. Pursuant to
49 C.F.R. Section 1104.12, service of all documents filed in this proceeding should be made upon
the undersigned.

Dated: July 15, 1997

Respectfully submitted,

Norman G. Manley
Andover City Hall
909 North Andover Road
Andover, KS 67002
Counsel for City of Andover,
Kansas



Certificate of Service

I hereby certify that on July 15, 1997, a copy of the foregoing City of Andover, Kansas', Notice of Intent to Participate was served by first-class, U.S. mail, postage prepaid upon the following:

Honorable Jacob Leventhal
Federal Energy Regulatory Commission
888 First Street, N.E. Suite 11F
Washington, D.C. 20426

Dennis G. Lyons
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1202

Richard A. Allen
Zuckert, Scout, Rasenberger
888 17th Street N W STE 600
Washington, DC 20006-3939

James L Belcher
PO Box 431
200 South Wilcox Drive
Kingsport, TN 37662

Martin W. Bercovici
Keller & Heckman
1001 G St. NW Suite 500 West
Washington, DC 20001

Michael D Billiel
Antitrust Division, Dept. of Justice
325 Seventeenth ST NW STE 500
Washington, DC 20530

Thomas B. Campbell Jr
Exxon Chemical Americas
PO Box 3272 Houston, TX 77253

Paul D. Coleman
Hoppel, Mayer & Coleman
1000 Connecticut Ave NW Suite 400
Washington, DC 20036-5302

Steve M. Coulter
Exxon Company USA
PO Box 4692
Houston, TX 77210-4692

Paul A. Cunningham
Harkins Cunningham
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Suite 600
Washington, D.C. 20036

Paul M. Donovan
Laroe, Winn, ETAL
3506 Idaho Ave NW
Washington, DC 20016

Kevlin J. Dowd
Slover & Loftus
1224 17th Street NW
Washington, DC 20036

Robert K. Dreiling
Kansas City Southern RWY Co.
114 West 11th Street
Kansas City, MO 64105

Georgette M. Dugas
Supreme Rice Mill, Inc.
PO Box 490
Crowley, LA 70527

Craig Elkins
Brownsville NAV Dist Lessee Assoc.
PO Box 5808
Brownsville, TX 78523

Daniel R. Elliot III
United Transportation Union
14600 Detriot Avenue
Cleveland, OH 44107

RichardJ. Elston
Cyprus Amax Coals Sales Corp.
9100 East Mineral Circle
Englewood, CO 80112

Michael P. Ferro
Millennium Petrochemicals, Inc.
11500 Northlake Drive
Cincinnati, OH 45249

Rebecca Fisher
Assistant Attorney General
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Austin, TX 78711-2548

Robert K. Glynn
Hoisington Chamber of Commerce
123 North Main Street
Hoisington, KS 67544-2549

Andrew P. Goldstein
McCarthy, Sweeny, et al.
1750 Pennsylvania Ave NW
Washington, DC 20006

Edward D. Greenberg
Galland, Kharasch, Morse & Garfinkle
1054 Thirty-First Street NW
Washington, DC 20007-4492

F. Mark Hansen
F Mark Hansen, PC
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Salt Lake City, UT 84103

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Dow Chemical Company
2020 Dow Center
Midland, MI 48674

Claudia L. Howells
Oregon Department of Transportation
555 13th Street NE
Salem, OR 97310

Barry Johnson
Southwestern Public Services Company
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Amarillo, TX 79170

Erika Z. Jones
Mayer, Brown & Platt
2000 Pennsylvania Ave NW
Suite 6500
Washington, DC 20006

Terrence D. Jones
Keller & Heckman
1001 G ST NW
STE 500 West
Washington, DC 20001

Carl E. Kingston
Railco, Inc.
3212 South State Street
Salt Lake City, UT 84115

Paul H. Lamboley
Oppenheimer, Wolfe & Donnelly
1020 19th Street, NW Suite 400
Washington, DC 20036

John P. Larue
PO Box 1541
222 Power Street
Corpus Christi, TX 78403

John H. Leseur
Slover & Loftus
1224 17th Street NW
Washington, DC 20036-3081

C. Michael Loftus
Slover & Loftus
1224 Seventeenth Street NW
Washington, DC 20036

Wrennie Love
Hoechst Celanese Chemical Group
1601 W LBJ Freeway
Dallas, TX 75234

Patricia A. Lynch
City Attorney-Reno
City Hall
490 South City Street
Reno, NV 89501

Gordon P. MacDougall
John D. Fitzgerald, et al
1025 Connecticut Ave NW
Suite 410
Washington, DC 20036

Michael F. McBride
Leboeuf, Lamb, Greene & Macrae, L.L.P.
1875 Connecticut Ave NW, Ste 1200
Washington, DC 20009

Charles E. McHugh
International Paper, Co.
6400 Poplar Avenue
Memphis, TN 38197

C A Mennell, President
Lackland Western RR Co.
31 Oak Terrace
Webster Groves, MO 63119

Christopher A. Mills
Slover & Loftus
1224 Seventeenth Street NW
Washington, DC 20036

William A. Mullins
Troutman Sanders LLP
1300 I Street NW
Suite 500 East
Washington, DC 20005-3314

John Will Ongman
Pepper Hamilton Scheetz
1300 Nineteenth Street NW
Washington, DC 20036-1685

Monica J. Palko
Bracewell & Patterson
2000 K. Street NW
STE 500
Washington, DC 20006
Joseph R. Pomponio
Federal Railroad Administration
400 7th St SW RCC-20
Washington, DC 20590

Burunda Prince-Jones
Rohm and Hass Co.
Independence Mall West
Philadelphia, PA 19106-2399

Larry R. Pruden
Trans. Com. International Union
3 P research Place
Rockville, MD 20850

James T. Quinn
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3290

Louise A. Rinn
Union Pacific RR Co.
1416 Dodge Street Room 830
Omaha, NE 68179

Arvid E. Roach II
PO Box 7566
1201 Pennsylvania Ave NW
Washington, DC 20044-7566

Thomas E. Schick
Chemical Manuf. Association
1300 Wilson Boulevard
Arlington, VA 22209

David W. Sherrod
Power First Interstate Center
999 3rd Avenue Suite 1060
Seattle, WA 98104

Kenneth E. Siegel
American Trucking Association
2200 Mill Road
Alexandria, VA 22314-4677

Richard G. Slattery
Amtrak
60 Massachusetts Avenue NE
Washington, DC 20002

Paul Samuel Smith
US Department of Transportation
400 7th Street SW, Room 4102 C-30
Washington, DC 20590

Mike Spahis
Fina Oil & Chemical Co.
PO Box 2159 Dallas, TX 75221

Charles A. Spitulnik
Hopkins & Sutter
888 16th Street NW
Washington, DC 20006

Eileen S. Stommes
Agricultural Marketing Service, USDA
PO Box 96456
Washington, DC 20090-6456

Scott N. Stone
Patton Boggs, LLP
2550 M Street NW 7th Floor
Washington, DC 20037-1346

Junior Streckler
Mountain-Plains Communities & Shippers Coalition
123 Noth Main St
Hoisington, KS 67544

Eric W. Tibbets
PO Box 3766
1301 McKinney St
Houston, TX 77253

Robert P. Vom Eigen
Hopkins and Sutter
888 16th Street NW STE 700
Washington, DC 20006

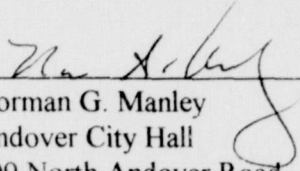
Terry J. Voss
Ag. Processing, Inc.
PO Box 2047
Omaha, NE 68103-2047

Charles H. White
Galland, Kharasch & Garfinkle, PC
1054 Thirty-First Street NW
Washington, DC 20007-3934

Thomas Wilcox
Donelan, Cleary, Wood & Maser, PC
1100 New York Ave NW STE 750
Washington, DC 20005-3934

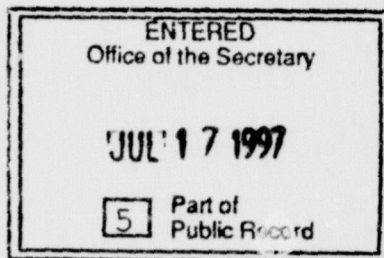
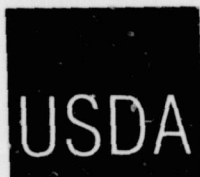
Robert A. Wimbish, ESQ
Rea, Cross, & Auchincloss
1920 N Street NW Suite 420
Washington, DC 20036

Frederic L. Wood
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Counsel for City of Andover
Kansas

STB FD-32760 (SUB 21) ID-180664 7-17-97 D



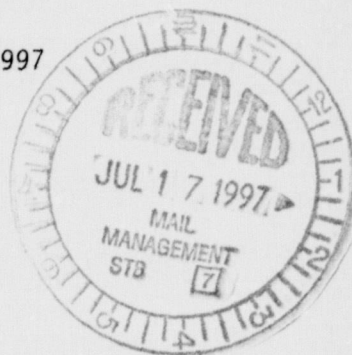
180664

**United States
Department of
Agriculture**

Agricultural
Marketing Service

PO Box 96456
Washington, DC 20090-6456

July 16, 1997



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

Dear Mr. Williams:

In a decision served May 7, 1997, the Surface Transportation Board (STB) initiated a proceeding to implement the oversight requirement it imposed in 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 Corporation, and the Denver and Rio Grande Western Railroad Company [Oversight]. (STB Finance Docket No. 32670 (Sub-No. 21)). STB is seeking comments on any competitive effects of the merger and the implementation of conditions imposed to address competitive harms. On May 22, 1997, the Department of Agriculture (USDA) notified STB of USDA's intent to participate, as a party of record, in the oversight proceeding.

USDA was an active participant in the Union Pacific Southern Pacific (UPSP) Railroad consolidation proceeding. UPSP hauls vast amounts of agricultural traffic for both domestic and foreign markets. The Secretary of Agriculture submitted comments on several occasions because of his concern that a UPSP merger would have anticompetitive impacts in the transportation marketplace.

USDA has planned a series of listening sessions, outside Washington, D.C., as a major part of our efforts to gather and evaluate input on the competitive effects of the UPSP merger on agricultural shippers and communities. These listening sessions are designed to coincide with STB's oversight proceeding. We believe that obtaining first



Be Resourceful. Recycle!

Mr. Vernon A. Williams

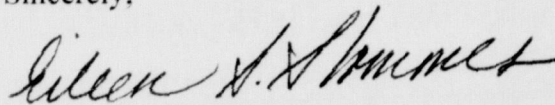
2

hand, timely information by listening to the experiences of the local agricultural rail shippers and communities affected by the UPSP merger and its conditions is an effective way to provide STB with the information it needs to examine the competitive impacts of the merger.

The first two listening sessions are scheduled to take place in Kansas. Because of the ongoing winter wheat harvest in the State, which has been delayed because of heavy rains, these sessions are scheduled for the week of July 27, 1997. We feel that this scheduling will facilitate maximum participation by local rail users at the sessions as the harvest progresses north. Because of the delayed wheat harvest, USDA respectfully requests a 2-week extension of the due date, from August 1 to August 15, 1997, for submitting comments on any competitive effects of the merger and its conditions. The extension of time will allow USDA to effectively conduct shipper and community listening sessions in Kansas without interfering with the wheat harvest.

USDA believes input from rural agricultural shippers and communities impacted by the UPSP merger, like those in Kansas, is vital to the STB oversight process. A 2-week extension of time, from August 1 to August 15, 1997, will allow USDA to deliver such input to STB while not, we believe, unduly delaying the oversight proceeding. Please advise: Eileen S. Stommes, Director, Transportation and Marketing Division, Agricultural Marketing Service, U.S. Department of Agriculture, P.O. Box 96456, Room 4006-South Building, Washington, D.C. 20090-6456.

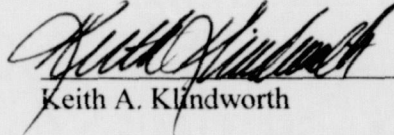
Sincerely,

A handwritten signature in cursive script, reading "Eileen S. Stommes".

Eileen S. Stommes
Director
Transportation and Marketing Division

CERTIFICATE OF SERVICE

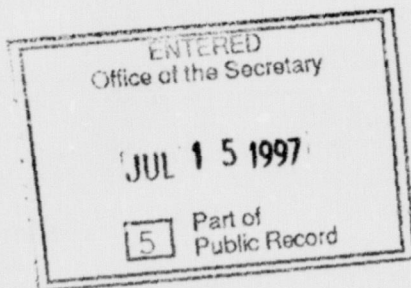
I, Keith A. Klindworth, certify that on this 17th day of July, 1997, I caused a copy of the foregoing document to be served by first-class, postage prepaid, on all parties of record in STB Finance Docket No. 32760 (Sub-No. 21), including counsel for UP and counsel for BNSF.



Keith A. Klindworth

STB FD-32760 (SUB 21) ID-180624 7-14-97 D

180674



LAW OFFICE OF
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City Attorney
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(316) 733-1303
FAX (316) 733-4364

July 8, 1997

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

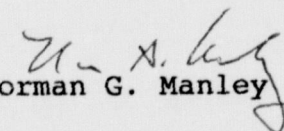
Re: Finance Docket No. 32760 (Sub No. 21)
Union Pacific Corporation, Union Pacific
Railroad Company, and Missouri Pacific
Railroad Company - Control and Merger -
Southern Pacific Rail Corporation, Southern
Pacific Transportation, St. Louis Southwestern
Railway Company, SPCL Corp. and The Denver
And Rio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



Dear Secretary Williams:

This letter is intended as a notice of the intent of the City of Andover, Kansas, to participate in the captioned proceeding as a party of record (POR). The City is very hopeful that it is not too late at this point to be included as a party of record. The City has just recently determined that the proposed merger will have an indirect but fairly dramatic potential impact upon its growth. The project itself is expected to increase rail traffic through the City of Wichita, Kansas. In response to what the City of Wichita perceives to be an increase in traffic congestion Wichita has undertaken a study to determine the feasibility of re-routing rail traffic around the City of Wichita, Kansas, and a number of the routes under consideration would involve routing the traffic directly through the City of Andover, Kansas. In the event that such a route is selected and in the further event that the City of Wichita follows through with its plans to re-route rail traffic there would undoubtedly be a dramatic impact upon the future growth of the City of Andover. For this reason the City is wishing to be kept fully informed and abreast of all proceedings. Thanks very much for your consideration.

Yours very truly,


Norman G. Manley

NGM/peh
cc: All parties of record.

180624

Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

Finance Docket No. 33388

CSX Corporation and CSX Transportation Inc.,
Norfolk Southern Corporation and
Norfolk Southern Railway Company
--Control and Operating Leases/Agreements--
Conrail Inc. and Consolidated Rail Corporation

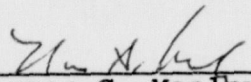


NOTICE OF INTENT TO PARTICIPATE

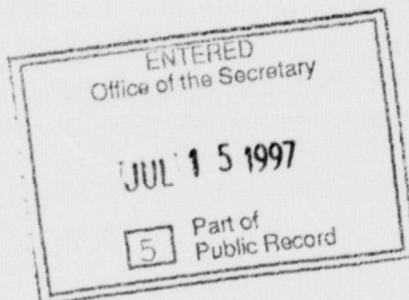
Please enter the appearance of the undersigned counsel on behalf of the City of Andover, Kansas, which intends to participate and become a party of record in this proceeding. Pursuant to 49 C.F.R. § 1104.12, service of all documents filed in this proceeding should be made upon the undersigned.

Dated: July 8, 1997

Respectfully submitted,



Norman G. Manley
Andover City Hall
909 North Andover Road
Andover, Kansas 67002
(316) 733-1303
Counsel for City of Andover,
Kansas



Certificate of Service

I hereby certify that on July 11, 1997, a copy of the foregoing City of Andover, Kansas', Notice of Intent to Participate was served by first-class, U.S. mail, postage prepaid upon the following:

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Federal Energy Regulatory Commission
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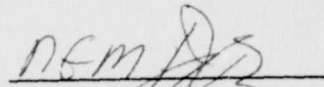
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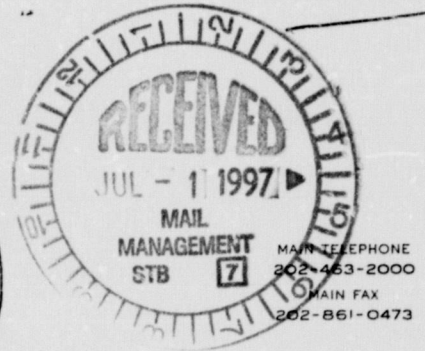
STB FD 32760 (Sub 21) 7-1-97 D 180438 1/5

180438

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882



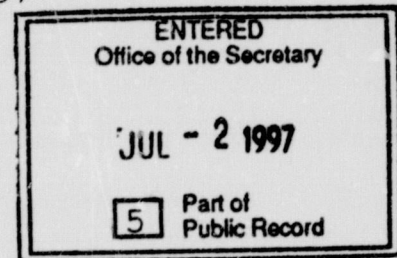
ERIKA Z. JONES

DIRECT DIAL (202) 778-0642
ejones@mayerbrown.com

July 1, 1997

VIA HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Room 711
Washington, DC 20423-0001



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

Dear Secretary Williams:

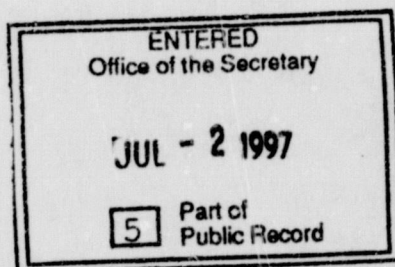
As per your telephone conversation this afternoon with Adrian Steel, enclosed for filing in the above-captioned proceeding are the original and five (5) copies of The Burlington Northern and Santa Fe Railway Company's Quarterly Progress Report (BNSF-PR-4). Due to printing and copying delays, we will file the remainder of the required twenty-five copies by 9:30 a.m. on Wednesday, July 2, 1997. Also enclosed is a 3.5-inch disk containing the text of the Quaterly Progress Report in Wordperfect 6.1 format.

I would appreciate it if you would date-stamp the enclosed extra copy of this filing and return it to the messenger for our files.

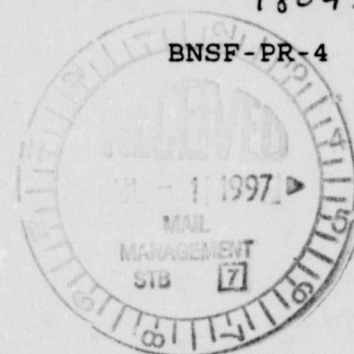
Sincerely,

Erika Z. Jones
Erika Z. Jones

Enclosures



BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760-21

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

THE BURLINGTON NORTHERN AND SANTA FE
RAILWAY COMPANY'S QUARTERLY PROGRESS REPORT

Jeffrey R. Moreland
Richard E. Weicher
Janice G. Barber
Michael E. Roper
Sidney L. Strickland, Jr.

Erika Z. Jones
Adrian L. Steel, Jr.
Roy T. Englert, Jr.
Kathryn A. Kusske

The Burlington Northern
and Santa Fe Railway Company
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Ft. Worth, Texas 76161-0039
(817) 352-2353
and

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(202) 463-2000

1700 East Golf Road
Schaumburg, Illinois 60173
(847) 995-6887

Attorneys for The Burlington Northern and Santa Fe Railway Company

July 1, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY'S
QUARTERLY PROGRESS REPORT

Pursuant to the Surface Transportation Board's ("Board")
Decision No. 44 in Finance Docket No. 32760, The Burlington
Northern and Santa Fe Railway Company ("BNSF") hereby submits its
fourth Quarterly Progress Report. Union Pacific Corp., et al. --
Control and Merger -- Southern Pacific Rail Corp., et al., Fin.
Dkt. No. 32760, Decision No. 44 at 147 (served Aug. 12, 1996)
(BNSF shall submit quarterly progress reports). This fourth
Quarterly Progress Report follows BNSF's April 1 and January 2,
1997 Progress Reports and its October 1, 1996 submission of a
Progress Report and Operating Plan.

BNSF believes that the expanded format of this Progress Report
and the extensive information included as appendices to the Report
are responsive to the Board's recent instruction that this Progress
Report should provide more detailed information about BNSF's
efforts to be a vigorous competitor to UP on the trackage rights



and other rights granted by the Board in Decision No. 44 and subsequent decisions. If the Board desires additional information to assist it in evaluating the effectiveness of competition or other implementation issues, BNSF will provide such information promptly, to the extent it is available to BNSF.

This Progress Report addresses the steps that BNSF has undertaken during the nine month period from October 1, 1996, through July 1, 1997, to implement the trackage rights and other rights it received as a consequence of the UP/SP merger, from both marketing and operating standpoints, and the marketplace results of those actions. As described in the attached Verified Statement of Peter J. Rickershauser, Vice President, Marketing of BNSF on the UP/SP lines, BNSF has nearly completed the full implementation of those rights, and it is vigorously competing with UP for rail traffic over the lines on which the company received access. Trackage rights volumes continue to grow in all corridors. The number of units handled in the second quarter increased by almost 50%, up from approximately 14,000 units in the first quarter to more than 21,000 units in the second quarter of this year, and we expect our business from the UP/SP rights to continue to grow significantly. BNSF has secured business from almost 500 customers utilizing service via the trackage rights lines since the UP/SP merger became effective. Many of these customers are new to the BNSF system. BNSF's business with customers at "2-to-1" points and located on "2-to-1" shortlines has increased from approximately 10,000 units during the first quarter of 1997 to approximately

14,500 units during the second quarter. BNSF believes that its efforts, and the results of those efforts to date, validate the STB's decision to grant the trackage and other rights to BNSF to provide effective long-term competition to UP.

The attached Verified Statement of Ernest L. Hord, Vice President, Operations of BNSF on the UP/SP lines, details the steps that BNSF has taken since October 1, 1996, in implementing new operations and service by corridor over the lines to which it obtained access. The Verified Statement of Mr. Hord describes the direct and local train service being provided by BNSF, haulage service being provided by UP, dispatching, capital projects, and other coordination matters.

BNSF believes that the progress described in this Report shows the results of substantial efforts to make the most of the competitive tools that were provided to BNSF as conditions to the UP/SP merger in Decision No. 44 and subsequent decisions. Of course, the competitive tools given to BNSF to address the effects of the UP/SP merger were defined by the BNSF Settlement Agreement and STB decisions and were not unlimited (for example, with respect to the 50% contract reopener provision). This report shows that, within the relatively small amount of time (approximately nine months) BNSF has been providing service via trackage and haulage rights, it has nearly completed full implementation of these rights, and is vigorously competing with UP using these rights. However, 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.

COMPETITION DURING THE FIRST NINE MONTHS

In approving the UP/SP merger, the Surface Transportation Board required that UP grant BNSF access to over 4,000 route miles through trackage rights and purchase agreements. On September 13, 1996, just two days after UP's merger became effective, BNSF initiated haulage service in which BNSF traffic was handled by UP for BNSF's account in UP trains. During the nine month period between October 1, 1996, and June 30, 1997, BNSF has initiated competitive service options for hundreds of customers on the new UP, and is continuing to improve those options.

At the same time BNSF was bringing competition to UP/SP customers, it also was fully engaged in improving single-line service options and performance to increase the overall competitive ability of BNSF to serve shippers throughout its newly-merged 35,000 route-mile railroad system. BNSF, on July 4th, will complete the implementation of its combined information system which will support all transportation, billing and other customer service functions. This new information system will be on-stream across BNSF's entire system including trackage rights. It will make it easier and quicker for customers to do business with BNSF, as BNSF provides single-line prices, waybilling and freight billing

to and from all BNSF points; eliminate all "internal interchanges;" and enable one-call tracing for shipments anywhere on BNSF.

Among other significant actions taken by BNSF since last September was the complete reconstruction of the Argentine Yard in Kansas City. This \$95 million expansion program will triple Argentine's car-sorting capacity when the yard goes on line on July 7. This yard is strategically located on BNSF's system and has the ability to assemble trains to most major markets in the United States. BNSF will have spent \$1.5 billion on capacity expansion during the two-year period ending December 31, 1997. During this period, BNSF will have acquired approximately 450 new locomotives.

All of this has been accomplished while BNSF continued operating a safer railroad. For 1996, the number of employee on-duty injuries fell 29 percent from 1995, while the derailment rate per billion gross ton miles - a measure of operational safety - was 27 percent lower than in 1995. Through the first half of 1997, BNSF has achieved improvements comparable with last year.

Increasing Traffic Volumes. As reported to the Board in prior progress reports, the traffic volumes over the lines to which BNSF received access are steadily growing. The traffic volumes on those lines increased by nearly 50%, up from approximately 14,000 units in the first quarter to more than 21,000 units in the second quarter of this year.

We expect our business using these lines to grow at a significant rate. As described in the Rickershauser Verified Statement, we have recently acquired a significant contract from

Exxon for traffic from the Gulf Coast of approximately 4,000 units per year. On initiation of service in the I-5 Corridor, we expect to handle traffic volumes of approximately 1,000 units per month. In all corridors, our service continues to improve as frequency increases, thereby allowing us to attract even more new business.

BNSF is continuing to investigate and pursue opportunities for further increases in traffic volumes through build-ins/build-outs, new facilities and transloads, and is currently engaged in such discussions with a number of interested customers. Although it is too early for any of these to have reached the construction stage, BNSF is making substantial progress in discussions with certain customers for potential build-in/build-outs, new facility access and/or transload opportunities, and expects to make public announcements of such projects as appropriate.

Customer Identification and Communications. BNSF is continuing its efforts to communicate with UP customers to ensure they are aware of the company's new access rights and of BNSF's interest in serving them. BNSF has achieved this through personal contact with customers, participation in and presentations to industry associations, and regular information mailings since last October to new and existing customers. For instance, BNSF recently mailed a package of information to 600 of its top customers informing them, among other things, of "2-to-1" industries sorted by customer name and location.

BNSF has continued its efforts to work with the seventeen new "2-to-1" short lines to which BNSF gained access, as well as

customer facilities served by other connections at new points such as New Orleans. BNSF continues to work with UP to refine the list of customer facilities to which it gained access at "2-to-1" points to ensure that all customer facilities at such points who lost a competitive option as a result of the merger are aware of BNSF's willingness and capability to serve them. As a result of these efforts, the list of "2-to-1" customer facilities potentially eligible for service from BNSF access has grown by 18% - from approximately 584 "2-to-1" customer facilities directly served or on "2-to-1" shortlines at the time of the Board's decision to nearly 689 customer facilities today. Also, we can now serve by reciprocal switch 159 customer facilities on other carriers. In addition, 241 more potential "2-to-1" customer facilities have been identified by BNSF and are awaiting confirmation by UP.

Coordination and Information Exchange. Issues of coordination and information exchange between UP and BNSF continue to be the subject of extensive discussion between the two companies, with efforts focused on resolving as many issues as possible. In addition, the customer service organizations of BNSF and UP have begun discussions to determine how best to resolve shipment specific movement issues on BNSF shipments moving on UP through haulage or reciprocal switch.

Service Improvements. As part of BNSF's progress in implementing operations as described above, it has implemented service improvements which have increased its ability to compete vigorously with UP. BNSF has increased the frequency of service in

response to customer demands and growing volumes as described in the Verified Statements of Messrs. Hord and Rickershauser. As described in Mr. Rickershauser's Statement, the number of scheduled local and through trains operated by BNSF on these lines has increased from 105 trains per week at the end of the first quarter to 169 trains per week currently.

The following are highlights of BNSF's operational accomplishments during the last nine months which are more fully discussed in the Verified Statements of Messrs. Rickershauser and Hord:

- Over the past nine months since the UP/SP merger became effective, BNSF has implemented direct train service over all of the routes on which it received access under the BNSF Settlement Agreement and the Board's conditions, except for the 150 mile segment between Corpus Christi-Brownsville, where it operates by haulage, and on the I-5 Corridor, on which service will begin on July 15, 1997.
- While BNSF and Tex Mex have not completed a long-term agreement, in April we were able to agree upon a working marketing arrangement for rates and divisions applying between the two carriers for business moving over the Laredo gateway through Robstown/Corpus Christi. While joint line rates and divisions had previously been agreed to on a movement specific basis, completion of this

arrangement will speed up the pricing negotiation process and responsiveness to rail users. Business moving through Laredo using both carriers continues to increase, as reflected by the increase in train service on BNSF from five days/week to daily (seven days/week) frequency.

- The proportional rate agreement, a critical component to BNSF's acquisition of the Keddie-Bieber line in California which will permit BNSF to establish a second, competitive I-5 corridor along the West Coast, was finalized on May 22, 1997. BNSF will close on the purchase of the line on July 15, 1997, and will start daily through merchandise train operations in both directions in the new corridor that same day.
- In support of the various train service operations, BNSF has also committed to various capital projects including the construction of two operating tracks for local work in Dayton, TX; a program to upgrade Lafayette Yard in Lafayette, LA; a project to improve industry trackage at Vallier, LA; construction of an 8,500 foot siding at Iowa Junction, LA; and major improvements to the condition of the route between Iowa Jct. and Avondale to allow, among other things, additional freight traffic.

ISSUES

BNSF has shown that it has nearly completed full implementation of the trackage and other rights, and is competing vigorously with UP for traffic over those rights. Nevertheless, some issues remain that prevent even more vigorous competition between the two carriers.

Implementation of Contract Modification Condition and Termination Option. The contract modification condition imposed by the Board has been a matter of substantial interest to many potential BNSF customers, and BNSF has vigorously pursued opportunities to reopen shipper contracts under that condition. Specifically, in three customer mailings to BNSF's top customers in October and November, 1996, customers were informed that the STB was considering clarifications of the contract reopener condition and were advised when the STB issued its decision. Additionally, BNSF account and marketing managers followed up with many of the railroad's accounts, whether located at "2-to-1" locations, or potential shippers to, or receivers from, customers at "2-to-1" points, to discuss the contract modification condition.

However, to date, fewer than 10 customers have actually modified contracts permitting BNSF access to up to 50% of their available volumes formerly committed to either UP or SP. While in theory this result might not necessarily be harmful to shippers at "2-to-1" points -- if every one of the remaining customers has been able to strike beneficial agreements with UP as a result of the

competitive discipline imposed by this condition -- the condition has generated little additional traffic for BNSF. In sum, while BNSF has been able to grow its service in the rail corridors in which it gained access, as discussed in other sections of this report, this growth has not been aided significantly by the reopener condition. It is thus doubtful whether this condition is yielding the competitive benefits the Board intended when it approved this condition.

BNSF believes that one important reason why the contract reopener condition is not yielding more balanced results in terms of business obtained by BNSF or retained by UP is the effect of Guideline #9 (Decision No. 52 at 12). Guideline #9 provides UP the right to terminate the entire contract if a shipper seeks to reopen a UP or SP contract covered by this condition. 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. Although at the time the Board issued Decision No. 57 it asserted that Guideline #9 was important to protect UP's own interests and to ensure that UP need not carry traffic at a loss, BNSF now believes 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, at least for up to 50% of the business, under the reopener condition.

BNSF believes that the Board should reexamine and eliminate Guideline #9 during the oversight proceeding. Such a solution would strengthen the Board's overall objectives under the contract modification condition while at the same time eliminating an option granted to UP that has not contributed to the vigorous system-wide competition the Board sought to encourage.

Remaining Challenges. UP's failure to agree with BNSF on the implementation of certain of the Board's conditions, such as the process to be used in locating new industries at "2-to-1" points and along trackage rights lines, has slowed the growth in our business that would otherwise result from the conditions to the merger.

Access to former UP or SP customers at New Orleans through reciprocal switch has not been permitted by UP, creating acute problems for shippers of westbound traffic out of New Orleans, who have effectively been denied access to competitive two-carrier service. BNSF anticipates filing a separate petition for relief on this matter shortly.

Finally, UP has not yet responded to BNSF's request pursuant to the settlement agreement process for trackage and property sufficient to establish its own team tracks in Salt Lake City, for the benefit of occasional rail customers in the Salt Lake City area, even though Decision No. 44 provides access for BNSF to establish team tracks at "2-to-1" points.

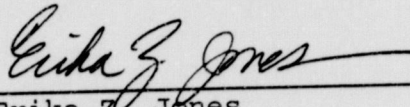
Collectively, these challenges continue to slow implementation of fully competitive BNSF service to all potential shippers to

which it was granted access by the Board's Decision No. 44. BNSF intends to fully pursue these issues and, if necessary, seek resolution through the Board or the arbitration process if they remain unresolved.

CONCLUSION

BNSF's efforts to be an effective competitor to UP have been substantial during the first nine months. Implementation of the trackage rights imposed by the Board in Decision No. 44 is virtually complete. While many commercial opportunities are already being fully realized by BNSF, it is continuing its vigorous marketing efforts to "2-to-1" shippers and is continuing to gain significant traffic to new destinations using its rights and access under Decision No. 44. BNSF believes that its efforts, and the results of those efforts to date, validate the STB's decision to grant the trackage and other rights to BNSF to provide effective long-term competition to UP. BNSF also believes that the merger conditions are, on the whole, working as intended to provide customer access to competitive two-carrier service. However, 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 improve its ability to compete with UP and to offer all customers within the scope of the Board's conditions effective competitive service.

Respectfully submitted,



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July 1, 1997

CERTIFICATE OF SERVICE

I do hereby certify that a copy of the foregoing Quarterly Progress Report was served on all parties of record as listed in the service list issued by the Board in Decison No. 2, Finance Docket No. 32760 (Sub-No. 21).


Adrian L. Steel, Jr.

VERIFIED STATEMENT
OF
PETER J. RICKERSHAUSER

My name is Peter J. Rickershauser. I am Vice President, Marketing of The Burlington Northern and Santa Fe Railway Company ("BNSF") on the UP/SP Lines. My business address is 2600 Lou Menk Drive, Fort Worth, Texas 76131.

I joined BNSF in October 1996 as Vice President, Marketing, UP/SP Lines. In this capacity, I oversee and coordinate the efforts of our team dedicated to aggressively marketing and implementing the new service opportunities BNSF offers as a result of the merger of Union Pacific Railroad ("UP") and Southern Pacific Rail Corporation ("SP"). BNSF gained access to more than 3,900 miles of UP and SP track through a combination of trackage rights and line sales as a condition of their September 1996 merger.

Prior to joining BNSF, I was Vice President, Sales, with Southern Pacific Rail Corporation in Denver, Colorado, where I directed SP's field carload sales force in the United States and Canada. From 1991 to 1995, I was Managing Director, Regional Sales-Midwest, in Lisle, Illinois, for SP. My responsibilities in that position included planning and directing sales activities for SP's largest domestic carload sales region.

From 1982 to 1991, I held a number of sales and marketing management positions with Norfolk Southern Railroad, including Vice President, Sales and Marketing, for Triple Crown Services, Inc., a Norfolk Southern subsidiary; Director, Intermodal Marketing; and district sales manager positions. Previous to that, I held a series of positions in railroad operations and maintenance-of-way

departments with Conrail predecessors Central Railroad Company of New Jersey and the New York & Long Branch Railroad Co. in the Northeast, followed by sales representative and district sales manager positions in Iowa with the Norfolk & Western Railway Co.

I earned a Bachelor of Arts degree from Franklin & Marshall College in 1971, and a Master of Arts degree in 1974 from Syracuse University.

The purpose of this Verified Statement is to describe the efforts undertaken by BNSF to be an effective long-term competitor with UP and the results we have achieved to date using the trackage rights and other rights that BNSF was granted in the UP/SP merger proceeding. As detailed below, BNSF has nearly completed full implementation of those rights, and we are vigorously competing with UP for rail traffic over the lines on which we received access. As has been previously reported to the Surface Transportation Board, the traffic volumes on our new lines are steadily growing, and we are committed to continuing to work to generate business from the "2-to-1" and other customers to which BNSF received access. In spite of these efforts and the success we have achieved in the nine months since the merger was consummated, challenges still exist to the full competitive potential of the Board's conditions.

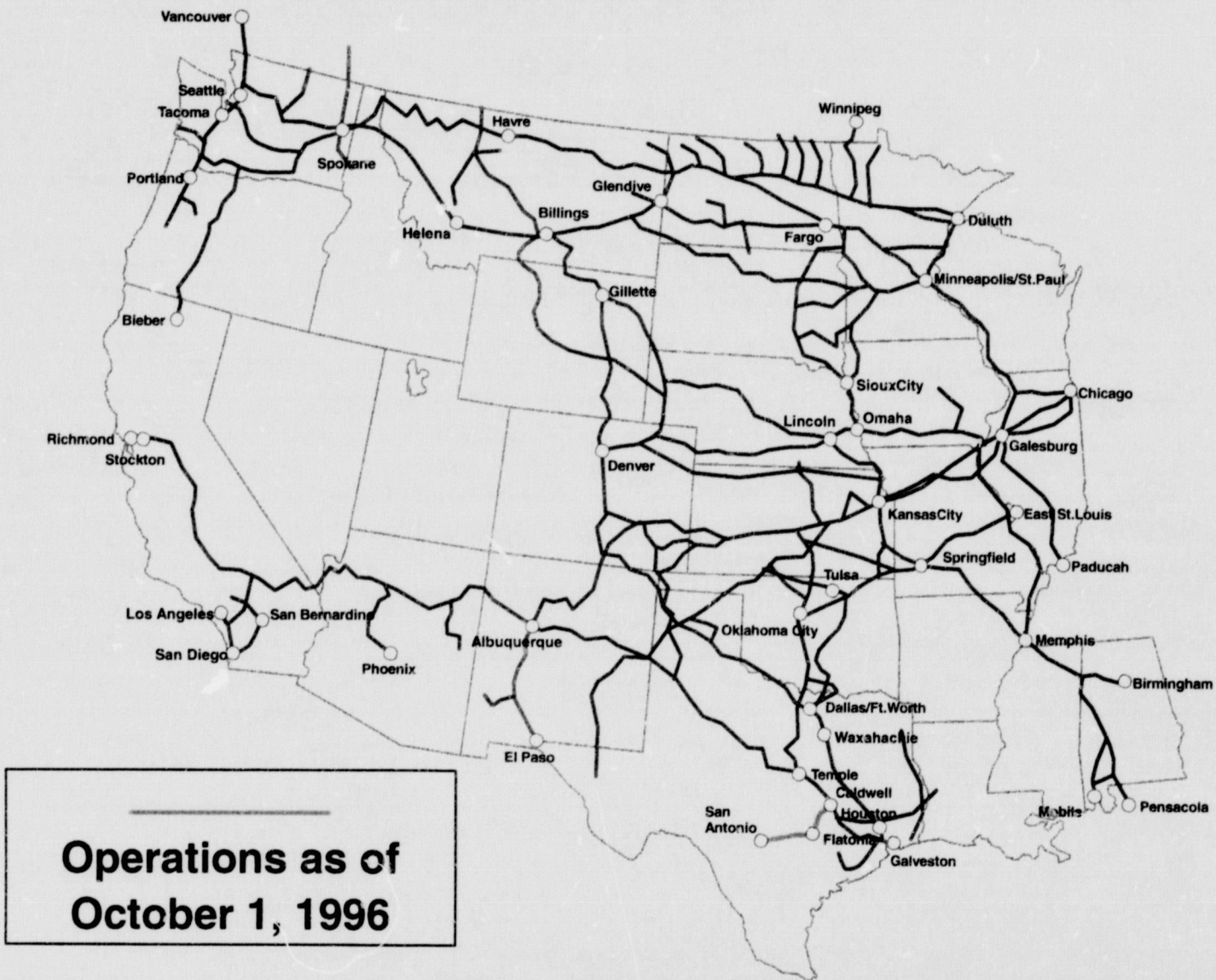
The First Nine Months

Over the past nine months since the UP/SP merger became effective, BNSF has implemented its own train service over all of the corridors in which we received access, except for the 150 mile Corpus Christi-Brownsville segment and the I-5 Corridor as discussed below. The implementation of our operation is described in greater detail in the Verified Statement of Ernest L. Hord, but I will briefly review our service implementation progress here, because it shows how far we have come in only our first nine months of operations.

BNSF commenced haulage service for all customers it gained access to on September 13, 1996, two days after the UP/SP merger. Under this haulage, BNSF traffic was handled by UP/SP crews and locomotives in existing UP/SP trains. As of the date of the UP/SP merger, BNSF was operating from Temple to San Antonio via Caldwell on prior SP trackage using haulage with BNSF crews to San Antonio. (BNSF's trackage rights service as of October 1, 1996, on our new lines is reflected on Map 1.)

Since it was our intent to convert haulage service to trackage rights service as soon as possible, we immediately undertook steps to begin implementing trackage rights operations. Thus, on October 8, we commenced trackage rights operations between Houston and Corpus Christi, and between Denver and Stockton. On October 9, BNSF commenced trackage rights operations between Temple and Kerr, TX, interchanging at that point with the Georgetown Railroad ("GRR"), permitting BNSF to competitively serve customers on the

BNSF Operations over UP/SP Lines



Map 1

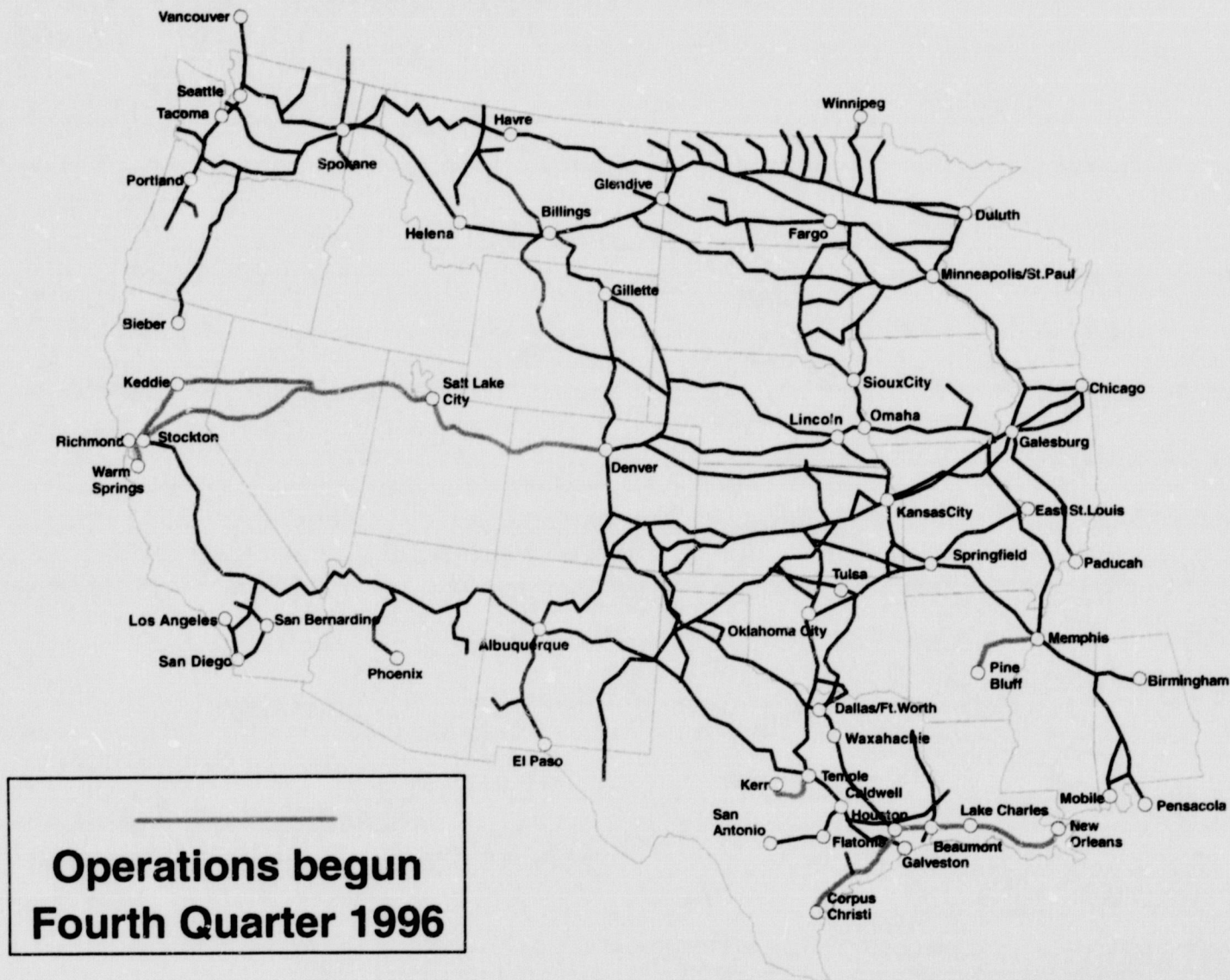
GRR. On December 16, Houston-New Orleans, Pine Bluff-Memphis, and Richmond-Warm Springs trackage rights operations were started. Thus, we had commenced actual operations over the Central Corridor and between Houston and New Orleans before the end of 1996. (Map 2 reflects BNSF's trackage rights service begun during the fourth quarter of 1996.)

Thereafter, on January 13, 1997, we commenced intermodal service between Houston and New Orleans. On January 16, our Houston-Memphis-IC-Effingham service commenced as well as operations on our trackage rights between Houston and Dayton, TX, serving customers on the former SP Baytown Branch as well as the Dayton storage-in-transit ("SIT") facility. On February 10, we increased the frequency of our Denver-Salt Lake service. On March 10, we began local service between Temple and Waco/Elgin, Tx, and, on March 23, local service between Beaumont and Amelia, TX. (Map 3 reflects BNSF's trackage rights service begun during the first quarter of 1997 on our new lines.)

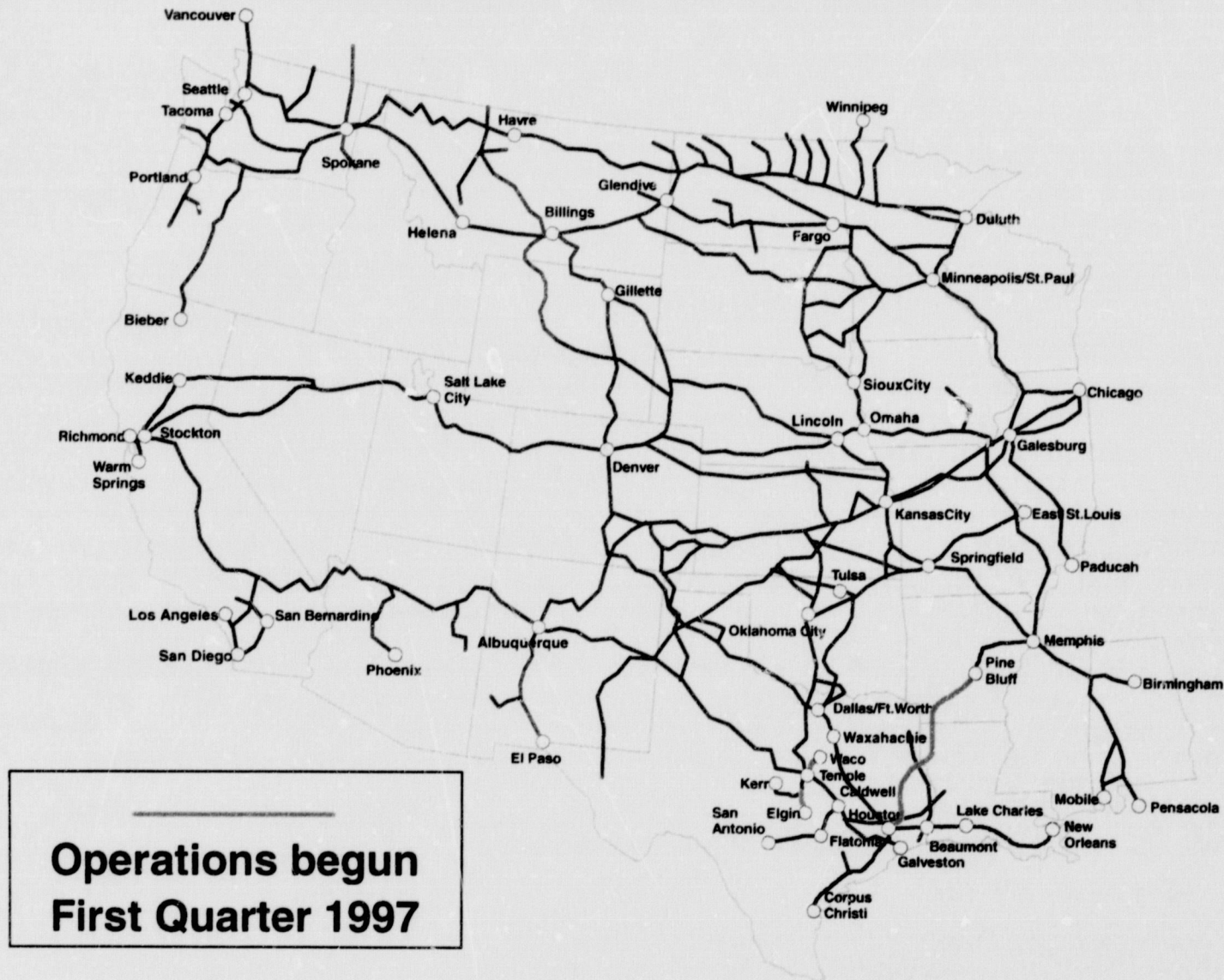
Local service between San Antonio, TX and Eagle Pass began on April 1. On April 1, Utah Railway also commenced local customer switching service for BNSF. On April 21, we began a Longview-Memphis train, and in mid-June, we increased our service frequency between Houston and Corpus Christi and between Temple and Eagle Pass.

While BNSF and Tex Mex have not completed a long-term agreement, in April we were able to agree upon a working marketing arrangement for rates and divisions applying between the two

BNSF Operations over UP/SP Lines



BNSF Operations over UP/SP Lines

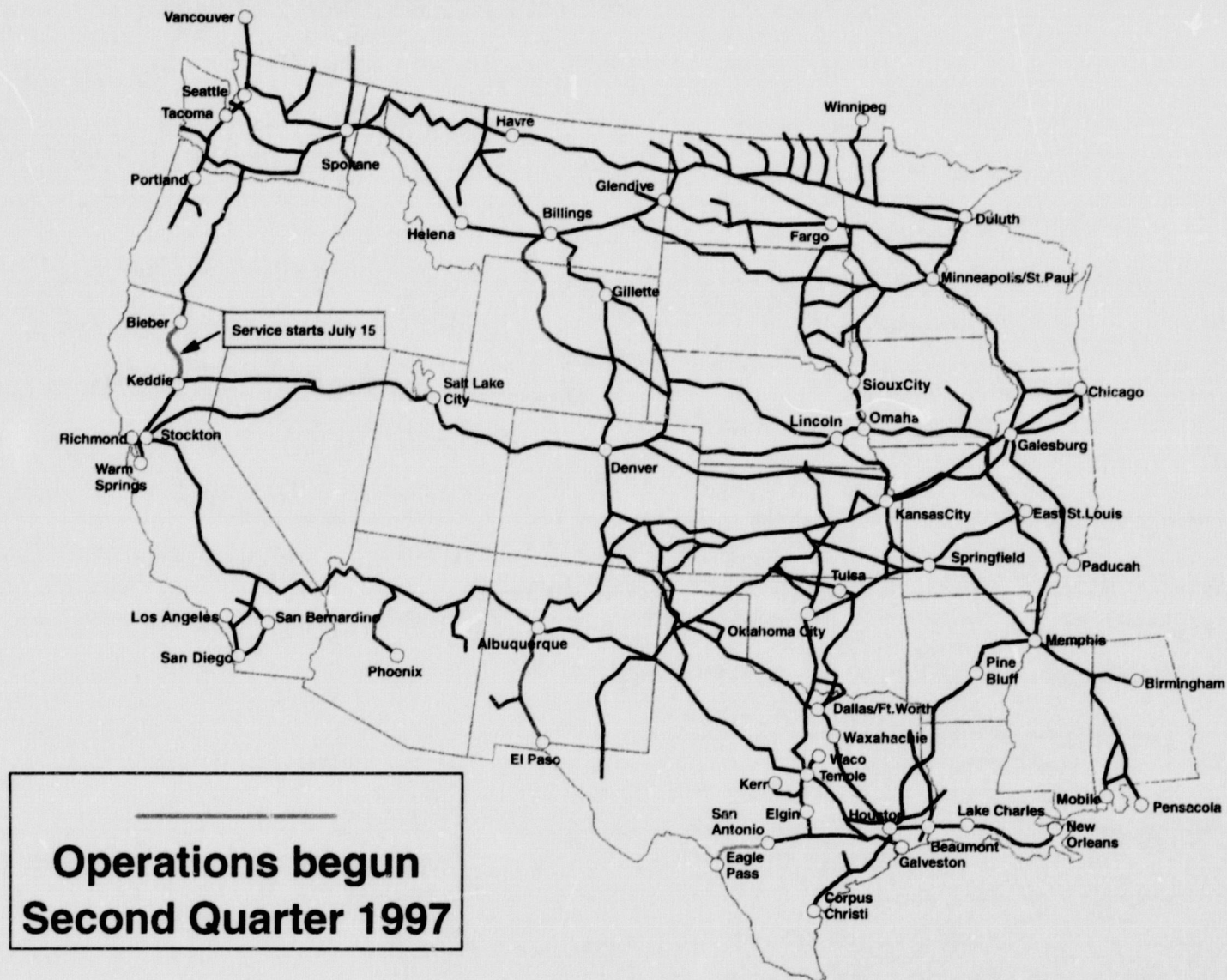


carriers for business moving over the Laredo gateway through Robstown/Corpus Christi. While joint line rates and divisions had been agreed to prior to the completion of this arrangement between the carriers on a movement specific basis, completion of this arrangement will speed up the pricing negotiation process and responsiveness to rail users. Business moving through Laredo using both carriers continues to increase, as is shown on the following Chart 1 and as reflected by the increase in train service on BNSF from five day to daily (seven day/week) frequency.

Finally, the proportional rate agreement, a critical component to BNSF's acquisition of the Keddle-Bieber, CA line which will permit BNSF to establish a second, competitive I-5 Corridor along the West Coast, was finalized on May 22, 1997. As we reported in our prior quarterly reports, BNSF and UP had been unable to agree upon the implementation of the proportional rate mechanism envisioned in the original settlement agreement, and arbitration to resolve that dispute had been initiated. We began a full marketing effort to customers for this new service before the end of May, and we plan to begin daily through merchandise train service in both directions over the Keddle to Bieber line immediately upon the closing planned for July 15. (Map 4 reflects BNSF's trackage rights service begun during the second quarter of 1997 on our new lines plus the Keddle to Bieber line.)

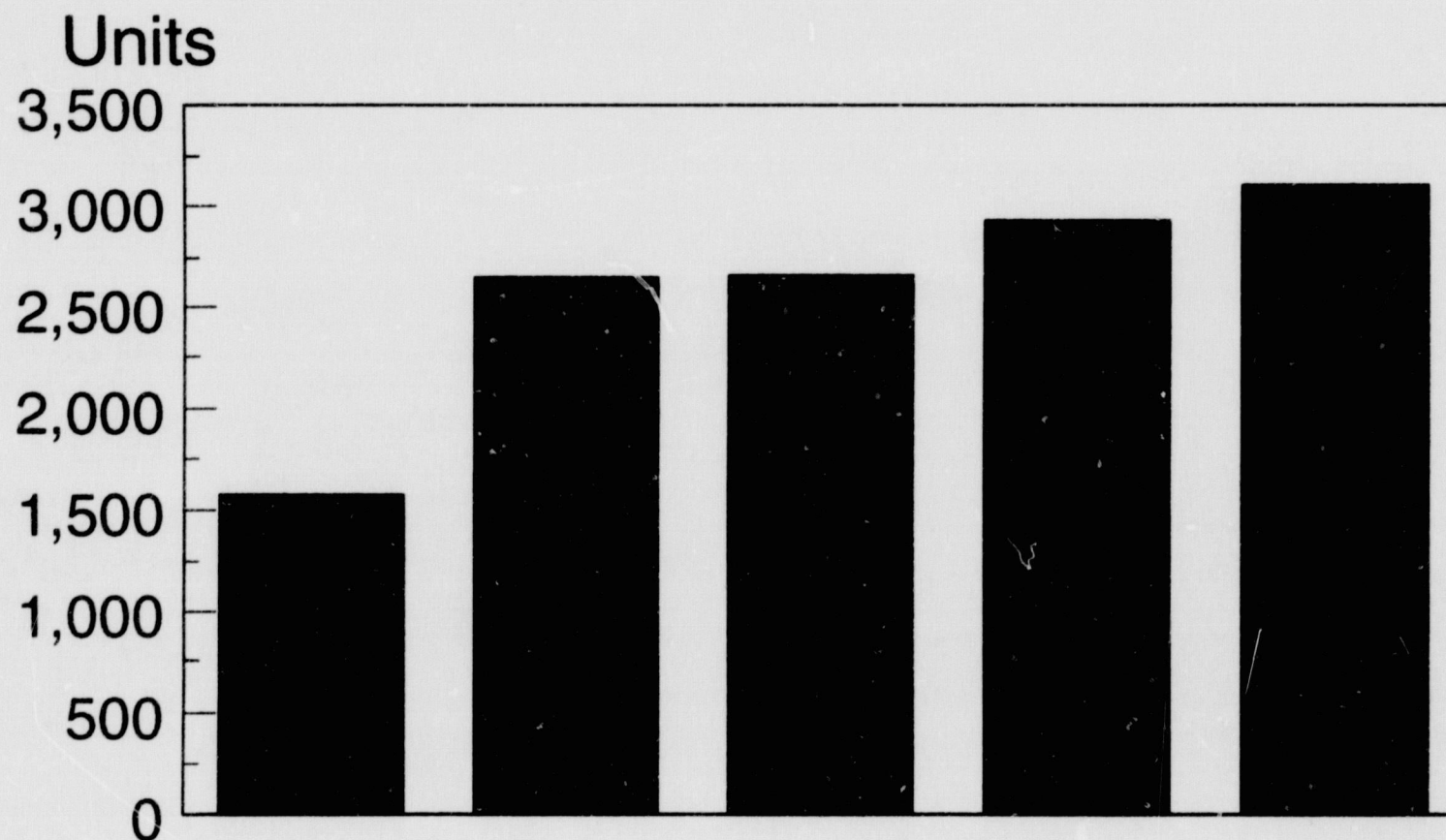
Commencing operations over the I-5 Corridor will provide rail customers with two directly competitive, single-line head-to-head rail options along the length of the West Coast, between Vancouver,

BNSF Operations over UP/SP Lines



BNSF Mexico Traffic - First Five Months of 1997

Units Through Laredo, TX Gateway



	January	February	March	April	May
Units	1,576	2,648	2,657	2,929	3,105

British Columbia, and San Diego. As in other areas of the merger agreement, conclusion of the I-5 acquisition by BNSF will provide the potential for increased head-to-head competition between UP and BNSF where competition was unequal, limited or fragmented in the past. By linking on a single-line basis customers served by the former Burlington Northern Railroad in the Pacific Northwest with those customers served by the former Santa Fe Railway in the Southwest, BNSF will be able to provide greater market access and more efficient, seamless service along the entire West Coast.

Unique route options previously unavailable to customers have emerged as our service has grown. These include a routing between Beaumont-Tenaha, TX for traffic destined to Memphis and the Northeast for customers located on former SP trackage between Beaumont and New Orleans as well as BNSF customers between Beaumont and Tenaha; and a routing via New Orleans-Lake Charles-Beaumont-Silsbee, which provides a new West Coast connection around traditionally congested areas of Houston and El Paso that enables BNSF to provide a more efficient option to customers. We have also now implemented a new route between the Texas Gulf Coast and the Northeast through Memphis-IC-Effingham-CR which allows BNSF to offer its customers service that avoids St. Louis and its potential congestion and delay.

Thus, BNSF's operations on the major lanes envisioned by the Board in its conditions on the UP/SP merger are now nearly complete. After July 15, we will have begun direct service operations in all of the corridors to which we received access.

Only the 150 mile Corpus Christi-Brownsville segment will remain to be implemented, and, as reported in Mr. Hord's statement, we are working with UP to identify facilities which will permit BNSF to commence trackage rights service on this segment where we currently provide service by haulage. In summary, during the first nine months of our trackage rights operations, we have put in place and built a network of BNSF through and local operations. We are increasingly well-positioned to handle additional traffic in the trackage rights corridors in which we operate, and we are prepared to further augment our service capabilities to do so.

Efforts to Market BNSF's New Service to Customers

Since beginning service on our new lines, we have continually communicated with our customers about our new access rights, both through personal contact with customers directly and through participation in and presentations to industry associations. These contacts are critical to our success as a competitor to UP/SP, and we are working to expand and strengthen our efforts in this area.

On October 16, 1996, we wrote to our customers to advise them of our new access and of the status of our operations implementation. We also advised the customers that Messrs. Rickershauser and Hord had joined BNSF to head the team dedicated to aggressively implementing the new service opportunities BNSF could offer. A copy of this letter is attached as Attachment 1. Additional letters dated November 7, 15, and 26, 1996, were sent to customers to keep them advised of our interest in competing for

their business and of the status of our implementation efforts. We also advised them of the implications of the various Board decisions clarifying the contract modification and other conditions. Copies of these communications are attached as Attachments 2 through 4, respectively.

We have continued these efforts to market our new services in 1997 and sent letters and customer service updates on January 16, February 14, March 12, April 1, and April 22, 1997, to customers advising them of our implementation progress. Copies of these communications and updates are attached as Attachments 5 through 9, respectively. Further, on April 8, 1997, BNSF mailed to our top 600 customers a package of information with a cover letter containing (a) our April 1, 1997 quarterly progress report filing with the Board; (b) lists of "2-to-1" industries sorted by customer name and location; and (c) a list of "2-to-1" shortlines that BNSF now connects with as a result of the merger. A copy of this letter is attached hereto as Attachment 10. We provided customers the option of receiving the lists of new customers and "2-to-1" industries served by diskette, and several customers have requested the lists in that format. Further, on April 21, 1997, BNSF provided the same information to the senior marketing personnel at our ten major rail interline partners, for communication to their commercial organizations and their customers. A copy of this letter is attached hereto as Attachment 11. We will provide both of these customer groups with updated information in July.

Moreover, our Industrial Development group has recently reconfigured its Texas and Louisiana territories, and added an additional field manager to provide additional customer and community contact. The field managers' responsibilities include maintaining and improving contacts with industrial development customers on our trackage rights and acquired lines along the Texas and Louisiana Gulf Coast to assure that they are aware of our expanding service options and our desire to compete with UP/SP for new industrial development in this critical market area. I believe that through these expanded customer contacts we are better able to assure that our customers are educated as to our new access rights and as to our ability to serve their needs in a competitively efficient and effective manner.

**Identification of and Contacts with
"2-to-1" and Other New Customers**

We have also continued to work to identify all UP/SP "2-to-1" customer facilities to which we received access on our trackage rights and acquired lines, customer facilities which can be served by the seventeen "2-to-1" shortlines to which we received access, and other new customer facilities to which we gained access through reciprocal switch at locations such as New Orleans. Our efforts to identify "2-to-1" customer facilities include direct customer contact with both customers on trackage rights lines and customers throughout the nation which ship to or from "2-to-1" points as well as telephone surveys and on-the-ground site reviews of "2-to-1" points by BNSF teams. As a result of these efforts, during the

second quarter, the number of new customer facilities with BNSF access has changed as shown in the following table:

CATEGORY	AS OF APRIL 1, 1997	AS OF JULY 1, 1997
UP/SP "2-to-1" Customer Facilities	469	464
Customer Facilities on "2-to-1" Shortlines	225	225
Customer Facilities accessed on other carriers (via reciprocal switch)	156	159
TOTAL NEW CUSTOMER FACILITIES NOW ACCESSED BY BNSF	850	848
Customer Facilities Awaiting UP Confirmation as "2-to-1"		241
TOTAL NEW CUSTOMER FACILITIES POTENTIALLY ACCESSED BY BNSF		1089
UP/SP "2-to-1" Customer Facilities Removed By UP		93

The 93 customer facilities categorized above as "UP/SP '2-to-1' Customer Facilities Removed By UP" refers to facilities which UP had initially informed BNSF were "2-to-1" customer facilities, but were subsequently removed by UP from the approved list of customer facilities to which BNSF had access. In cases such as these, BNSF has worked with the customers directly as necessary to determine whether the customer facilities should be returned to "2-to-1" status, regaining access to BNSF. In those cases where it appears the customer facilities were removed from "2-to-1" status in error, BNSF has provided its findings to UP and has requested the customer facilities be reinstated as "2-to-1" customer facilities. Where

BNSF and UP are unable to agree on a facility's status as "2-to-1", BNSF will seek relief from the Board.

We continue to review and update the list of customer facilities accessible to BNSF as a result of the merger to assure that the list is current and accurate. Current listings of all such "2-to-1" customer facilities, "2-to-1" shortline customer facilities, and customer facilities opened via reciprocal switch (sorted by state and by customer) are attached hereto as Attachment 12. A listing of the seventeen "2-to-1" shortlines to which BNSF acquired access is attached hereto as Attachment 13.

In addition to the day-to-day exchange of specific customer facilities identified through the commercial efforts of BNSF and UP which need to be verified for inclusion on the "2-to-1" list, BNSF has two specific formal requests made pursuant to our condition implementation process on which we are awaiting response from UP. First, in January, BNSF furnished UP with a list of customer facilities drawn from UP and SP switching tariffs in effect at the time of the merger -- approximately 250 individual customer facilities in all -- most of which UP still has not yet added to the "2-to-1" customer facilities list. We are awaiting the results of UP research into these specific customer facilities, though some have been settled through ongoing commercial efforts, field surveys by BNSF, and customer input. Second, we have requested UP to provide us a list of existing transloads at "2-to-1" locations. We are also actively seeking to identify potential new transload opportunities by contacting our current customers to learn if they

use transload facilities at locations where we have gained access and by surveying those locations ourselves to identify such opportunities.

Of the 464 UP/SP "2-to-1" customer facilities that have now been identified, BNSF has contacted approximately 80% of those customers, either in person or by telephone or mail, in order to (a) acquaint the customers with BNSF and our system, services, and capabilities, (b) determine the specific local service and communication needs of the customers, and (c) determine where and how BNSF can offer the customers competitive transportation options on any of their transportation needs. We have also worked closely with our partner "2-to-1" shortlines to contact customers on their lines.

Increasing Traffic Volumes

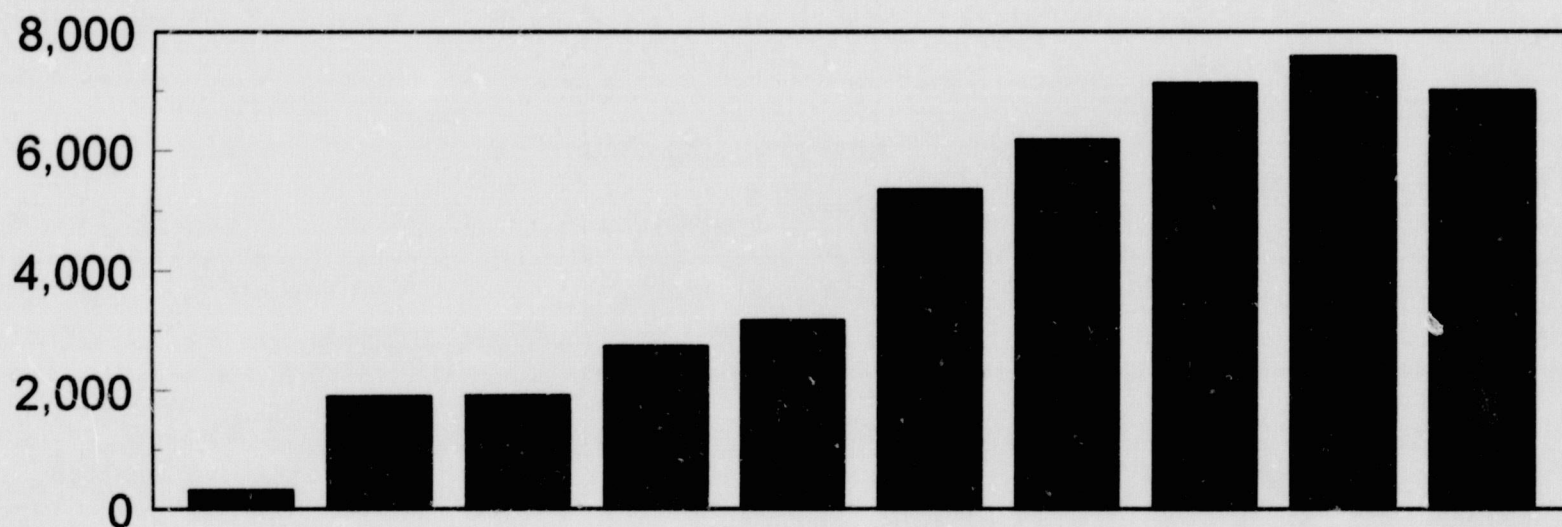
As the charts and graphs which follow and which are attached hereto as Attachments 14 through 18 reflect, BNSF traffic volumes over the lines to which we received access as a result of the merger continue to grow. Overall, as Chart 2 shows, the traffic volumes on those lines increased by almost 50% to just under 21,700 units, for the second quarter of 1997 up from 14,678 units in the first quarter of the year. The commodity makeup of traffic volumes from "2-to-1" points for the period from last September to the present as well as during the last three months is depicted in pie Charts 3 and 4, respectively.

The charts attached hereto as Attachments 14 through 18 reflect the volumes of traffic for each train in the major traffic lanes to which we received access. For instance, as the following Charts 5 and 6 reflect, BNSF's traffic volumes between Houston and Memphis increased in the month of April to the point where a second train began operation on April 21. We expect that these traffic volumes, which include significant volumes of critical chemicals traffic, will continue to increase. For example, BNSF has been able to work with Exxon Chemicals to gain up to 24% of Exxon's business from its Baytown and Mont Belvieu, TX production plants, located on UP's Baytown Branch in southeast Texas. This business, expected to start in August, 1997, should generate approximately 4,000 annual loads for BNSF, and will require use of the Dayton SIT facility.

While we have had significant success in growing traffic volumes on our new lines and expect to continue to do so, there are factors which occasionally preclude us from successfully bidding for traffic we pursue because we cannot meet all of the customer's needs. For example, BNSF offered rates to Cypress Amax Coal Company for the transportation of coal from its Utah mines to Los Angeles for export. Although BNSF was very interested in serving Cypress Amax and priced its services accordingly, Cypress Amax did not accept our bid. BNSF was advised that the rate offered by UP over its significantly shorter route was lower than BNSF's bid. We were also told that BNSF's offer also exceeded the rate at which SP formerly offered the service to Cypress Amax. SP's pricing package

Volumes Have Steadily Increased

Loads



	Sept 96	Oct 96	Nov 96	Dec 96	Jan 97	Feb 97	Mar 97	Apr 97	May 97	June 97
Total	326	1,904	1,913	2,739	3,162	5,341	6,175	7,126	7,573	7,000 (approximately)

CHART 2

Commodities Handled to/from "2-to-1" Points

All Traffic: 36,249 Units

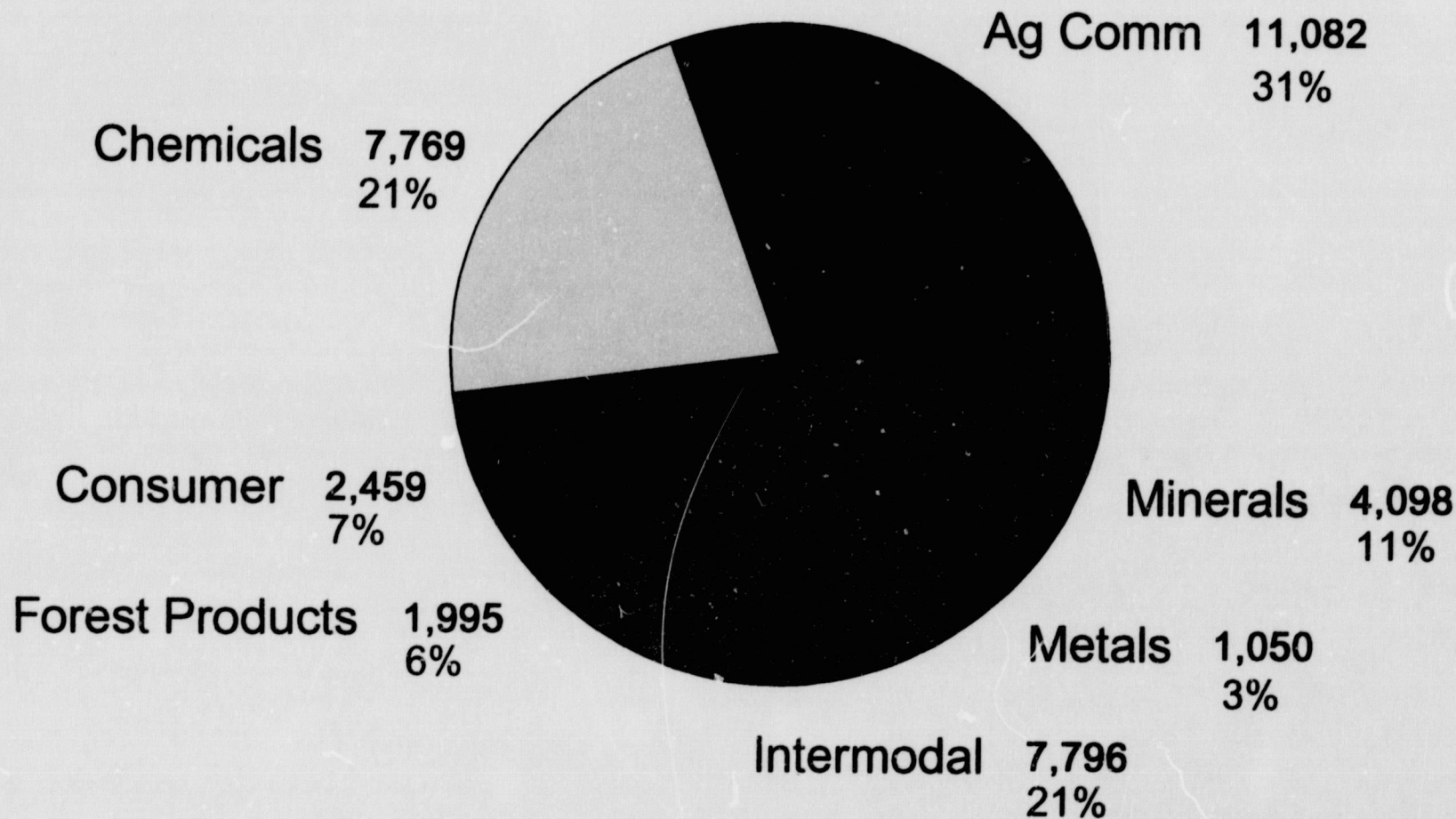


CHART 3

September 13, 1996-May 31, 1997

Commodities Handled to/from "2-to-1" Points

All Traffic: 20,873 Units

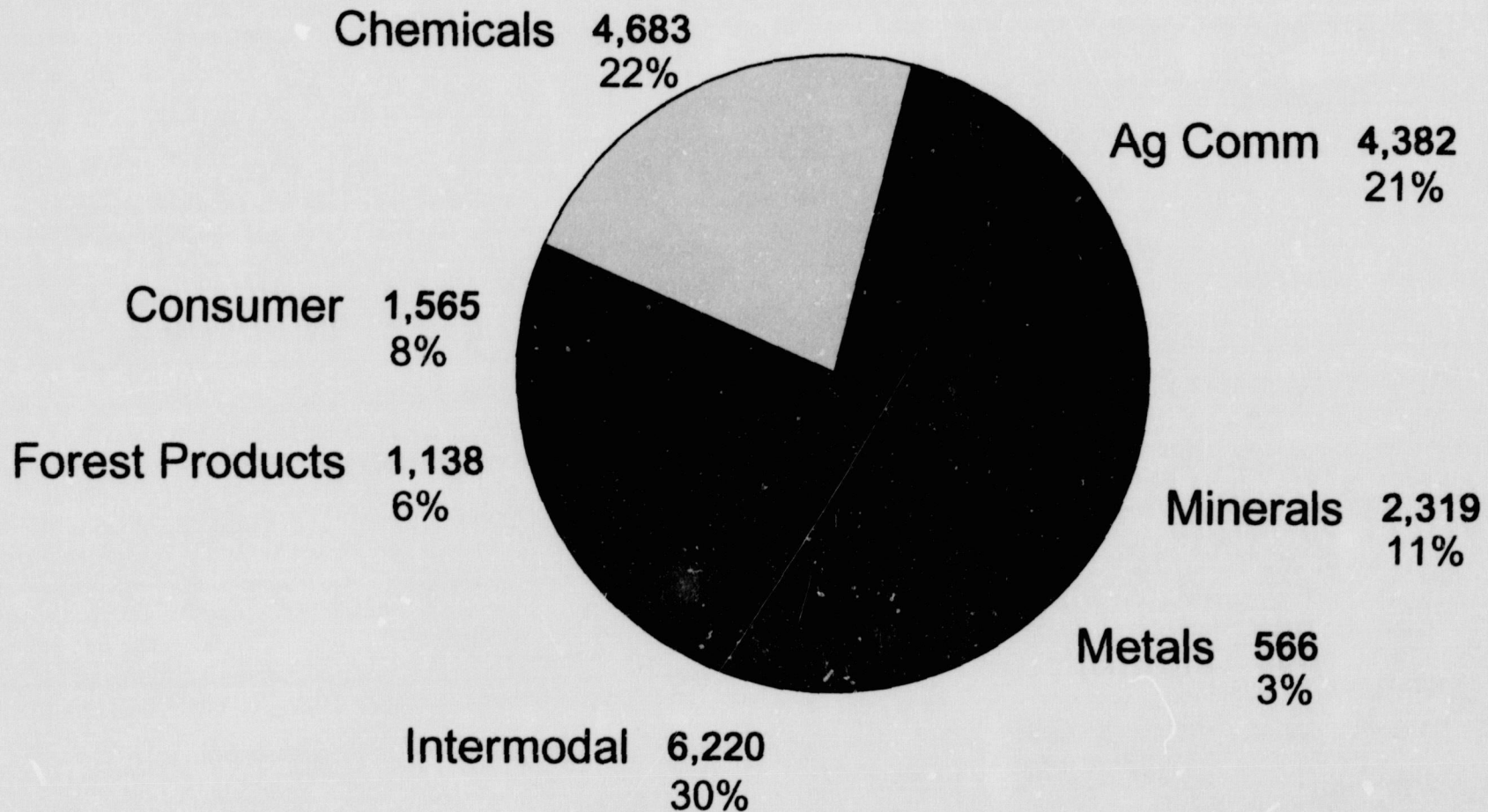


CHART 4

March-April-May, 1997

H-HOME

Arriving Memphis

April 1997

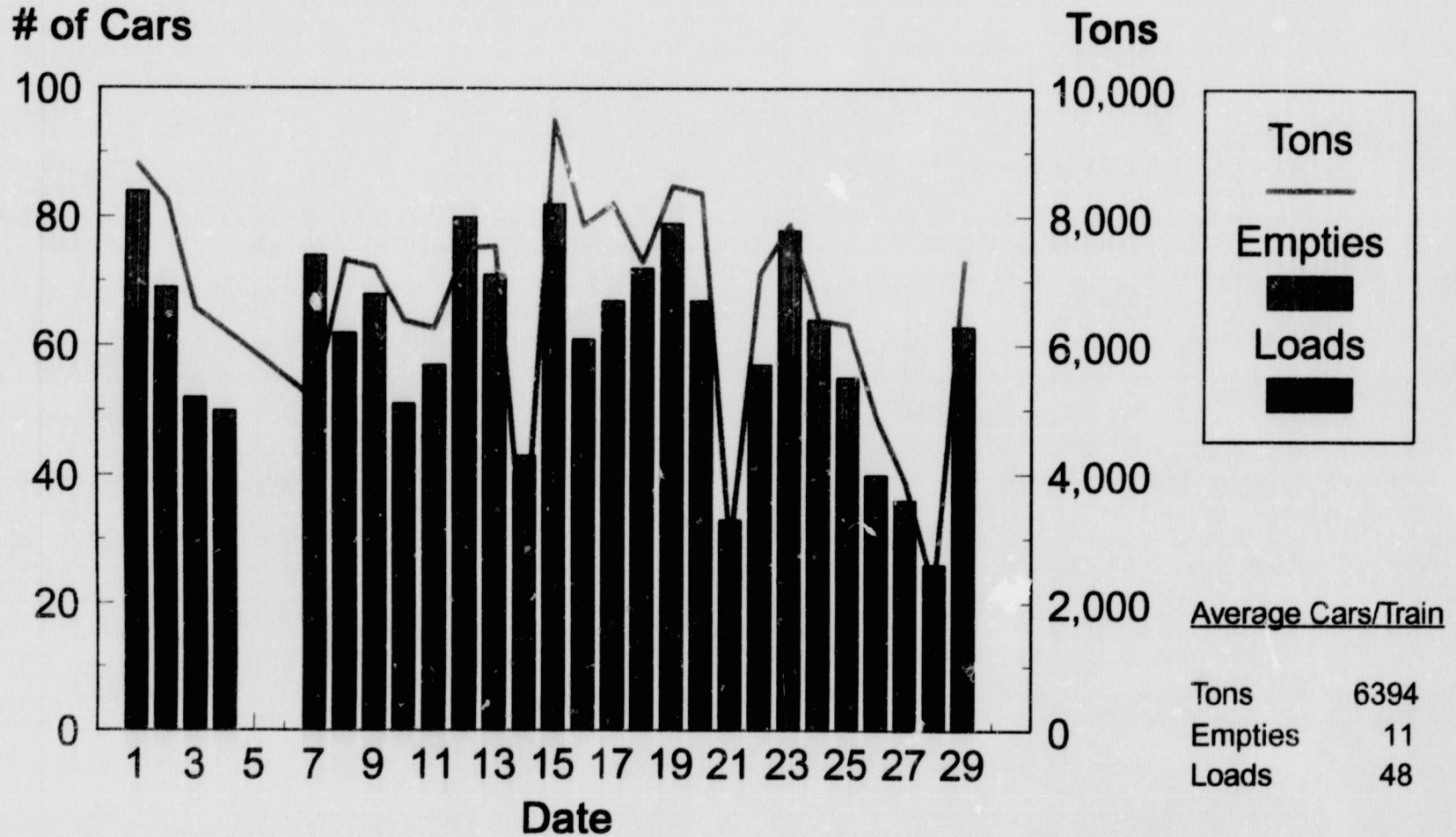


CHART 5

H-LOME Arriving Memphis April 1997

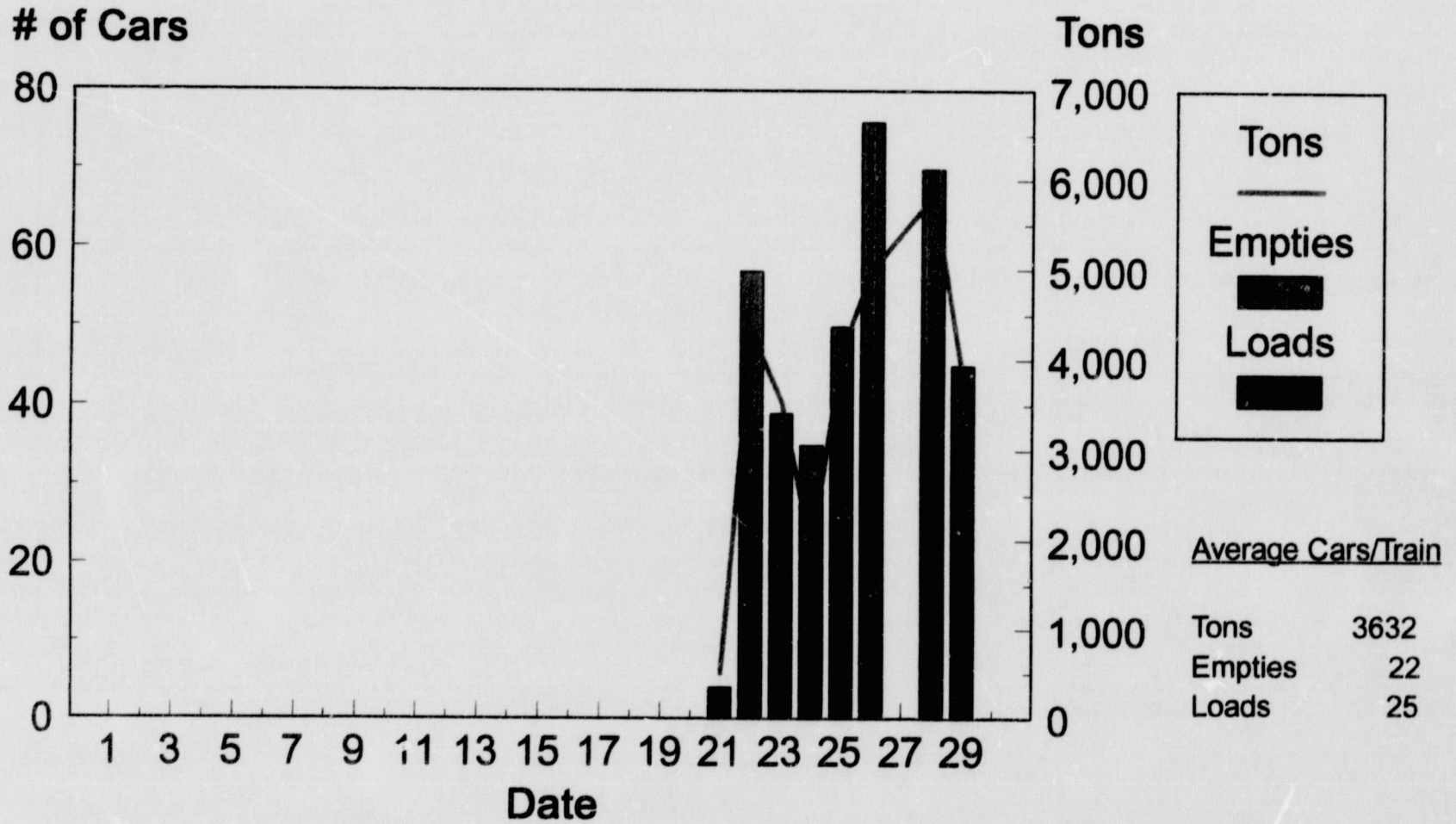


CHART 6

to Cypress Amex apparently reflected equipment backhauls either from Los Angeles to East Carbon Development Corporation's Columbia Junction, UT waste disposal facility or to Geneva Steel's Provo plant from Richmond, CA. The backhaul made the SP movement economically viable. BNSF does not now have similar access and is therefore not in a position to offer the same type of backhaul service.

Additional Access Rights

BNSF is continuing to investigate and pursue opportunities for build-ins/build-outs, new facilities and transloads, and we are currently engaged in discussions with a number of interested customers. By their nature, these discussions are highly confidential, are competitively sensitive, and take a considerable amount of time. We believe the build-in/build-out, new facilities and transload rights on these lines offer tremendous future business potential to BNSF and valuable competitive options to shippers and receivers.

Build-in/build-out projects involve extensive review of construction and related issues, negotiations over future traffic volumes, and substantial capital investment. Various opportunities for such facilities are under study and are being negotiated, and we have entered into confidentiality agreements with the customers involved. None of these projects has reached the construction stage as of yet, but they will be publicly announced as soon as appropriate.

With respect to the development of new facilities, we are working with a number of customers and have achieved two major successes to date: a new Total Petroleum distribution facility at Grand Junction, CO, and the re-establishment and considerable expansion of rail service to and from Texaco's Vallier, LA facility. The new Total Petroleum facility has generated 109 loads for BNSF since its opening in September, 1996, through May, 1997; the reopened Texaco facility has generated 231 loads for BNSF since shipments began in December, 1996.

While we have not yet established any new transload service, we are working on a number of such possibilities on our trackage rights lines. We have worked to identify such sites during field surveys along trackage rights and acquired lines and at "2-to-1" points, conducted by our Marketing and Industrial Development teams. We are also talking to our customer base about their transload needs along these lines to pinpoint areas of greatest opportunity for increased rail business. One barrier in commencing transload service has been the time consuming work required to identify a site and determine what trackwork is necessary to support a proposed transload facility and work with UP to secure access to the site. We will assert our rights under the settlement agreement to require UP to make property available to us for such facilities.

Overall, there is considerable positive momentum building with customers and communities to have access to BNSF service along trackage rights lines, by means of build-in/build-out, new

facilities and transload rights, in areas which for years relied totally on the competition between UP and SP. Only nine months into the post-merger period, many projects are underway but not at the point of laying track or commencing shipping and receiving. We are confident that both the customers and communities BNSF now serves will benefit from our new access.

Coordination and Information Exchange

Issues of coordination and information exchange between UP and BNSF continue to be addressed, with the focus on resolving as many outstanding issues resulting from the merger agreements and conditions between the two carriers as possible. I earlier discussed the efforts taken to work through specific customer issues at "2-to-1" points between UP and BNSF. Additionally, regular communications continue on both an ongoing basis and weekly on a conference call between Information Systems personnel at both BNSF and UP, as well as others, to identify and resolve issues where data exchange between the two carriers, particularly on haulage and reciprocal switch movements, affect service quality. We anticipate major improvements in data exchange to continue, driven not only through communication but also by the merging of the separate BN and Santa Fe information systems into our new "TSS" system on July 4, and the merging of SP systems into UP during the coming year.

In addition, during the quarter, the customer service organizations of BNSF and UP began discussions to determine how

best to resolve shipment-specific movement issues on BNSF shipments moving on UP through haulage or reciprocal switch. A series of meetings and conference calls resulted in the creation of a BNSF haulage team in UP's national customer service center in St. Louis to act as direct interface between BNSF customers and UP's operating and transportation departments to resolve problems. Processes have been put in place to manage daily issues involving shipments on haulage and trackage rights lines and at "2-to-1" points. Initial problem areas of data exchange and billing problems have been identified, and action teams on both BNSF and UP are working to determine the causes of problems and to resolve issues. Measurements and review processes have also been established. We are now reviewing processes, communication linkages and data to determine the effectiveness of this plan with UP, with the goal of further improvements in the coming months.

Service Improvements

As is detailed in the Hord Verified Statement, BNSF has made substantial additional progress in the past quarter in implementing the operations and the service necessary to implement the rights it received. Several of those recent operational and service improvements have significantly increased our ability to compete with UP. BNSF is now operating daily merchandise train service in all of the major trackage rights corridors except the I-5 Corridor, where operations will begin on July 15, 1997, and in the Central Corridor. BNSF plans to continue building merchandise service in

the Central Corridor to commence daily operations as quickly as possible. The ability to provide rail users with daily merchandise service on trackage rights lines in these corridors is the cornerstone for effective rail competition -- customers prefer routings where shipments can move on a daily basis. The following table details our current scheduled through daily service in major trackage rights lanes:

SCHEDULED THROUGH TRAIN OPERATIONS ON TRackage RIGHTS
JUNE 30, 1997

Line Segment	Train Service - Each Direction
Central Corridor	Five days per week service Denver-Provo, UT Tri-weekly Provo, UT-Stockton/Riverbank, CA
I-5 Corridor	Daily manifest trains starting July 15, 1997
Gulf East/Southern Corridor - Houston-New Orleans	Daily intermodal train service Daily manifest train service
Gulf North Corridor - Houston-Memphis (including IC via Effingham)	Daily manifest service Houston-Memphis Daily manifest service Longview-Memphis
Gulf South Corridor - Temple-Corpus Christi	Daily manifest service
Eagle Pass Corridor	Tri-weekly service

In a number of areas and in a number of lanes, BNSF has increased the frequency of operations in response to customer demands and growing volumes. As of July 15, we will be operating over 100 scheduled through trains per week in the major lanes shown above. The total number of scheduled local and through trains

operated by BNSF on its new lines has increased from 105 trains per week at the end of the first quarter to 169 trains per week currently. As service frequency increases, it becomes more attractive and competitive to a larger number of customers in meeting their transportation needs, resulting in further volume growth and competitiveness for BNSF against UP. During the recent quarter, operational frequency on existing schedules has increased from five to seven trains per week in each direction between Houston and Corpus Christi and from two to three trains per week in each direction between Temple and Eagle Pass.

Additionally, as noted earlier, on April 21, BNSF commenced a second daily merchandise train in our Houston-Memphis corridor, to and from Longview, TX on the south end. Establishment of this service reflects the continued growing volumes in the corridor, and permits BNSF to expedite its Houston-Memphis merchandise service by having the new service handle intermediate traffic flows. In addition, this service will permit BNSF to offer its merchandise customers between Tenaha and Beaumont, TX, as well as customers on our new line between Beaumont and New Orleans, a new, highly efficient service option to the Northeast and Midwest bypassing Houston. Under SP ownership, customers on the Houston-Avondale line segment needing to ship north or northeast over the St. Louis-area gateways had their shipments moving through Houston before turning north.

Further, as I mentioned above, on April 1, BNSF shifted its Utah origin- and destination-business, with a few exceptions, from

local service by UP to local service by Utah Railway under contract to BNSF. By eliminating numerous cross-yardings, locals and interchanges by using UP reciprocal switch or haulage in the Salt Lake Valley, BNSF has been able to substantially cut transit time and improve reliability and service for our customers in this important Central Corridor market, and we expect that our volumes of business will continue to grow.

Finally, BNSF is now planning to commence our I-5 merchandise service with a daily train offering between Stockton, CA and Klamath Falls, OR, connecting with other BNSF trains at those points to tie together a West Coast and intermountain service offering on July 15. This service, which we began marketing in May, will give BNSF customers capabilities to route single line between western Canada and the Mexican border at San Diego, CA -- extending their competitive reach beyond that of the merged UP. We are actively studying additional ways to make our I-5 Corridor a competitive advantage for our customers and connections.

Implementation of the Contract Modification Condition

Among the most important concerns still facing BNSF as it seeks to replace fully and effectively the competition once provided by SP is the continuing failure of the contract modification condition to create the competitive opportunities that we believe were anticipated by the Board. That condition, clarified in Decision No. 57, was designed to make available to BNSF at least 50% of a "2-to-1" customer's business in the trackage

rights corridors in order, in part, to ensure that BNSF has sufficient traffic density in each such corridor to compete with UP. BNSF contacted many of our major customers in three customer mailings to BNSF's top 600 customers in October and November, 1996 informing customers of the availability and significance to them of the contract modification process. Additionally, BNSF account and marketing managers followed up with many of the railroad's accounts, whether located at "2-to-1" points or potential shippers to or receivers from customers at "2-to-1" points, to discuss the contract modification condition. However, to date, fewer than 10 customers have actually modified contracts permitting BNSF access to up to 50% of their available volumes formerly committed to either UP or SP, generating little additional business for BNSF so far.

While this condition will remain in effect as long as any covered contracts remain active, the threat and ability of UP to cancel contracts in total if customers tender volumes of business to BNSF has led many customers to not even pursue contract modification with BNSF over concerns about whether and how UP might "retaliate", undermining the condition's viability.

The specific reasons for BNSF's lack of success in securing growth business under the terms of the contract modification condition include:

- a. UP's ability to leverage locally served points at origin or destination where such points represented both a significant

number of the point pairs encompassed in a contract and a significant amount of the total volume of traffic moving; and

b. UP's strategy of negotiating a "win-win" with contract holders immediately after the effective date of the merger, i.e., the contract holder received something of value in return for a commitment not to reopen a contract to BNSF. This included UP's tying together contracts and volumes applicable at former SP points with those applicable at former UP points, a combination of smaller contracts into master agreements, negotiated post-merger, which would not have existed prior to the merger.

c. For some customers, the prospect of gains to be derived from the contract modification process did not justify the effort. This has been particularly true where either (a) the contract involved was nearing expiration, (b) business moved to or from predominantly UP local points, (c) the customer was satisfied with its contract package negotiated pre-merger with UP and SP, or (d) the customer believed the gains to be realized by a competitive bidding process seemed too marginal to pursue.

These three factors, coupled with UP's ability to cancel, or threaten to cancel, a potentially modified contract, have resulted in BNSF being unable to successfully reopen the vast number of contract opportunities the contract modification condition has presented to date. For many customers, the ability of UP to cancel existing contracts and raise rates to locally-served points proved to be a hurdle they could not, despite BNSF's assistance, economically overcome. In other areas, customers were able to use

the threat of BNSF competition to obtain lower charges from UP which effectively permitted UP to retain the contracted volumes in total.

Nonetheless, BNSF will continue to work with shippers to obtain traffic volumes through the use of this condition, but our experience indicates that many opportunities will be unavailable until existing contracts expire. One of the unforeseen outcomes of this exercise has been, so far, that shippers have been unable to take advantage of BNSF service to or from "2-to-1" points, even where BNSF is included in the route beyond UP or SP, due to the leverage UP has been able to exercise with shippers concerning the contract modification provision.

BNSF believes that one important reason why the contract reopener condition is not yielding more balanced results in terms of business obtained by BNSF or retained by UP is the effect of Guideline #9 (Decision No. 52 at 12). BNSF believes that the Board should reexamine and eliminate Guideline #9 during the oversight proceeding. Such a solution would further the Board's overall objectives under the contract modification condition while at the same time eliminating an option granted to UP that has not contributed to the vigorous system-wide competition the Board sought to encourage.

Another question surrounding the contract modification provision is its applicability to customers now having access to BNSF at Lake Charles, West Lake Charles, and Westlake, LA. A number of these customers were served by UP, SP and KCS prior to

the merger, but, due to the particularities of their traffic flows, they only had two effective competitive options -- UP and SP. Those customers have told us that the contract reopener provision should apply to them. We agree that these customers are in a unique situation with only two effective competitive options to western markets prior to the merger, and we therefore believe that the contract reopener provision should be declared to apply to them.

Remaining Challenges

As discussed below, other challenges to full implementation are presented by the failure of BNSF and UP to agree on how certain the Board's conditions should be implemented. UP takes a narrower view than BNSF and many rail customers. If the procedures available to us under the settlement agreement prove unavailing, then BNSF will seek relief either in arbitration or before the Board.

For instance, we have not been able to agree with UP on an industrial development protocol outlining the processes to be used in locating new industries at "2-to-1 points" and along trackage rights lines. While many of the procedures have been agreed to, we have not been able to agree with UP on the specific definition of a "new facility". Notwithstanding that disagreement, we are proceeding to work with rail users to establish "new facilities" along the trackage rights lines on a "project by project" basis.

Additionally, we are continuing to focus on access to UP/SP customers at New Orleans through reciprocal switch. With the agreement of CSX to provide BNSF access to its New Orleans customers effective June 1, 1997, only UP and KCS have not opened their New Orleans customers previously served by SP to BNSF reciprocal switch access. This problem arises particularly in connection with westbound traffic out of New Orleans because a number of shippers, although served by more than just UP and SP prior to the merger, effectively had only two options -- UP and SP -- for their traffic to and from the west and the refusal of UP to grant BNSF access to those shippers has effectively foreclosed the shippers' access to two carrier service.

Further, we are awaiting a response from UP to a request made May 7, 1997, for specific trackage and property for BNSF to establish team tracks in the Salt Lake City area. Team tracks, or public loading and unloading tracks, are used by occasional rail customers to access rail service. Historically, team tracks have not been open to reciprocal switch by other carriers. The merger conditions provide BNSF the ability to establish team tracks at "2-to-1" points, but UP has not been responsive in working with BNSF to locate such facilities. As noted, we will seek relief in arbitration or from the Board if necessary to enable us to establish the team tracks that we need to compete fully and effectively with UP.

Other challenges we are working with UP and others on include:

a. Ensuring that SIT operations work smoothly and effectively for rail users. While the agreement for BNSF access on equal terms to the Dayton SIT facility was finalized on April 28, 1997, issues of data exchange between the carriers, local switch service between users of the SIT and the Dayton SIT facility, and outbound movement from the facility are receiving ongoing attention. We have called to UP's attention instances where customers are tied to UP routing beyond the facility when UP brings cars into the facility. As nearly all customers want to be switched by one, not two carriers, BNSF and UP are working through how the inbound service to the facility can meet shipper needs and provide shipper freedom for movements outbound from the SIT. We have also discussed with UP the need for cars for all customers BNSF gains access to by reason of the merger to be stored at the Dayton SIT facility to ensure customers the best possible service via BNSF once shipments are released. Other areas of concern for BNSF and our customers -- information exchange and local service by BNSF from Dayton to Houston -- should be resolved by the merging of data systems on BNSF and UP, and by facility construction and paired track operations as discussed in Mr. Hord's Verified Statement.^{1/}

^{1/}

In terms of the recently concluded agreement with UP providing BNSF with up to 50% of the available capacity of the Dayton SIT facility, and in view of our present and near term business potential from producers on the trackage rights lines, we believe we have sufficient near term capacity to meet demand for this service. BNSF is looking at SIT needs along the entire breadth of

b. Local switch service on trackage rights and at "2-to-1" points. As Mr. Hord points out, and as mentioned earlier in this statement, BNSF's inability to provide its customers in the Salt Lake Valley with transit-competitive reciprocal switch service using UP haulage and switching services led BNSF to install Utah Railway as its agent in that area to provide local pickup and delivery service. Most customers, however, prefer to have their facilities switched by one, not two, carriers on a daily or "as needed" basis, because keeping cars, data, records and instructions separated between the two carriers is more difficult than dealing with a single-source provider at ultimate origin or destination. In addition, being switched by two carriers rather than one means railcar loading or unloading must be curtailed twice as frequently than if only one carrier is used. While the merger conditions permit BNSF to switch customers at "2-to-1" points, for many customers the only viable way to access the additional competitive option BNSF provides at these points is for neutral switching by one carrier, and access to two linehaul carriers for true service-effective competition.

BNSF recognizes that this is a concern for our customers, and we will continue to work with the customers, UP, and other carriers as necessary to ensure competitive local switching service is available to customers at "2-to-1" points. Ultimately, however,

our Gulf Coast service area, and making investments for increased SIT capacity on an ongoing basis. The Dayton SIT facility together with the access we recently negotiated to 50% of the Sjolander SIT facility provide us with sufficient SIT capacity for the foreseeable future to serve our Gulf Coast customers.

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meeting customer needs may require neutral, "color-blind" single-source switching service with competition provided between UP and BNSF through differentiating linehaul services and capabilities.

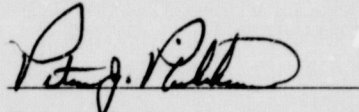
Conclusion

BNSF has achieved substantial progress in the nine months since the UP/SP merger in using its new access to compete with UP. We have started a new competitive rail service from scratch as of September 11, 1996, and momentum is building. Our capabilities and business are growing steadily, and many customers have benefited from our new access. We believe that our efforts, and the results of those efforts to date, validate the STB's decision to grant the trackage and other rights to BNSF to provide effective long-term competition to UP. The merger conditions are, on the whole, working as intended to enhance customer access to competitive two-carrier service. We believe that even more vigorous competition is possible, however, and we are committed to take whatever steps are necessary -- including invoking arbitration or seeking the Board's intervention, as appropriate -- to improve our ability to compete with UP and to offer all customers within the scope of the Board's conditions effective competitive service.

THE STATE OF TEXAS)
)
COUNTY OF TARRANT)

VERIFICATION

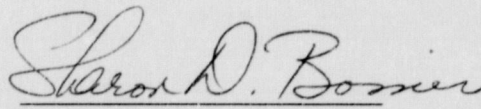
Peter J. Rickershauser, being duly sworn, deposes and says that he has read the foregoing statement and that the contents thereof are true and correct to the best of his knowledge and belief.


Peter J. Rickershauser

Subscribed and sworn to before me on this 27th day of June, 1997.



My Commission expires:


Notary Public

Attachment 1

BNSFROBERT D. KREBS
*President and Chief Executive Officer***Burlington Northern Santa Fe
Corporation**PO Box 961052
Fort Worth TX 76161-0052
2650 Lou Menk Drive 2nd Floor
Fort Worth TX 76131-2830
817-352-6400
817-352-7100 Fax

Attachment 1

October 16, 1996

Dear Valued BNSF Customer:

In its written decision approving the Union Pacific/Southern Pacific (UP/SP) merger this past August, the Surface Transportation Board (STB) required UP/SP to make immediately available to Burlington Northern Santa Fe (BNSF) at least 50 percent of the volume under contract at all "2-to-1" locations. This action was intended to foster competition by providing an immediate base of business available to BNSF bidding, thus enabling competitive BNSF service offerings to be built for customers. This condition applies not only to customers at "2-to-1" locations, but also to customers holding volume commitment contracts shipping to, or receiving from, customers at "2-to-1" locations.

Since then, UP/SP has taken a position that threatens to undermine this STB condition which was designed to ensure that BNSF could offer full and meaningful competition. As a result, BNSF filed a petition in September asking the STB to clarify how the volumes should be defined that UP/SP must open to bidding. A number of our customers also provided written comments to the STB, and the BNSF team and I appreciate their support of our efforts on behalf of all rail customers.

We expect the STB to issue a decision on this important matter within the next two weeks. Until a decision is rendered, we urge you not to accept proposals from UP/SP either withholding business from competitive bid by BNSF, or by segmenting or otherwise limiting the business which would otherwise be open to a BNSF bid. Agreeing to such long-term contract modifications with UP/SP could effectively deprive you of the benefits of full BNSF competition for your business, thwarting the intent of the STB decision.

As a key condition of the STB's approval of the merger, BNSF was designated as the competitive alternative for shippers who were served exclusively by UP and SP at "2-to-1" locations. BNSF is required to satisfy this condition and is intent on competing for all available traffic. To fulfill our obligations, we have been operating via interim haulage rights on the 3,500 miles of trackage rights gained in the UP/SP merger since September 13. On October 8, BNSF began its own train service between Denver, CO, and Stockton, CA, in the Central Corridor. On October 9, we began BNSF train service between Houston and Corpus Christi/Robstown, TX, and between Temple and Kerr, TX. We expect to commence through BNSF train service on the I-5 Corridor along the West Coast, the Southern Corridor between Houston and New Orleans, and the route between Houston and Memphis by mid-December.

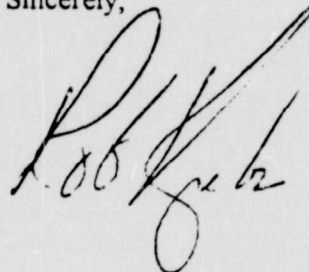
October 16, 1996

Page Two

Last week, Peter Rickershauser and Ernest (Buck) Hord, both former SP executives, joined BNSF to head a team dedicated to aggressively implementing the new service opportunities that we can provide our customers. We welcome Pete Rickershauser as Vice President of Marketing - UP/SP Lines, and Buck Hord as Vice President of Transportation - UP/SP Lines. Their arrival makes BNSF even better positioned to take full competitive advantage of the trackage rights and line sales agreements reached with UP-SP, and we intend to do so.

Following the STB decision on the 50-percent-volume issue impacting customers at "2-to-1" locations, you will receive another letter from BNSF explaining in detail the terms of the decision, what it means to you, and what actions you can take to gain full advantage of the BNSF competition to UP/SP. If you have any questions before that time, or if you need clarification on this issue, or if you wish to discuss any other issues which may affect you, please do not hesitate to contact your BNSF commercial representative. If you are unsure of who your BNSF commercial contact is, you may contact Pete Rickershauser directly at (817) 352-6686. Be assured, Burlington Northern Santa Fe intends to compete for your business!

Sincerely,

A handwritten signature in dark ink, appearing to read "Pete Rickershauser". The signature is fluid and cursive, with a large initial "P" and "R".

Attachment 2

BNSF

PETER J. RICKERSHAUSER
Vice President, Marketing UP/SP Lines

Burlington Northern Santa Fe

Attachment 2

P.O. Box 961065
2650 Lou Menk Drive, 3rd Floor
Fort Worth, TX 76161-0065
817-352-6686

November 7, 1996

Dear Valued BNSF customer:

In a letter dated October 16, 1996, BNSF President and Chief Executive Officer Rob Krebs informed you that Burlington Northern Santa Fe had filed a petition asking the Surface Transportation Board to clarify its decision requiring Union Pacific to make available to BNSF at least 50 percent of the volume at all "2-to-1" locations. Specifically, BNSF asked the STB to further define how the volumes UP-SP must open to bidding should be determined to ensure the competitive intent of the STB's conditions placed on the UP-SP merger are, in fact, delivered to rail customers like you.

While we await the STB's decision on this issue, we once again urge you not to accept proposals from UP either withholding business from competitive bid by BNSF, or segmenting or otherwise limiting what business BNSF can bid on. In fact, agreeing now to long-term contract modifications with UP that withhold business from competitive bid by BNSF could effectively deprive you of the benefits of full and real competition as intended by the STB's decision.

In response to shipper demand, BNSF was designated by the STB as the competitive alternative for rail users who were served exclusively by UP and SP. But to ensure that real competition is achieved and maintained, we need your active support in the contract reopening effort.

If you have chosen to await the STB decision before reopening a contract to a competitive bid, please consider allowing BNSF to submit a transportation offer on any portion of your business that is not under contract and not committed to UP-SP at this time.

In addition, since BNSF now has access to "2-to-1" customers on UP-SP, we would be pleased to submit a transportation proposal on any traffic that can now move on BNSF direct, but is contracted to move BNSF joint-line in conjunction with UP or SP line-haul.

You may also have traffic currently under contract at "2-to-1" points that moves via UP or SP to interline connections over gateways now shared with BNSF. If this is the case, BNSF may offer a service that is competitive with or superior to that offered by your present carrier.

For instance, traffic that originates on the Gulf Coast with SP and interchanges with Conrail is now accessible to BNSF. BNSF has signed a joint voluntary marketing agreement with Illinois Central that, in conjunction with Conrail over Effingham, Ill., will provide superior transit time velocity and consistency compared with present SP-Conrail routings through East St. Louis, Ill. We will let you know when we begin service under that agreement.

November 7, 1996
Page Two

In addition to the Illinois Central agreement, BNSF has begun operating over trackage rights between Houston and Corpus Christi, Texas, with three trains weekly in each direction. A connection with the Texas Mexican Railway (Tex-Mex) near Corpus Christi provides BNSF with a linkage to the Mexican border at Laredo.

Future train service using trackage rights gained in the UP-SP merger includes service between Bieber and Stockton, Calif., beginning December 16; between Houston and New Orleans, beginning December 16; between Temple and San Antonio, Texas, beginning January 15, 1997; and between San Antonio and Eagle Pass, Texas, beginning in March 1997.

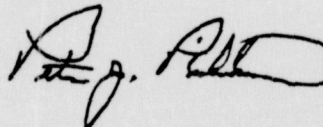
Two other things are important to mention, as well. First, BNSF is not rerouting existing traffic from former BN and Santa Fe lines to new trackage rights routes. Traffic that originates on former BN and Santa Fe lines continues to move on BNSF routes, and no plans are in place to alter this at this time. Customers will be informed before any rerouting takes place.

Second, SP's existing reciprocal switch charges to BNSF have been dramatically reduced from the previous \$495 per car level. Likewise, BNSF's reciprocal switch charge to SP also has been reduced. And at points impacted by the "2-to-1" STB condition where BNSF gains access to a customer, switch charges applicable to BNSF also have been established at a level to permit enhanced competition. Please check with your commercial contact for specific switch charges.

As we explained last month, you will receive further correspondence from BNSF immediately following the STB decision on the "2-to-1" issue, expected no sooner than mid-November. At that time, we will address the terms of the decision, what it means to you, and what actions you can take to capitalize on the post UP-SP merger opportunities with BNSF.

In the meantime, if you think you may fall into the category of a "2-to-1" customer accessible to BNSF, but no one has informed you that this is the case, or if you need clarification on this or any other relevant issue, please do not hesitate to contact your BNSF commercial representative. We appreciate your patience and support during this period.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. J. Allen", followed by a rectangular box.

Attachment 3

BNSF

PETER J. RICKERSHAUSER
Vice President, Marketing UP/SP Lines

Burlington Northern Santa Fe

P.O. Box 961065
2650 Lou Menk Drive, 3rd Floor
Fort Worth, TX 76161-0065
(817) 352-6686

Attachment 3

November 15, 1996

Dear BNSF customer:

On September 11, Burlington Northern Santa Fe gained new access to customers and other rail carriers along more than 4,000 miles of UP and SP trackage as a result of the merger between Union Pacific Railroad (UP) and Southern Pacific Transportation Company (SP). This access was obtained through a combination of line purchases (BNSF is spending \$150 million in 1996 to acquire 330 miles of UP and SP), trackage rights and haulage agreements. In its decision approving the UP/SP merger, the Surface Transportation Board (STB) made the new BNSF access one of its key conditions as a result of customer concerns about the need to maintain and enhance competition following the UP/SP merger.

For BNSF, the STB's conditions amount to starting up a new, competitive 4,000-mile railroad, and integrating it with a successful 31,000-mile network providing new single-line service, in an extremely short period of time. At BNSF, we've been busy translating the STB conditions into business and operating plans to provide all of our new customers and connections with a competitive rail transportation choice. The purpose of this package is to tell you about our near-term plans for service using our new routes, and to begin to answer your questions about competitive rail transportation options provided by BNSF.

Both BNSF and UP are striving to make this competitive option work. While we recognize that we do not have answers to all your questions at this time, our pledge to you is that we will continue to do our best to answer all your questions on a timely basis. As issues -- including those pending before the STB -- are resolved, we will provide you with information on those resolutions.

Thank you for your continuing support of Burlington Northern Santa Fe as we work to meet our obligation to provide competitive rail service options in the wake of the UP/SP merger. We look forward to all opportunities to present you with our new transportation products, and to compete wherever possible for your rail transportation business.

Sincerely,

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

Attachment 4

BNSF

PETER J. RICKERSHAUSER
Vice President, Marketing UP/SP Lines

Burlington Northern Santa Fe

Attachment 4

P.O. Box 961065
2650 Lou Menk Drive, 3rd Floor
Fort Worth, TX 76161-0065
(817) 352-6686

November 26, 1996

Dear BNSF Customer:

On November 20, the Surface Transportation Board (STB) announced five decisions that clarify what had been open issues relating to the conditions imposed in the merger between Union Pacific (UP) and Southern Pacific (SP). Two of the five decisions were made in response to filings by BNSF, UP/SP and others, and have major commercial impact. The other three decisions involved filings made by labor interests and an individual customer.

In one major decision, the STB confirmed BNSF's interpretation of the condition allowing BNSF to serve new customer facilities and new transload facilities on all UP and SP lines where BNSF received trackage rights as a result of the UP/SP merger. The Board also pointed out that "transloads" are not limited to rail-truck transloads, but may also include product transfers involving railcars and barges or intermodal containers, transfers between rail cars and, in STB's words, "new transload technologies that may be developed in the future." Please contact your BNSF commercial representative if you would like to explore further the possibility of setting up or using a transload facility along UP or SP lines where BNSF has trackage rights to enhance your rail-competitive transportation alternatives.

The second major decision provided clarification of the contract modification condition. In its original decision, the STB had required that UP/SP must modify any contracts in effect with shippers at all 2-to-1 points, to allow BNSF to provide a competitive transportation bid to at least 50 percent of the volume under contract to SP and UP. (2-to-1 points are those locations served only by UP and SP pre-merger, where direct competition would be reduced as a result of their merger; all such locations are now accessible to BNSF.) In its clarification, the Board provided ten guidelines to cover implementation of the condition.

Among the highlights of those guidelines:

- ♦ A shipper may tender to BNSF up to 50 percent of the volume covered by any contract to which the condition applies. (Business not committed by contract to either UP or SP can be routed via BNSF immediately after transportation arrangements are agreed to between the shipper and BNSF.)
- ♦ A shipper using this condition may select, on a contract-by-contract basis, the portion of its traffic that is open to BNSF.

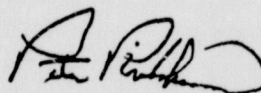
- UP/SP may, at its option, release the entire volume under a contract covered by this condition, permitting an involved shipper to secure a competitive offer on the entire available volume of business, not just 50 percent, from BNSF.
- A shipper using this condition may choose the BNSF competitive option at any time prior to the expiration of a contract to which the condition applies.

The STB reaffirmed that implementation of this condition is intended to foster competition immediately between UP/SP and BNSF, and to make at least some business under long term contract with shippers at two-to-one points available to BNSF. The guidelines empower shippers to take an active role in addressing the need for competitive balance that is at the heart of the conditions imposed by the STB on the UP/SP merger. Building volume quickly for BNSF, in conjunction with aggressive customer exploration and commitment under the contract modification provision, will permit us to start-up and build a competitive transportation product for our new and existing customers to use at the new 2-to-1 locations BNSF now serves. If you have one or more contracts to which this condition applies, please call your BNSF commercial representative to discuss how implementation of the conditions, with their clarifications, might be accomplished with the greatest advantage to you.

STB also required UP/SP to provide written notification of the clarification to all 2-to-1 customers. If you think you may fall into the category of a 2-to-1 customer accessible to BNSF, but no one has informed you that this is the case, or if you need clarification on this or any other relevant issue, please do not hesitate to contact your BNSF commercial representative.

I and the BNSF commercial team urge you to fully explore and take advantage of all the competitive rail transportation options now offered by BNSF as a result of the new trackage, routes, and customer access gained from the UP/SP merger. We appreciate your continued patience and support during this transition period. Most of all, we look forward to exploring, with you, the new routes, services and access BNSF can now provide.

Sincerely,



Attachment 5

BNSF

PETER J. RICKERSHAUSER
Vice President, Marketing UP/SP Lines

Burlington Northern Santa Fe

Attachment 5

P.O. Box 961065
2650 Lou Menk Drive, 3rd Floor
Fort Worth, TX 76161-0065
(817) 352-6686

January 16, 1997

Dear BNSF Customer:

Today, BNSF begins through and local train service between Houston and Memphis and local train service between Houston and Dayton, Texas, over trackage rights resulting from our agreement with the Union Pacific and Southern Pacific (UP/SP), pursuant to their merger.

In addition, under an interline agreement with the Illinois Central Railroad, BNSF today begins providing a direct connection north of Memphis to the Conrail interchange at Effingham, Ill. As we establish new-movement-specific quotes, business will move via this new corridor. BNSF will be in further contact with customers now moving business in other BNSF lanes which should be re-routed over our new Effingham gateway. Other traffic to and from the St. Louis area and points north will move beyond Memphis on existing BNSF service.

Summarizing, as of today BNSF offers the following services over UP/SP lines:

- Through and local service between Houston and Memphis
- Through and local service between Temple, Texas, and Eagle Pass, Texas
- Through and local service between Houston and Corpus Christi, Texas
- Through service between Denver and Stockton, Calif., via Portola, Calif.
- Through service between Houston and New Orleans
- Local service between Houston and Dayton, Texas
- Local service between Lafayette and Avondale, La.
- Local service between Pine Bluff, Ark., and Memphis, Tenn.
- Local service between Oakland and Warm Springs, Calif.
- Local service between Beaumont, Texas and Lake Charles, La.

Another new direct service, between Keddie and Bieber, Calif., in the I-5 Corridor north of Stockton, Calif., is expected to begin operating during the second quarter of 1997 upon resolution of issues concerning implementation of the BNSF/UP I-5 Agreement provision on proportional rates.

We continue to look forward to all opportunities to present you with our new transportation products, and to compete wherever possible for your rail transportation business. If you have any questions on this or any other BNSF service offering, please contact your BNSF commercial representative.

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter J. Rickershauser".

Attachment 6

BNSF

Customer Service Update

February 14, 1997

This update is being sent to BNSF customers who have expressed interest in communications from BNSF. If you would like to be taken off the fax list for all such communications, please let your BNSF marketing representative know.

Service issues

There are no **main line** outages of any significance on the BNSF system. Heavy traffic on the main lines radiating from Memphis has led to backlogs of traffic to be handled at Memphis and nearby terminals and some trains were holding on main lines. The backlogs were being worked down at week's end, but continued heavy customer demand is expected to result in continued heavy traffic levels in the area through the weekend.

Except in the Southeast, performance of **terminals** across the system is near normal, given the heavy traffic flows prevailing in many locations. In addition to Memphis, traffic to and from the Southeast also is expected to remain heavy in the terminals at Birmingham and Springfield. Heavy traffic also is expected to result in delay to some shipments moving to and via Denver and Kansas City.

Traffic to and from **interchanges** across the system is moving normally except at the terminals where heavy traffic is slowing all movements. In addition to those locations, traffic moving to CSX Transportation, the Indiana Harbor Belt and the Belt Railway of Chicago at Chicago is being delayed due to high volumes on those lines.

The availability of **locomotives** continues to improve as repairs to locomotives damaged by severe winter weather are completed. From Thursday, Feb. 6, through Thursday, Feb. 13, 70 additional BNSF locomotives became available as repair and maintenance work was completed.

However, due to variations in customer demand and resultant traffic volumes, periodic power imbalances continue at locations across the system. Power-related delays typically are minimal and often result from the need to power outbound trains with locomotives from inbound trains rather than from a pool of available locomotives at a terminal.

Additional service

BNSF has **increased the frequency** of its service to five days a week in the Central Corridor between Denver and Salt Lake City, using trackage rights obtained as a condition of the Union Pacific/Southern Pacific (UP/SP) merger. BNSF began operating tri-weekly freight trains between Denver and Stockton, Calif., Oct. 8, 1996, as a pro-competitive condition of the UP/SP merger, approved by the Surface Transportation Board last September. Tri-weekly service will continue between Salt Lake City and Stockton until freight volume dictates a need for more trains.

BNSF Customer Service Updates provide BNSF Merchandise customers with the latest available information on BNSF rail service. Customer Service Updates will be issued each Tuesday and Friday as BNSF restores normal service following severe winter weather.

For additional information, please contact your BNSF marketing representative.

Attachment 7

BNSF

Customer Service Update

March 12, 1997

This update is being sent to BNSF customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for all such communications, please let your BNSF marketing representative know.

Service issues

All **main lines** are open and operating normally. A blizzard was reported this morning in Montana, but main-line tracks are being plowed and operations will not be effected. All main-line trackage damaged by flooding in recent weeks has been repaired and re-opened.

Performance of **terminals** across the system is near normal, except at Barstow. At Barstow, traffic flows are heavy and some delays may be possible. At Houston, work to tighten the service plan and resolve information systems issues with connecting carriers has produced improvements in dwell time.

Traffic to and from **interchanges** across the system is moving normally except at Chicago, where trains continue to be staged for movement to various interchange carriers from time to time due to heavy traffic on those carriers.

Due to variations in customer demand and resultant traffic volumes, periodic **locomotive** power imbalances continue at locations across the system, especially at Kansas City. Today, 18 locomotives are enroute to this location to relieve the situation.

New Service

BNSF has begun local service between Temple and Waco, Texas; and between Temple and an interchange with the Longhorn Railway at Elgin, Texas. The service operates over trackage rights granted BNSF by the Surface Transportation Board in connection with the Union Pacific/Southern Pacific merger. Initial plans are to operate the service, based in Temple, to and from Waco on Monday, Wednesday and Friday and to and from Elgin on Tuesday and Thursday. Saturday service will be to Waco or Elgin as traffic volumes and service needs dictate.

FNM Interchange

BNSF has reached an agreement with Ferrocarriles Nacionales de Mexico (FNM) for direct interchange between BNSF and FNM at Eagle Pass, TX. The agreement takes effect March 31.

BNSF Customer Service Updates provide BNSF Merchandise customers with the latest available information on BNSF rail service. Customer Service Updates will be issued each week to provide BNSF customers with the latest information on issues affecting service.

For additional information, please contact your BNSF marketing representative.

Attachment 8

BNSF

Customer Service Update

April 1, 1997

This update is being sent to BNSF customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for all such communications, please let your BNSF marketing representative know.

Service issues

All **main lines** are open and operating normally, however, realignment on the main track at West Cunningham between Pasco and Spokane will result in some delays. The Grenora branch line in North Dakota is expected to remain closed for the next two weeks due to soft track caused by melting snow in the area. Niobe, Mohaul, and Crosby, three subdivisions affected by soft track late last week, are now open. The Granville line in the North Dakota subdivision will also be closed for 2-3 weeks because of soft track due to melting snow. Similar weather conditions in Minnesota has caused the closure of branch lines between Manitoba Junction and Uhlen, as well as between Glydon and Felton. The lines are expected to open in approximately two weeks.

Performance of **terminals** across the system is near normal. Delays are still being experienced at Barstow, Denver, Kansas City and Los Angeles. Traffic to and from **interchanges** across the system is moving normally. Heavy traffic is expected at Chicago and Corwith.

Due to variations in customer demand and resultant traffic volumes, **locomotive** power imbalances continue at Kansas City (Argentine Yard), Barstow, Laurel and Clovis, NM.

Utah Railway Service Available

Effective April 1, BNSF will offer local pickup and delivery service for our Utah carload customers provided by the Utah Railway. This new affiliation between BNSF and the Utah Railway will improve service accessibility, transit times, and information exchanges between BNSF and our customers in Utah. The Utah Railway, based in Helper, Utah, is a regional rail carrier with over 80 years of operational experience on its network, extending between Provo, Utah and Grand Junction, Colo.

All transactions including release of loads or empties, spotting or pulling instructions, billing of shipments, or tracing, should be handled through BNSF customer service in Topeka, Kan. For these transactions or shipment assistance, please call 800-289-2673 or 913-559-7894, or use the same BNSF Electronic Data Interchange packages you use for shipments moving elsewhere on the BNSF system. Demurrage questions should be directed to 612-298-2740, freight claims to 800-234-9652, and waybills to 800-786-2455. To speak with a waybilling representative, please call 800-786-2873.

BNSF Customer Service Updates provide BNSF Merchandise customers with the latest available information on BNSF rail service. Customer Service Updates will be issued each week to provide BNSF customers with the latest information on issues affecting service.

For additional information, please contact your BNSF marketing representative.

Attachment 9

BNSF

Customer Service Update

April 22, 1997

This update is being sent to BNSF customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for all such communications, please let your BNSF marketing representative know.

Main Line Issues:

BNSF main lines remain out of service between Fargo and Grand Forks, N.D.; Grand Forks and East Grand Forks, Minn.; Crookston and Winnipeg, Manitoba; Aberdeen and Wolsey, S.D.; and north of Hannibal, Mo. BNSF has provided equipment to help civil authorities construct dikes in Grand Forks and other communities affected by the flooding. Service over most of the main lines is expected to be restored by the end of this week. Merchandise traffic that normally moves via the flooded areas is being re-routed but may incur delays of up to 24 to 48 hours. Several **branch lines in the eastern Dakotas and western Minnesota remain closed** by flooding, but those closures are having minimal effect on Merchandise traffic.

Additional information on weather-related line closures is shown on the attached map.

Terminal Issues:

Heavy traffic is resulting in some delay to Merchandise shipments at **Amarillo, Barstow and Belen.**

Power Issues:

Power for Merchandise trains is tight at **Kansas City (Argentine Yard) and Laurel**, and trains moving via those terminals may incur some delay.

The last of the **45 locomotives BNSF is leasing** from Norfolk Southern arrived on BNSF rails at Chicago last weekend. They are being moved to Kansas City to alleviate the power imbalance at that location.

Equipment Request To Take Effect:

Effective April 28, Merchandise customers must request empty equipment for loading at least seven days before the date on which the equipment is required. The requirement does not apply to Intermodal, Automotive, Coal or Agricultural Commodities customers. Details on how to request equipment were mailed to customers from Fort Worth April 14. If you have not received the information, including the Equipment Request Fax Form, please contact your BNSF marketing representative or BNSF Equipment Management at 1-800-234-8440, Prompt 2.

New Train Service:

Merchandise train service between Longview, Texas, and Memphis began yesterday over trackage rights granted to BNSF as a condition of the Union Pacific/Southern Pacific merger. The new service will reduce transit times on traffic between the Beaumont/Silsbee/Longview areas and eastern BNSF points, including eastern interchanges, by 24 to 48 hours. The service operates five days per week.

BNSF Customer Service Updates provide BNSF Merchandise customers with the latest available information on BNSF rail service. Customer Service Updates will be issued as needed but at least once each week to provide BNSF customers with the latest information on issues affecting service.

For additional information, please contact your BNSF marketing representative.

Sent via fax at 5 p.m. CDT
Tuesday, April 22, 1997

Attachment 10

BNSF

PETER J. RICKERSHAUSER
Vice President, Marketing, UP/SP Lines

Burlington Northern Santa Fe

2650 Lou Menk Drive
P.O. Box 961065
Fort Worth, TX 76161-0065
817-352-6686
817-352-7154

Attachment 10

April 8, 1997

<FULL_NAME>
<POSITION>
<COMPANY>
<MAIL_ADDRESS>
<MAIL_CSZ>

Dear <TITLE><LAST_NAME>:

As you may be aware, Burlington Northern Santa Fe (BNSF) is required by the Surface Transportation Board (STB) to file quarterly progress reports regarding implementation of the conditions imposed as a result of the Union Pacific/Southern Pacific (UP/SP) merger. Inasmuch as BNSF's ability to generate sufficient business to create a competitive service-option to customers is, in fact, a partnership between us and our customer base, I thought you might find our most recent progress report to the STB, dated April 1, 1997, of interest. I've attached a copy for your review.

One of the major outcomes of the UP/SP merger and the conditions applying to BNSF has been our ability to access new customers at "2-to-1 points", points served prior to the UP/SP merger by only UP and SP, now served by BNSF. BNSF also gained access to new customers at major locations through reciprocal switching arrangements with carriers at those terminals. Finally, BNSF gained access to 17 additional shortline and regional rail carriers at "2-to-1 points" as a result of the UP/SP merger. As a result, you and your customers can now look to BNSF for competitive rail service to reach over 1,100 new direct customer locations throughout the West.

I have also attached three lists to help illustrate BNSF's new customer reach as a result of the UP/SP merger. The first list shows the 17 additional shortline and regional rail carriers at "2-to-1 points" which can now interchange directly with BNSF at the junctions shown. The second lists the customers we now reach directly at "2-to-1 points", or through interchange or reciprocal switch, sorted by customer location (state, city, customer name). The third list shows those customers in alphabetical order.

These lists continue to change and grow as BNSF and UP review and add additional specific customer locations to our "2-to-1" customer lists. I will send out periodic updates to these lists. In addition, if you would like this information in a spreadsheet format on a diskette for easier handling by your organization, please let me know, and one will be provided.

If, after reviewing the attachments, you have any further questions, or if the Burlington Northern Santa Fe can provide additional information, please contact your BNSF commercial representative. BNSF appreciates our business relationship with your company, and we hope you will take full advantage of our new routes and services over UP/SP lines as a result of the UP/SP merger to extend your commercial reach - on BNSF!

Sincerely,

040897.pjr

Attachment 11

BNSF

PETER J. RICKERSHAUSER
Vice President, Marketing, UP/SP Lines

Burlington Northern Santa Fe

2650 Lou Menk Drive
P.O. Box 961065
Fort Worth, TX 76161-0065
817-352-6686
817-352-7154

Attachment 11

April 21, 1997

Carrier Officer Name, Title
Company
Mailing Address
City, State ZIP

Dear *First Name*:

One of the major outcomes of the UP/SP merger and the conditions applying to BNSF has been our ability to access new customers at "2-to-1 points", points served prior to the UP/SP merger by only UP and SP, now also served by BNSF. In addition, BNSF gained access to new customers at major locations through reciprocal switching arrangements with carriers at those terminals. Finally, BNSF gained access to 17 additional shortline and regional rail carriers at "2-to-1 points" as a result of the UP/SP merger. As a result, you and your customers can now look to BNSF for competitive rail service to reach over 1,100 new direct customer locations throughout the West.

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These lists continue to change and grow as BNSF and UP review and add additional specific customer locations to our "2-to-1" customer lists. We will send out periodic updates to these lists. In addition, if you would like this information in a spreadsheet format on a diskette for easier handling by your organization, please let me know, and one will be provided.

If, after reviewing the attachments, you have any further questions, or if the Burlington Northern Santa Fe can provide additional information, please contact either your ongoing BNSF interface in the Shortline/Interline Development Group or one of us. BNSF appreciates our business relationship with your company, and we hope you will take full advantage of our new routes and services over UP/SP lines as a result of the UP/SP merger to extend your customers' competitive rail service reach to the new points we serve - on BNSF!

Sincerely,

042197.conncarr

Attachment 12

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Gilchrist Bag	Camden	AR
International Paper Bag Pak	Camden	AR
Intl Paper Southern Kraft	Camden	AR
Riceland Foods	Fair Oaks	AR
Cargill Inc	Forrest City	AR
3M Arch Street	Little Rock	AR
3M Road	Little Rock	AR
ADM Processing	Little Rock	AR
Afco Steel Bond St Plant	Little Rock	AR
Afco Steel South Shop	Little Rock	AR
Afco Steel Thomas Street Shop	Little Rock	AR
Alman Sol	Little Rock	AR
Barrett Hamilton	Little Rock	AR
Georgia Pacific	Little Rock	AR
Harbor Distributing	Little Rock	AR
Northwest Hardwoods	Little Rock	AR
Quality Foods	Little Rock	AR
Stone Container	Little Rock	AR
Thibault Milling	Little Rock	AR
Wheatland Tube Omega Div	Little Rock	AR
Central Terminal Distribution	N Little Rock	AR
Johnson/Johnson	N Little Rock	AR
Koppers Industries	N Little Rock	AR
Lexicon	N Little Rock	AR
Mid South Seeds	N Little Rock	AR
Mountaire Feed	N Little Rock	AR
Oakley Bruce	N Little Rock	AR
Onesource Home Building Center	N Little Rock	AR
S F Services Feed	N Little Rock	AR
S F Services Fertilizer	N Little Rock	AR
S F Services Seed	N Little Rock	AR
Southern Cotton Oil (Adm)	N Little Rock	AR
ACF Industries	Paragould	AR
Florida Steel (Ameri Steel - UP)	Paragould	AR
Anthony Timberlands	Pine Bluff	AR
Century Tube Corporation	Pine Bluff	AR
Gaylord Container Bag	Pine Bluff	AR
Gaylord Container Paper	Pine Bluff	AR
General Chemical	Pine Bluff	AR
Hixson Lumber Sales	Pine Bluff	AR
Hoover Treated Wood Products	Pine Bluff	AR
International Paper Mill	Pine Bluff	AR

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Mid America Packaging	Pine Bluff	AR
Mid South Terminal Four	Pine Bluff	AR
Mid South Terminal One	Pine Bluff	AR
Mid South Terminal Two	Pine Bluff	AR
Pine Bluff Arsenal	Pine Bluff	AR
Planters Cotton Oil	Pine Bluff	AR
Soltz Machinery & Supply Co	Pine Bluff	AR
Southern Bag	Pine Bluff	AR
Southern Compress Warehouse	Pine Bluff	AR
Stronglite Products	Pine Bluff	AR
Terra International	Pine Bluff	AR
Tyson Foods	Pine Bluff	AR
Viking Bag	Pine Bluff	AR
Fleenor Packing	Elmhurst	CA
Fleischman Yeast	Elmhurst	CA
Nabisco Brands	Elmhurst	CA
Pacific America Warehouse	Elmhurst	CA
General Motors	Fremont	CA
New United Motor Manufacturing	Fremont	CA
Toyota Logistic Services	Fremont	CA
Toyota Vehicle Processors	Fremont	CA
Truck Rail Handling	Fremont	CA
United States Gypsum	Fremont	CA
Cargill	Fullerton	CA
Chem Central	Hayward	CA
U S Army	Herlong	CA
Christian Salveson	La Habra	CA
Ralphs Grocery	La Habra	CA
Defense Depot/U.S. Gov.	Lathrop	CA
Brown Strauss	Livermore	CA
G S Roofing Products	Livermore	CA
Gaylord Graphics	Livermore	CA
Salinas Reinforcing Inc	Livermore	CA
Mid Cities Iron & Metal Corp	Los Angeles	CA
Van Waters & Rogers	Los Angeles	CA
American Brass & Iron	Melrose	CA
Armour Equipment Sales	Melrose	CA
Longview Fibre	Melrose	CA
Mother Cake & Cookies	Melrose	CA
Standard Iron And Metal	Melrose	CA
Sunshine Biscuit	Melrose	CA
Nabisco Brands	Oakland	CA

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Coast Grain	Ontario	CA
Kruse Grain Milling Oh	Ontario	CA
Intermod Industries	Ortega	CA
Titan Terminal & Transport	Patata (railhead loc)	CA
Kaiser Sand Gravel	Pleasanton	CA
American Gas Technology	San Jose	CA
Burke Flooring Products	San Jose	CA
Coors Brewing	San Jose	CA
Del Monte Foods	San Jose	CA
Floor Service Supply	San Jose	CA
Frank Lin Distillers Products	San Jose	CA
International Paper	San Jose	CA
Key West Wire	San Jose	CA
Northern California Fertilizer	San Jose	CA
Red Wing	San Jose	CA
San Jose Distribution Services	San Jose	CA
Sims-Lmc Recyclers	San Jose	CA
Solvent Service Company Incorporated (UP Laidlaw)	San Jose	CA
Stapleton Spence Packing	San Jose	CA
Sun Garden Packing Co	San Jose	CA
U S Pollution Control	San Jose	CA
Los Angeles Chemical (See: Titan Terminal Transp)	South Gate	CA
Titan Terminal Transportation (fmrly Los Angeles Che	South Gate	CA
Intermodal Industries	Stockton	CA
Hardwoods Inc	Trevarno	CA
Trans Western Polymers	Trevarno	CA
A L Gilbert	Turlock	CA
Americold	Turlock	CA
Feedstuffs Processing	Turlock	CA
International Paper	Turlock	CA
Purina Mills Incorporated	Turlock	CA
Turlock Fruit	Turlock	CA
Valley Fresh	Turlock	CA
Cargill	W Sacramento	CA
CDC-McLaughlin Draying	W Sacramento	CA
Farmers Rice Coop	W Sacramento	CA
Karrolton Envelope	W Sacramento	CA
PFX Pet Supply	W Sacramento	CA
The Ink Company (Marpax)	W Sacramento	CA
Union Chemical (In care of Unocal)	W Sacramento	CA
Weyerhaeuser	W Sacramento	CA
American Metals Corp	Yolo Port	CA

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
CDC-Mclaughlin Draying Co Inc	Yolo Port	CA
Weyerhaeuser Lumber	Yolo Port	CA
Total Petroleum	Grand Jct	CO
Agri Producers	Herington	KS
Cairo Coop Equity Exchange	Preston	KS
Anchor Drilling	Berwick	LA
Baroid	Berwick	LA
Ico Tubular	Boeuf	LA
M I Drilling Fluids	Boeuf	LA
Pipe Distributors	Boeuf	LA
Tuboscope Vetco International	Boeuf	LA
Monsanto	Boutte	LA
Acadiana Scrap Salvage	Crowley	LA
Falcon Rice Mill	Crowley	LA
Francis Drilling Fluids Limited	Crowley	LA
G H Seed	Crowley	LA
Helena Chemical	Crowley	LA
Liq Quick Fertilizer	Crowley	LA
Riceland Foods (ADM)	Crowley	LA
Southwest Rice Mill Co Inc	Crowley	LA
Supreme Rice Mill Inc	Crowley	LA
Crowley American Transport	Harbor	LA
Farmers Rice Mill	Harbor	LA
Lake Charles Carbon	Harbor	LA
Lake Charles Stevedores	Harbor	LA
M I Drilling Fluids	Harbor	LA
J & L Cameco	Jeanerette	LA
Louisiana Sw Scrap & Salvage	Lafayette	LA
Calcasieu Steel & Pipe Incorporated	Lake Charles	LA
Lake Charles Harbor Terminal	Lake Charles	LA
Lake Charles Public Elevator	Lake Charles	LA
Lake Charles Stevedores	Lake Charles	LA
Montell USA	Lake Charles	LA
Monsanto	Luling	LA
Broussard Rice Mill Inc	Mermentau	LA
Patterson Truck Lines	Morgan City	LA
Port of Morgan City	Morgan City	LA
Tenneco	Morgan City	LA
Cajun Sugars	New Iberia	LA
Lou Ana Foods	Opelousas	LA
Prairie Construction	Opelousas	LA
Tri-State Delta Inc	Schriever	LA

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Allen Millwork Inc	Shreveport	LA
Atlas Processing Co (UP Pennzoil Products)	Shreveport	LA
Beaird Industries Inc	Shreveport	LA
Custom Bilt Cabinet & Supply	Shreveport	LA
G S Roofing Products Co Inc	Shreveport	LA
Georgia Pacific Corp	Shreveport	LA
Hart Lumber Co Inc	Shreveport	LA
Murphy Bonded Warehouse Inc	Shreveport	LA
National Biscuit Co (Nabisco)	Shreveport	LA
Purina Mills Inc	Shreveport	LA
Rothschild Boiler Tank & Works Inc (UP *Bell Industri	Shreveport	LA
S F Services Inc	Shreveport	LA
Sears Roebuck & Co	Shreveport	LA
Southwestern Electric Power Co	Shreveport	LA
Condea Vista Co	West Lake	LA
Conoco	West Lake	LA
Holnam (UP Ideal Basic Industries)	West Lake	LA
Jupiter Nash (*Jupiter Chemicals Inc ?)	West Lake	LA
Olin Corp	West Lake	LA
PPG Industries	West Lake	LA
Tetra Chemical (*Tetra Technologies Inc?)	West Lake	LA
Alcoa Specialty	West Lake Charles	LA
Baroid	West Lake Charles	LA
Citgo Petroleum Corp	West Lake Charles	LA
Firestone Tire & Rubber	West Lake Charles	LA
Occidental Chemical	West Lake Charles	LA
Port of Lake Charles	West Lake Charles	LA
W R Grace	West Lake Charles	LA
West Lake Polymers	West Lake Charles	LA
Ag Processing	Dexter	MO
Cargill	Dexter	MO
Hudson Foods	Dexter	MO
Monarch Feed Mills	Dexter	MO
Union Electric	Union Electric Coal	MO
Baker Hughes Inteq	Argenta	NV
Battle Mountain Auto Supply	Battle Mountain	NV
M I Drilling Fluids	Battle Mountain	NV
Sierra Chemical NV	Battle Mountain	NV
Anschutz Marketing Transport	Carlin	NV
Kilborn International	Carlin	NV
Baroid Drilling Fluids	Dunphy	NV
Koch Sulfur Products	Dunphy	NV

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Alpark Petroleum	Elko	NV
Ash Grove Cement Company	Elko	NV
Blach Distributing	Elko	NV
Cashman Equipment	Elko	NV
Humbolt Lumber	Elko	NV
Petro Source	Elko	NV
Tricon Metals	Elko	NV
Coastal Chem	Rennox	NV
Sierra Chemical Of Nevada	Rennox	NV
Sierra Pacific Power	Valmy	NV
Van Waters Rogers	Vivian	NV
Mobil	Amelia	TX
Exxon	Baytown	TX
Exxon	Baytown	TX
Exxon Chemical Americas	Baytown	TX
Miles Polysar Baytown (UP Bayer)	Baytown	TX
Miles Polysar Eldon (UP Bayer)	Baytown	TX
Saw Pipes USA Inc.	Baytown	TX
Seapac Inc	Baytown	TX
USS	Baytown	TX
Tex Mex Cold Storage	Brownsville	TX
Farstad Oil	Buford	TX
Elpaso Valley Cotton Assn	Clint	TX
Valley Feed Mills	Clint	TX
American Chrome Chemicals	Corpus Christi	TX
Citgo Petroleum East Plant	Corpus Christi	TX
Citgo Petroleum West Plant	Corpus Christi	TX
Encycle Texas	Corpus Christi	TX
Interstate Grain	Corpus Christi	TX
Nueces Grain	Corpus Christi	TX
United Masonry Supply	Corpus Christi	TX
Zarsky Lumber	Corpus Christi	TX
Defense Distribution Depot	Defense	TX
International Paper	El Paso	TX
Amoco	Eldon	TX
Bayer	Eldon	TX
Chevron Chemical	Eldon	TX
Exxon	Eldon	TX
Romney Implement	Fabens	TX
Swig Cotton Compress	Fabens	TX
Ashland Chemical	Genoa	TX
Sunbelt Asphalt Materials	Genoa	TX

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Ink	Great Southwest	TX
Weyerhaeuser	Great Southwest	TX
Alamo Forest Products	Harlingen	TX
Georgia Pacific	Harlingen	TX
Harlingen Valley Compress	Harlingen	TX
Rio Grande Oil Mill	Harlingen	TX
Valco Chemical	Harlingen	TX
Valley Compress Warehouse	Harlingen	TX
Valley Coop Oil Mill	Harlingen	TX
Houston L&P #1	Houston	TX
Houston L&P #3	Houston	TX
South Houston Lumber	Houston	TX
Pioneer Concrete Texas	Houston (Genoa)	TX
Akrutex Inc	Orange	TX
Allied Signal	Orange	TX
Chevron Chemical	Orange	TX
Dupont De Nemours Ei	Orange	TX
Equitable Bag	Orange	TX
Firestone Syn Rubber Latex	Orange	TX
James River	Orange	TX
Miles Polysar	Orange	TX
Orange Port Of	Orange	TX
Precinct One Orange County	Orange	TX
Rescar	Orange	TX
Sabine Warehouse	Orange	TX
Schulman A	Orange	TX
Schulman Plant	Orange	TX
West Orange City Of	Orange	TX
Wilson Warehouse	Orange	TX
Acco Paper Mill Fibres Company (Acco Waste Paper)	San Antonio	TX
Alamo Iron Works	San Antonio	TX
Big Tex Grain	San Antonio	TX
Block Distributing	San Antonio	TX
California Fruit	San Antonio	TX
City Public Service	San Antonio	TX
Crystal Cold Storage	San Antonio	TX
Fite Distribution Services	San Antonio	TX
Gaylord Container MP	San Antonio	TX
Gaylord Container North	San Antonio	TX
Georgia-Pacific Corporation	San Antonio	TX
Gli Distributing	San Antonio	TX
Halo Distributing	San Antonio	TX

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Hart Lumber Jp	San Antonio	TX
Hood Clays Vr	San Antonio	TX
Imperial Bedding	San Antonio	TX
Lone Star Brewing	San Antonio	TX
Newell Enterprises Incorporated (*Newell Industries)	San Antonio	TX
Newell Recycling Company	San Antonio	TX
Pearl Brewing	San Antonio	TX
Pioneer Flour Mills	San Antonio	TX
Salt Exchange Inc	San Antonio	TX
Southern Merchandising Stora	San Antonio	TX
Southern Moving & Storage Company	San Antonio	TX
Superior Tomato Avacado	San Antonio	TX
Trinity Industries Incorporated	San Antonio	TX
Westland Oil Company Inc	San Antonio	TX
Wright Oil	San Antonio	TX
San Patricio	Sinton	TX
A E Staley @ Imperial Holly facility	Sugar Land	TX
Imperial Holly	Sugar Land	TX
Nalco Exxon Energy Chemicals	Sugar Land	TX
Baroid Corp	Texarkana	TX
Commercial Storage & Distribution Co	Texarkana	TX
Cooper Tire & Rubber Co	Texarkana	TX
General Electric Railcar Repair	Texarkana	TX
J J S Distributing	Texarkana	TX
Kerr-McGee Chemical Corp	Texarkana	TX
Miller-Bowie County Farmers Assn	Texarkana	TX
Texarkana Milling Supply	Texarkana	TX
Tri State Iron & Metal Co	Texarkana	TX
American Plant Food Company	Tyler	TX
Bonar Packaging	Tyler	TX
Cameron Wholesale (*Cameron Wm & Co)	Tyler	TX
Jewell Concrete Products	Tyler	TX
Kelly Springfield Tire	Tyler	TX
Ss	Tyler	TX
Central Texas Iron Works	Waco	TX
Certainthead	Waco	TX
Continental General Tire	Waco	TX
Fleetwood Homes	Waco	TX
Gross Yowell Lumber	Waco	TX
Gulf States Paper	Waco	TX
Jarvis/Paris/Murphy	Waco	TX
Jewell Concrete Products	Waco	TX

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
M Lipsitz	Waco	TX
M M Mars	Waco	TX
McCoys Building Supply Center	Waco	TX
Metro Lumber Industries	Waco	TX
Mid State Beverage Incorporated	Waco	TX
Owens Brockway	Waco	TX
Plantation Foods	Waco	TX
Tejas Warehouse System	Waco	TX
McCoys Building Supply Center	Webster	TX
Sunbelt Asphalt Materials	Webster	TX
Featherlite	Ysleta	TX
Rhinehart Oil	American Fork	UT
Americold	Clearfield	UT
Ashland Chemical	Clearfield	UT
Birmingham Bolt	Clearfield	UT
Del Monte Foods	Clearfield	UT
DSC Logistics	Clearfield	UT
Exxon Chemical	Clearfield	UT
Freeport Center	Clearfield	UT
Freeport Cold Storage	Clearfield	UT
Gatx Logistics	Clearfield	UT
Malnove	Clearfield	UT
Naptech Inc	Clearfield	UT
Oborn Transfer Storage	Clearfield	UT
Poli Twine	Clearfield	UT
Quintex	Clearfield	UT
Ryerson Son Jt	Clearfield	UT
Tech Steel	Clearfield	UT
Thiokol	Clearfield	UT
Utah Power & Light	Gadsby	UT
Brown Minneapolis	Gatex	UT
Geneva Steel	Geneva	UT
Laroche industries	Geneva	UT
Western Pipe Coaters (c/o Geneva Steel)	Geneva	UT
Reilly Industries	Ironton	UT
Great Salt Lake Minerals	Little Mountain	UT
Westinghouse Electric Corp	Little Mountain	UT
Kennecott Utah Copper Corp.	Magna	UT
Red Man Pipe & Supply Co	North Salt Lake City	UT
American Nutrition	Ogden	UT
Atlas Steel	Ogden	UT
Cache Commodities Drgw	Ogden	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Cargill Flour Milling	Ogden	UT
Cargill Nutrena Feeds	Ogden	UT
Cereal Food Processors	Ogden	UT
Defense Depot	Ogden	UT
Durbano Metals	Ogden	UT
Dyce Chemical Industries	Ogden	UT
Great Salt Lake Minerals	Ogden	UT
Kimberly Clark	Ogden	UT
Koch Agri Services West	Ogden	UT
L Bloom & Sons (*Bloom L & Sons)	Ogden	UT
McNabb Grain	Ogden	UT
Nutrena Feed	Ogden	UT
Wasatch Distributing	Ogden	UT
Western Gateway Storage	Ogden	UT
Western Hay Company Inc	Ogden	UT
Pipefabricating	Pioneer	UT
A Y Building Supply	Provo	UT
Atlas Steel	Provo	UT
Big Four Distributing	Provo	UT
Pacific States Cast Iron Pipe	Provo	UT
A K Railroad Materials	Salt Lake City	UT
Alta Industries	Salt Lake City	UT
American Excelsior	Salt Lake City	UT
Amoco Oil	Salt Lake City	UT
Asphalt Systems Inc	Salt Lake City	UT
Associated Food Stores	Salt Lake City	UT
Atlas Steel Inc	Salt Lake City	UT
Atlas Steel Inc	Salt Lake City	UT
Baker Hughes Inteq	Salt Lake City	UT
Bee Hive Brick	Salt Lake City	UT
Benergy	Salt Lake City	UT
Capitol Lumber	Salt Lake City	UT
Cenex Land O Lakes	Salt Lake City	UT
Cereal Food Processors	Salt Lake City	UT
Certified Warehouse Transfer	Salt Lake City	UT
Chevron Products	Salt Lake City	UT
Chris & Dicks Lumber & Hardwar	Salt Lake City	UT
Crus Distributing	Salt Lake City	UT
Dunn Oil Company	Salt Lake City	UT
E F Mariani	Salt Lake City	UT
Eaton Metal Products	Salt Lake City	UT
Eimco Process Equipment	Salt Lake City	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Engelhard	Salt Lake City	UT
Farwest Steel	Salt Lake City	UT
General Distributing	Salt Lake City	UT
General Felt Industries	Salt Lake City	UT
Georgia Pacific	Salt Lake City	UT
Great Western Chemical	Salt Lake City	UT
Hill Brothers Chemical	Salt Lake City	UT
Holnam	Salt Lake City	UT
Intermountain Furniture	Salt Lake City	UT
Intermountain Lumber Company	Salt Lake City	UT
Liquid Sugars	Salt Lake City	UT
Marmon Keystone	Salt Lake City	UT
Metro Steel Recyclers Inc	Salt Lake City	UT
Mountain Cement	Salt Lake City	UT
Nalco Chemical	Salt Lake City	UT
Newspaper Agency	Salt Lake City	UT
Pacific Steel	Salt Lake City	UT
Pax	Salt Lake City	UT
Petrolane	Salt Lake City	UT
Rocky Mountain Refractories	Salt Lake City	UT
Salt Lake Auto Auction	Salt Lake City	UT
Sears Roebuck	Salt Lake City	UT
Semling Menke	Salt Lake City	UT
Standard Builders Supply	Salt Lake City	UT
Steelco	Salt Lake City	UT
Stone Container	Salt Lake City	UT
Tenneco Packaging Drwg	Salt Lake City	UT
Thatcher Company	Salt Lake City	UT
United States Welding	Salt Lake City	UT
Utah Barrel	Salt Lake City	UT
Utah Metal Works	Salt Lake City	UT
Utah Paper Box	Salt Lake City	UT
Van Water Rogers	Salt Lake City	UT
Wasatch	Salt Lake City	UT
Wasatch Metal Salvage	Salt Lake City	UT
Western Paper Company	Salt Lake City	UT
Weyerhaeuser	Salt Lake City	UT
Wholesale Stationers Corp	Salt Lake City	UT
Wholesale Transfer & Warehouse	Salt Lake City	UT
Amalgamated Sugar Co	Sugar Works	UT
Centennial Gas Liquids	Sugar Works	UT
Cereal Food Processors	Sugar Works	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Larkin Cattle Co	Sugar Works	UT
Mcfarland Cascade Corp	Sugar Works	UT
Northwest Trading Co	Sugar Works	UT
Round Butte Products	Sugar Works	UT
Trinity Industries Inc	Sugar Works	UT
Conoco	Woods Cross	UT
Crysen Refining	Woods Cross	UT
Phillips 66W.	Woods Cross	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
3M Arch Street	Little Rock	AR
3M Road	Little Rock	AR
A E Staley @ Imperial Holly facility	Sugar Land	TX
A K Railroad Materials	Salt Lake City	UT
A L Gilbert	Turlock	CA
A Y Building Supply	Provo	UT
Acadiana Scrap Salvage	Crowley	LA
Acco Paper Mill Fibres Company (Acco Waste Paper)	San Antonio	TX
ACF Industries	Paragould	AR
ADM Processing	Little Rock	AR
Afco Steel Bond St Plant	Little Rock	AR
Afco Steel South Shop	Little Rock	AR
Afco Steel Thomas Street Shop	Little Rock	AR
Ag Processing	Dexter	MO
Agri Producers	Herington	KS
Akrotex Inc	Orange	TX
Alamo Forest Products	Harlingen	TX
Alamo Iron Works	San Antonio	TX
Alcoa Specialty	West Lake Charles	LA
Allen Millwork Inc	Shreveport	LA
Allied Signal	Orange	TX
Alman Sol	Little Rock	AR
Alpark Petroleum	Elko	NV
Alta Industries	Salt Lake City	UT
Amalgamated Sugar Co	Sugar Works	UT
American Brass & Iron	Melrose	CA
American Chrome Chemicals	Corpus Christi	TX
American Excelsior	Salt Lake City	UT
American Gas Technology	San Jose	CA
American Metals Corp	Yolo Port	CA
American Nutrition	Ogden	UT
American Plant Food Company	Tyler	TX
Americold	Clearfield	UT
Americold	Turlock	CA
Amoco	Eldon	TX
Amoco Oil	Salt Lake City	UT
Anchor Drilling	Berwick	LA
Anschutz Marketing Transport	Carlin	NV
Anthony Timberlands	Pine Bluff	AR
Armour Equipment Sales	Melrose	CA
Ash Grove Cement Company	Elko	NV
Ashland Chemical	Clearfield	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Ashland Chemical	Genoa	TX
Asphalt Systems Inc	Salt Lake City	UT
Associated Food Stores	Salt Lake City	UT
Atlas Processing Co (UP Pennzoil Products)	Shreveport	LA
Atlas Steel	Ogden	UT
Atlas Steel	Provo	UT
Atlas Steel Inc	Salt Lake City	UT
Atlas Steel Inc	Salt Lake City	UT
Baker Hughes Inteq	Argenta	NV
Baker Hughes Inteq	Salt Lake City	UT
Baroid	Berwick	LA
Baroid	West Lake Charles	LA
Baroid Corp	Texarkana	TX
Baroid Drilling Fluids	Dunphy	NV
Barrett Hamilton	Little Rock	AR
Battle Mountain Auto Supply	Battle Mountain	NV
Bayer	Eldon	TX
Beaird Industries Inc	Shreveport	LA
Bee Hive Brick	Salt Lake City	UT
Benenergy	Salt Lake City	UT
Big Four Distributing	Provo	UT
Big Tex Grain	San Antonio	TX
Birmingham Bolt	Clearfield	UT
Blach Distributing	Elko	NV
Block Distributing	San Antonio	TX
Bonar Packaging	Tyler	TX
Broussard Rice Mill Inc	Mermentau	LA
Brown Minneapolis	Gatex	UT
Brown Strauss	Livermore	CA
Burke Flooring Products	San Jose	CA
Cache Commodities Drgw	Ogden	UT
Cairo Coop Equity Exchange	Preston	KS
Cajun Sugars	New Iberia	LA
Calcasieu Steel & Pipe Incorporated	Lake Charles	LA
California Fruit	San Antonio	TX
Cameron Wholesale (*Cameron Wm & Co)	Tyler	TX
Capitol Lumber	Salt Lake City	UT
Cargill	Dexter	MO
Cargill	Fullerton	CA
Cargill	W Sacramento	CA
Cargill Flour Milling	Ogden	UT
Cargill Inc	Forrest City	AR

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Cargill Nutrena Feeds	Ogden	UT
Cashman Equipment	Elko	NV
CDC-McLaughlin Draying	W Sacramento	CA
CDC-McLaughlin Draying Co Inc	Yolo Port	CA
Cenex Land O Lakes	Salt Lake City	UT
Centennial Gas Liquids	Sugar Works	UT
Central Terminal Distribution	N Little Rock	AR
Central Texas Iron Works	Waco	TX
Century Tube Corporation	Pine Bluff	AR
Cereal Food Processors	Ogden	UT
Cereal Food Processors	Salt Lake City	UT
Cereal Food Processors	Sugar Works	UT
Certainfeed	Waco	TX
Certified Warehouse Transfer	Salt Lake City	UT
Chem Central	Hayward	CA
Chevron Chemical	Eldon	TX
Chevron Chemical	Orange	TX
Chevron Products	Salt Lake City	UT
Chris & Dicks Lumber & Hardwar	Salt Lake City	UT
Christian Salveson	La Habra	CA
Citgo Petroleum Corp	West Lake Charles	LA
Citgo Petroleum East Plant	Corpus Christi	TX
Citgo Petroleum West Plant	Corpus Christi	TX
City Public Service	San Antonio	TX
Coast Grain	Ontario	CA
Coastal Chem	Rennox	NV
Commercial Storage & Distribution Co	Texarkana	TX
Condea Vista Co	West Lake	LA
Conoco	West Lake	LA
Conoco	Woods Cross	UT
Continental General Tire	Waco	TX
Cooper Tire & Rubber Co	Texarkana	TX
Coors Brewing	San Jose	CA
Crowley American Transport	Harbor	LA
Crus Distributing	Salt Lake City	UT
Crysen Refining	Woods Cross	UT
Crystal Cold Storage	San Antonio	TX
Custom Bilt Cabinet & Supply	Shreveport	LA
Defense Depot	Ogden	UT
Defense Depot/U.S. Gov.	Lathrop	CA
Defense Distribution Depot	Defense	TX
Del Monte Foods	Clearfield	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Del Monte Foods	San Jose	CA
DSC Logistics	Clearfield	UT
Dunn Oil Company	Salt Lake City	UT
Dupont De Nemours Ei	Orange	TX
Durbano Metals	Ogden	UT
Dyce Chemical Industries	Ogden	UT
E F Mariani	Salt Lake City	UT
Eaton Metal Products	Salt Lake City	UT
Eimco Process Equipment	Salt Lake City	UT
Elpaso Valley Cotton Assn	Clint	TX
Encycle Texas	Corpus Christi	TX
Engelhard	Salt Lake City	UT
Equitable Bag	Orange	TX
Exxon	Baytown	TX
Exxon	Baytown	TX
Exxon	Eldon	TX
Exxon Chemical	Clearfield	UT
Exxon Chemical Americas	Baytown	TX
Falcon Rice Mill	Crowley	LA
Farmers Rice Coop	W Sacramento	CA
Farmers Rice Mill	Harbor	LA
Farstad Oil	Buford	TX
Farwest Steel	Salt Lake City	UT
Featherlite	Ysleta	TX
Feedstuffs Processing	Turlock	CA
Firestone Syn Rubber Latex	Orange	TX
Firestone Tire & Rubber	West Lake Charles	LA
Fite Distribution Services	San Antonio	TX
Fleenor Packing	Elmhurst	CA
Fleetwood Homes	Waco	TX
Fleischman Yeast	Elmhurst	CA
Floor Service Supply	San Jose	CA
Florida Steel (Ameri Steel - UP)	Paragould	AR
Francis Drilling Fluids Limited	Crowley	LA
Frank Lin Distillers Products	San Jose	CA
Freeport Center	Clearfield	UT
Freeport Cold Stodge	Clearfield	UT
G H Seed	Crowley	LA
G S Roofing Products	Livermore	CA
G S Roofing Products Co Inc	Shreveport	LA
Gatx Logistics	Clearfield	UT
Gaylord Container Bag	Pine Bluff	AR

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Gaylord Container MP	San Antonio	TX
Gaylord Container North	San Antonio	TX
Gaylord Container Paper	Pine Bluff	AR
Gaylord Graphics	Livermore	CA
General Chemical	Pine Bluff	AR
General Distributing	Salt Lake City	UT
General Electric Railcar Repair	Texarkana	TX
General Felt Industries	Salt Lake City	UT
General Motors	Fremont	CA
Geneva Steel	Geneva	UT
Georgia Pacific	Harlingen	TX
Georgia Pacific	Little Rock	AR
Georgia Pacific	Salt Lake City	UT
Georgia Pacific Corp	Shreveport	LA
Georgia-Pacific Corporation	San Antonio	TX
Gilchrist Bag	Camden	AR
Gli Distributing	San Antonio	TX
Great Salt Lake Minerals	Little Mountain	UT
Great Salt Lake Minerals	Ogden	UT
Great Western Chemical	Salt Lake City	UT
Gross Yowell Lumber	Waco	TX
Gulf States Paper	Waco	TX
Halo Distributing	San Antonio	TX
Harbor Distributing	Little Rock	AR
Hardwoods Inc	Trevarno	CA
Harlingen Valley Compress	Harlingen	TX
Hart Lumber Co Inc	Shreveport	LA
Hart Lumber Jp	San Antonio	TX
Helena Chemical	Crowley	LA
Hill Brothers Chemical	Salt Lake City	UT
Hixson Lumber Sales	Pine Bluff	AR
Holnam	Salt Lake City	UT
Holnam (UP Ideal Basic Industries)	West Lake	LA
Hood Clays Vr	San Antonio	TX
Hoover Treated Wood Products	Pine Bluff	AR
Houston L&P #1	Houston	TX
Houston L&P #3	Houston	TX
Hudson Foods	Dexter	MO
Humbolt Lumber	Elko	NV
Ico Tubular	Boeuf	LA
Imperial Bedding	San Antonio	TX
Imperial Holly	Sugar Land	TX

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Ink	Great Southwest	TX
Intermod Industries	Ortega	CA
Intermodal Industries	Stockton	CA
Intermountain Furniture	Salt Lake City	UT
Intermountain Lumber Company	Salt Lake City	UT
International Paper	El Paso	TX
International Paper	San Jose	CA
International Paper	Turlock	CA
International Paper Bag Pak	Camden	AR
International Paper Mill	Pine Bluff	AR
Interstate Grain	Corpus Christi	TX
Intl Paper Southern Kraft	Camden	AR
J J S Distributing	Texarkana	TX
J & L Cameco	Jeanerette	LA
James River	Orange	TX
Jarvis/Paris/Murphy	Waco	TX
Jewell Concrete Products	Tyler	TX
Jewell Concrete Products	Waco	TX
Johnson/Johnson	N Little Rock	AR
Jupiter Nash (*Jupiter Chemicals Inc ?)	West Lake	LA
Kaiser Sand Gravel	Pleasanton	CA
Karrolton Envelope	W Sacramento	CA
Kelly Springfield Tire	Tyler	TX
Kennecott Utah Copper Corp.	Magna	UT
Kerr-McGee Chemical Corp	Texarkana	TX
Key West Wire	San Jose	CA
Kilborn International	Carlin	NV
Kimberly Clark	Ogden	UT
Koch Agri Services West	Ogden	UT
Koch Sulfur Products	Dunphy	NV
Koppers Industries	N Little Rock	AR
Kruse Grain Milling Oh	Ontario	CA
L Bloom & Sons (*Bloom L & Sons)	Ogden	UT
Lake Charles Carbon	Harbor	LA
Lake Charles Harbor Terminal	Lake Charles	LA
Lake Charles Public Elevator	Lake Charles	LA
Lake Charles Stevedores	Harbor	LA
Lake Charles Stevedores	Lake Charles	LA
Larkin Cattle Co	Sugar Works	UT
Laroche Industries	Geneva	UT
Lexicon	N Little Rock	AR
Liq Quick Fertilizer	Crowley	LA

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Liquid Sugars	Salt Lake City	UT
Lone Star Brewing	San Antonio	TX
Longview Fibre	Melrose	CA
Los Angeles Chemical (See: Titan Terminal Transp)	South Gate	CA
Lou Ana Foods	Opelousas	LA
Louisiana Sw Scrap & Salvage	Lafayette	LA
M I Drilling Fluids	Battle Mountain	NV
M I Drilling Fluids	Boeuf	LA
M I Drilling Fluids	Harbor	LA
M Lipsitz	Waco	TX
M M Mars	Waco	TX
Malnove	Clearfield	UT
Marmon Keystone	Salt Lake City	UT
McCoys Building Supply Center	Waco	TX
McCoys Building Supply Center	Webster	TX
Mcfarland Cascade Corp	Sugar Works	UT
Mcnabb Grain	Ogden	UT
Metro Lumber Industries	Waco	TX
Metro Steel Recyclers Inc	Salt Lake City	UT
Mid America Packaging	Pine Bluff	AR
Mid Cities Iron & Metal Corp	Los Angeles	CA
Mid South Seeds	N Little Rock	AR
Mid South Terminal Four	Pine Bluff	AR
Mid South Terminal One	Pine Bluff	AR
Mid South Terminal Two	Pine Bluff	AR
Mid State Beverage Incorporated	Waco	TX
Miles Polysar	Orange	TX
Miles Polysar Baytown (UP Bayer)	Baytown	TX
Miles Polysar Eldon (UP Bayer)	Baytown	TX
Miller-Bowie County Farmers Assn	Texarkana	TX
Mobil	Amelia	TX
Monarch Feed Mills	Dexter	MO
Monsanto	Boutte	LA
Monsanto	Luling	LA
Montell USA	Lake Charles	LA
Mother Cake & Cookies	Melrose	CA
Mountain Cement	Salt Lake City	UT
Mountaire Feed	N Little Rock	AR
Murphy Bonded Warehouse Inc	Shreveport	LA
Nabisco Brands	Elmhurst	CA
Nabisco Brands	Oakland	CA
Nalco Chemical	Salt Lake City	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Nalco Exxon Energy Chemicals	Sugar Land	TX
Naptech Inc	Clearfield	UT
National Biscuit Co (Nabisco)	Shreveport	LA
New United Motor Manufacturing	Fremont	CA
Newell Enterprises Incorporated (*Newell Industries)	San Antonio	TX
Newell Recycling Company	San Antonio	TX
Newspaper Agency	Salt Lake City	UT
Northern California Fertilizer	San Jose	CA
Northwest Hardwoods	Little Rock	AR
Northwest Trading Co	Sugar Works	UT
Nueces Grain	Corpus Christi	TX
Nutrena Feed	Ogden	UT
Oakley Bruce	N Little Rock	AR
Oborn Transfer Storage	Clearfield	UT
Occidental Chemical	West Lake Charles	LA
Olin Corp	West Lake	LA
Onesource Home Building Center	N Little Rock	AR
Orange Port Of	Orange	TX
Owens Brockway	Waco	TX
Pacific America Warehouse	Elmhurst	CA
Pacific States Cast Iron Pipe	Provo	UT
Pacific Steel	Salt Lake City	UT
Patterson Truck Lines	Morgan City	LA
Pax	Salt Lake City	UT
Pearl Brewing	San Antonio	TX
Petro Source	Elko	NV
Petrolane	Salt Lake City	UT
PFX Pet Supply	W Sacramento	CA
Phillips 66W.	Woods Cross	UT
Pine Bluff Arsenal	Pine Bluff	AR
Pioneer Concrete Texas	Houston (Genoa)	TX
Pioneer Flour Mills	San Antonio	TX
Pipe Distributors	Boeuf	LA
Pipefabricating	Pioneer	UT
Plantation Foods	Waco	TX
Planters Cotton Oil	Pine Bluff	AR
Poli Twine	Clearfield	UT
Port of Lake Charles	West Lake Charles	LA
Port of Morgan City	Morgan City	LA
PPG Industries	West Lake	LA
Prairie Construction	Opelousas	LA
Precinct One Orange County	Orange	TX

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Purina Mills Inc	Shreveport	LA
Purina Mills Incorporated	Turlock	CA
Quality Foods	Little Rock	AR
Quintex	Clearfield	UT
Ralphs Grocery	La Habra	CA
Red Man Pipe & Supply Co	North Salt Lake City	UT
Red Wing	San Jose	CA
Reilly Industries	Ironton	UT
Rescar	Orange	TX
Rhinehart Oil	American Fork	UT
Riceland Foods	Fair Oaks	AR
Riceland Foods (ADM)	Crowley	LA
Rio Grande Oil Mill	Harlingen	TX
Rocky Mountain Refractories	Salt Lake City	UT
Romney Implement	Fabens	TX
Rothschild Boiler Tank & Works Inc (UP *Bell Industri	Shreveport	LA
Round Butte Products	Sugar Works	UT
Ryerson Son Jt	Clearfield	UT
S F Services Feed	N Little Rock	AR
S F Services Fertilizer	N Little Rock	AR
S F Services Inc	Shreveport	LA
S F Services Seed	N Little Rock	AR
Sabine Warehouse	Orange	TX
Salinas Reinforcing Inc	Livermore	CA
Salt Exchange Inc	San Antonio	TX
Salt Lake Auto Auction	Salt Lake City	UT
San Jose Distribution Services	San Jose	CA
San Patricio	Sinton	TX
Saw Pipes USA Inc.	Baytown	TX
Schulman A	Orange	TX
Schulman Plant	Orange	TX
Seapac Inc	Baytown	TX
Sears Roebuck	Salt Lake City	UT
Sears Roebuck & Co	Shreveport	LA
Semling Menke	Salt Lake City	UT
Sierra Chemical NV	Battle Mountain	NV
Sierra Chemical Of Nevada	Reno	NV
Sierra Pacific Power	Valmy	NV
Sims-Lmc Recyclers	San Jose	CA
Soltz Machinery & Supply Co	Pine Bluff	AR
Solvent Service Company Incorporated (UP Laidlaw)	San Jose	CA
South Houston Lumber	Houston	TX

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Southern Bag	Pine Bluff	AR
Southern Compress Warehouse	Pine Bluff	AR
Southern Cotton Oil (Adm)	N Little Rock	AR
Southern Merchandising Stora	San Antonio	TX
Southern Moving & Storage Company	San Antonio	TX
Southwest Rice Mill Co Inc	Crowley	LA
Southwestern Electric Power Co	Shreveport	LA
Ss	Tyler	TX
Standard Builders Supply	Salt Lake City	UT
Standard Iron And Metal	Melrose	CA
Stapleton Spence Packing	San Jose	CA
Steelco	Salt Lake City	UT
Stone Container	Little Rock	AR
Stone Container	Salt Lake City	UT
Stronglite Products	Pine Bluff	AR
Sun Garden Packing Co	San Jose	CA
Sunbelt Asphalt Materials	Genoa	TX
Sunbelt Asphalt Materials	Webster	TX
Sunshine Biscuit	Melrose	CA
Superior Tomato Avacado	San Antonio	TX
Supreme Rice Mill Inc	Crowley	LA
Swig Cotton Compress	Fabens	TX
Tech Steel	Clearfield	UT
Tejas Warehouse System	Waco	TX
Tenneco	Morgan City	LA
Tenneco Packaging Drwg	Salt Lake City	UT
Terra International	Pine Bluff	AR
Tetra Chemical (*Tetra Technologies Inc?)	West Lake	LA
Tex Mex Cold Storage	Brownsville	TX
Texarkana Milling Supply	Texarkana	TX
Thatcher Company	Salt Lake City	UT
The Ink Company (Marpax)	W Sacramento	CA
Thibault Milling	Little Rock	AR
Thiokol	Clearfield	UT
Titan Terminal Transportation (fmrly Los Angeles Che	South Gate	CA
Titan Terminal & Transport	Patata (railhead loc)	CA
Total Petroleum	Grand Jct	CO
Toyota Logistic Services	Fremont	CA
Toyota Vehicle Processors	Fremont	CA
Trans Western Polymers	Trevarno	CA
Tri State Iron & Metal Co	Texarkana	TX
Tricon Metals	Elko	NV

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Trinity Industries Inc	Sugar Works	UT
Trinity Industries Incorporated	San Antonio	TX
Tri-State Delta Inc	Schriever	LA
Truck Rail Handling	Fremont	CA
Tuboscope Vetco International	Boeuf	LA
Turlock Fruit	Turlock	CA
Tyson Foods	Pine Bluff	AR
U S Army	Herlong	CA
U S Pollution Control	San Jose	CA
Union Chemical (In care of Unocal)	W Sacramento	CA
Union Electric	Union Electric Coal	MO
United Masonry Supply	Corpus Christi	TX
United States Gypsum	Fremont	CA
United States Welding	Salt Lake City	UT
USS	Baytown	TX
Utah Barrel	Salt Lake City	UT
Utah Metal Works	Salt Lake City	UT
Utah Paper Box	Salt Lake City	UT
Utah Power & Light	Gadsby	UT
Valco Chemical	Harlingen	TX
Valley Compress Warehouse	Harlingen	TX
Valley Coop Oil Mill	Harlingen	TX
Valley Feed Mills	Clint	TX
Valley Fresh	Turlock	CA
Van Water Rogers	Salt Lake City	UT
Van Waters Rogers	Vivian	NV
Van Waters & Rogers	Los Angeles	CA
Viking Bag	Pine Bluff	AR
W R Grace	West Lake Charles	LA
Wasatch	Salt Lake City	UT
Wasatch Distributing	Ogden	UT
Wasatch Metal Salvage	Salt Lake City	UT
West Lake Polymers	West Lake Charles	LA
West Orange City Of	Orange	TX
Western Gateway Storage	Ogden	UT
Western Hay Company Inc	Ogden	UT
Western Paper Company	Salt Lake City	UT
Western Pipe Coaters (c/o Geneva Steel)	Geneva	UT
Westinghouse Electric Corp	Little Mountain	UT
Westland Oil Company Inc	San Antonio	TX
Weyerhaeuser	Great Southwest	TX
Weyerhaeuser	Salt Lake City	UT

TWO-TO-ONE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Weyerhaeuser	W Sacramento	CA
Weyerhaeuser Lumber	Yolo Port	CA
Wheatland Tube Omega Div	Little Rock	AR
Wholesale Stationers Corp	Salt Lake City	UT
Wholesale Transfer & Warehouse	Salt Lake City	UT
Wilson Warehouse	Orange	TX
Wright Oil	San Antonio	TX
Zarsky Lumber	Corpus Christi	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Continental Grain Corp	Danville	AR
Deltic Farm & Timber	Danville	AR
Greenbay Pkg Inc (Ar Kraft)	Danville	AR
Greenbay Pkg Inc (Paper)	Danville	AR
Wayne Poultry	Danville	AR
American Fiber Industries	Little Rock	AR
Babcock Wilcox	Little Rock	AR
Best Foods Div CPC	Little Rock	AR
CPC International	Little Rock	AR
Demo Print Lithograph	Little Rock	AR
DP&L	Little Rock	AR
DP&M	Little Rock	AR
G E Appliances	Little Rock	AR
Interstate Highway Sign	Little Rock	AR
Interstate Sign Co	Little Rock	AR
Little Rock Distributing	Little Rock	AR
Little Rock Port Railroad	Little Rock	AR
Little Rock Terminal	Little Rock	AR
National By Products	Little Rock	AR
Omega Tube Conduit	Little Rock	AR
Oneal Steel	Little Rock	AR
Piind Supply Perking Supply	Little Rock	AR
R & G Sloane Mfg	Little Rock	AR
River Cement	Little Rock	AR
Safety Kleen	Little Rock	AR
Schueck Steel	Little Rock	AR
Sloan Mfg	Little Rock	AR
Southern Bldg Products	Little Rock	AR
Southern Scrap	Little Rock	AR
Southland Products	Little Rock	AR
Vincent Metals	Little Rock	AR
Vinyl Building Products	Little Rock	AR
Waste Mgmt Of Ar	Little Rock	AR
Almanor Rr	Chester	CA
Collins Pine	Chester	CA
Riviana Foods Inc	Abbeville	LA
Carbo Ceramics	Ara	LA
Cargill Salt	Baldwin	LA
Degussa	Baldwin	LA
Morton Salt	Baldwin	LA
Twin Bros Marine	Baldwin	LA
Cabot Corp	Bayou Sale	LA

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Columbian Chemicals	Bayou Sale	LA
Enterprise Products	Breaux Bridge	LA
Patout M A & Son Ltd	Jeanerette	LA
Liberty Rice	Kaplan	LA
American Manufacturing	Lafayette	LA
Branch Warehouse	Lafayette	LA
Catalyst Recovery	Lafayette	LA
Elks Concrete Products	Lafayette	LA
Halliburton	Lafayette	LA
Northpark	Lafayette	LA
OSCA Inc	Lafayette	LA
Quality Brands Inc	Lafayette	LA
Schilling Distributing Co Inc	Lafayette	LA
Union Camp Corp	Lafayette	LA
Dufrene Lumber	Lockport	LA
Lockport Thermostats	Lockport	LA
Nicolas Paper	Lockport	LA
Olin	Lockport	LA
Raceland Sugar	Lockport	LA
Allen Tank	New Iberia	LA
Ambar	New Iberia	LA
Bayou Pipe Coating	New Iberia	LA
Coastal Chemical	New Iberia	LA
Coastal Timbers	New Iberia	LA
Creole Fermentation	New Iberia	LA
Iberia Sugar	New Iberia	LA
Iberia Threading	New Iberia	LA
Liberty Connell	New Iberia	LA
Olin	New Iberia	LA
Patout Bros Inc	New Iberia	LA
Premiere Casing	New Iberia	LA
Riviana Foods	New Iberia	LA
Acadiana Railway Company	Opelousas	LA
Benhard Warehouse	Opelousas	LA
Cal-Chlor Corporation	Opelousas	LA
FMC	Opelousas	LA
Gaiennie Lumber	Opelousas	LA
Southwest Feed Farm	Opelousas	LA
Krielow Brothers	Roanoke	LA
National Beverage	Thibodaux	LA
BHP Copper	Riepetov:n	NV
ABC Supply	Austin	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Acco	Austin	TX
Alliant Food Service	Austin	TX
Austin Steam Train Ass'N	Austin	TX
Boonesborough Inc	Austin	TX
Brown Dist	Austin	TX
Capital Beverage	Austin	TX
Huntsman	Austin	TX
Joe Pinelli	Austin	TX
Kraft Food Service	Austin	TX
Longhorn Railroad	Austin	TX
Shiner	Austin	TX
Warren Furniture	Austin	TX
Amfels Inc	Brownsville	TX
Anbel Corporation	Brownsville	TX
Best Group Marine	Brownsville	TX
Brownsville Gulfside	Brownsville	TX
Brownsville Navigation	Brownsville	TX
Brownsville Refining	Brownsville	TX
Brownsville Rio Grande Intl	Brownsville	TX
Carl & Carol Meyer	Brownsville	TX
Chem USA Corp	Brownsville	TX
Columbia Western Clay	Brownsville	TX
Comercializadora Lajunta	Brownsville	TX
Dix Industries Inc	Brownsville	TX
Duopaper Bag Mfg	Brownsville	TX
Elgo Internacional	Brownsville	TX
Frontier Services	Brownsville	TX
Galbreath Inc	Brownsville	TX
Garva Corp	Brownsville	TX
Global Stone Lc	Brownsville	TX
Groendyke Transport	Brownsville	TX
Gulf Facilities Inc	Brownsville	TX
Gulf Stream Marine	Brownsville	TX
Gulmar Inc	Brownsville	TX
Inter Transfer	Brownsville	TX
Interlube Terminals	Brownsville	TX
International Shipbreaking	Brownsville	TX
International Stainless Steel	Brownsville	TX
Itapco Border Termi	Brownsville	TX
Itapco Bville Termi	Brownsville	TX
Itapco Tejano Termi	Brownsville	TX
John Houlihan	Brownsville	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Liberty Engr Inc	Brownsville	TX
Lower Valley Trans	Brownsville	TX
Marine Scrap Corp	Brownsville	TX
Oglebay Norton	Brownsville	TX
Open Sesame Commodity	Brownsville	TX
Penn Octane Corp	Brownsville	TX
Petrol liquids Terminal	Brownsville	TX
Plitt Crane Src Inc	Brownsville	TX
Port Elevator-Brownsville	Brownsville	TX
Port Of Brownsville	Brownsville	TX
Premier Services	Brownsville	TX
Quimica Fluor Sa	Brownsville	TX
Rio Plastics Inc	Brownsville	TX
RM Walsdorf Co	Brownsville	TX
Roll & Hold	Brownsville	TX
RR Maintenance & Constr	Brownsville	TX
Sanco International Inc	Brownsville	TX
Satellite I Inc - (Handles biz for UNIKEM: address	Brownsville	TX
South Pacific Plywood Lumber	Brownsville	TX
South Texas Grain	Brownsville	TX
Southwest Grain	Brownsville	TX
Statia Terminals	Brownsville	TX
STG Leasing Co	Brownsville	TX
Texas International Ry	Brownsville	TX
Tip O Tex Elevator	Brownsville	TX
Transforma Marine	Brownsville	TX
Trico Technologies Corporation	Brownsville	TX
Valley Warehousing	Brownsville	TX
Hoover Building Supply	Burnet	TX
Pioneer Concrete	Burnet	TX
ADM Growmark	Corpus Christi	TX
Aimcor	Corpus Christi	TX
Andrews Distributing	Corpus Christi	TX
Atlas Iron Metal	Corpus Christi	TX
BHP Copper	Corpus Christi	TX
Block Distributing	Corpus Christi	TX
Continental	Corpus Christi	TX
Corpus Christi Caller Times	Corpus Christi	TX
Corpus Christi Pub Compress	Corpus Christi	TX
Corpus Christi Public Elevator	Corpus Christi	TX
Corpus Christi Terminal Assoc	Corpus Christi	TX
Farrell Cooper Mining Co	Corpus Christi	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
G N I Group	Corpus Christi	TX
Gulf Compress	Corpus Christi	TX
Phelps Dodge	Corpus Christi	TX
Port Of Corpus Christi	Corpus Christi	TX
Scholl Forest Industries	Corpus Christi	TX
Texas Industries	Corpus Christi	TX
Texas Lehigh Cement	Corpus Christi	TX
Timet	Corpus Christi	TX
Valls Shipping	Corpus Christi	TX
Vista Trading	Corpus Christi	TX
West Warehouse Ray	Corpus Christi	TX
Wholesalers	Corpus Christi	TX
84 Lumber	Decker	TX
Acme Brick	Elgin	TX
Elgin Butler Brick	Elgin	TX
Elgin Warehouse	Elgin	TX
U S Brick	Elgin	TX
Valcones Recycling	Elgin	TX
Cal Lumber Co	Feld	TX
Strawn Explosives	Feld	TX
Team Track	Feld	TX
Austin Marble	Georgetown	TX
Hope Lumber Co	Georgetown	TX
Transit Mix Inc	Georgetown	TX
Texas Granite	Granite Shoals	TX
Cactus Canyon	Marble Falls	TX
Capitol Aggregates	Marble Falls	TX
Chemical Lime	Marble Falls	TX
J M Huber	Marble Falls	TX
Abbott Labs	Mcneil	TX
J H Supply	Mcneil	TX
Guthrie Lumber	McNeil	TX
Inland Orange	Orange	TX
Sabine River Northern Railroad	Orange	TX
Anglo Iron & Metal	Port Of Brownsville	TX
Brownsville Gulfside Warehouse	Port Of Brownsville	TX
Duro Bag	Port Of Brownsville	TX
Garva	Port Of Brownsville	TX
Gulf Facilities Inc	Port Of Brownsville	TX
Gulmar	Port Of Brownsville	TX
Schaefer Stevedoring	Port Of Brownsville	TX
Texas International Railway	Port Of Brownsville	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Union Carbide	Port Of Brownsville	TX
Westway Terminal	Port Of Brownsville	TX
Capital Beverage	Scoobee	TX
Foxworth - Galbraith	Scoobee	TX
McCoy's	Scoobee	TX
Scobey Alar Distribution	Scoobee	TX
Top Dollar Cement	Weir	TX
Boise Cascade	City Limits	UT
Certified Warehouse	City Limits	UT
Comstar International	City Limits	UT
National Distribution	City Limits	UT
Oneida Cold Storage	City Limits	UT
Sauder Furniture	City Limits	UT
BMC West	Ogden	UT
Intermountain Grain	Ogden	UT
Pioneer Door Sales	Ogden	UT
Utah Central Railway	Ogden	UT
Constar International	Salt Lake City	UT
Mountain Fuel Supply	Salt Lake City	UT
Pacificorp	Salt Lake City	UT
Salt Lake Garfield Western	Salt Lake City	UT
Utah State Board Education	Salt Lake City	UT

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
84 Lumber	Decker	TX
Abbott Labs	Mcneil	TX
ABC Supply	Austin	TX
Acadiana Railway Company	Opelousas	LA
Acco	Austin	TX
Acme Brick	Elgin	TX
ADM Growmark	Corpus Christi	TX
Aimcor	Corpus Christi	TX
Allen Tank	New Iberia	LA
Alliant Food Service	Austin	TX
Almanor Rr	Chester	CA
Ambar	New Iberia	LA
American Fiber Industries	Little Rock	AR
American Manufacturing	Lafayette	LA
Amfels Inc	Brownsville	TX
Anbel Corporation	Brownsville	TX
Andrews Distributing	Corpus Christi	TX
Anglo Iron & Metal	Port Of Brownsville	TX
Atlas Iron Metal	Corpus Christi	TX
Austin Marble	Georgetown	TX
Austin Steam Train Ass'N	Austin	TX
Babcock Wilcox	Little Rock	AR
Bayou Pipe Coating	New Iberia	LA
Benhard Warehouse	Opelousas	LA
Best Foods Div CPC	Little Rock	AR
Best Group Marine	Brownsville	TX
BHP Copper	Corpus Christi	TX
BHP Copper	Riepetown	NV
Block Distributing	Corpus Christi	TX
BMC West	Ogden	UT
Boise Cascade	City Limits	UT
Boonesborough Inc	Austin	TX
Branch Warehouse	Lafayette	LA
Brown Dist	Austin	TX
Brownsville Gulfside	Brownsville	TX
Brownsville Gulfside Warehouse	Port Of Brownsville	TX
Brownsville Navigation	Brownsville	TX
Brownsville Refining	Brownsville	TX
Brownsville Rio Grande Intl	Brownsville	TX
Cabot Corp	Bayou Sale	LA
Cactus Canyon	Marble Falls	TX
Cal Lumber Co	Feld	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Cal-Chlor Corporation	Opelousas	LA
Capital Beverage	Austin	TX
Capital Beverage	Scoobee	TX
Capitol Aggregates	Marble Falls	TX
Carbo Ceramics	Ara	LA
Cargill Salt	Baldwin	LA
Carl & Carol Meyer	Brownsville	TX
Catalyst Recovery	Lafayette	LA
Certified Warehouse	City Limits	UT
Chem USA Corp	Brownsville	TX
Chemical Lime	Marble Falls	TX
Coastal Chemical	New Iberia	LA
Coastal Timbers	New Iberia	LA
Collins Pine	Chester	CA
Columbia Western Clay	Brownsville	TX
Columbian Chemicals	Bayou Sale	LA
Comercializadora Lajunta	Brownsville	TX
Comstar International	City Limits	UT
Constar International	Salt Lake City	UT
Continental	Corpus Christi	TX
Continental Grain Corp	Danville	AR
Corpus Christi Caller Times	Corpus Christi	TX
Corpus Christi Pub Compress	Corpus Christi	TX
Corpus Christi Public Elevator	Corpus Christi	TX
Corpus Christi Terminal Assoc	Corpus Christi	TX
CPC International	Little Rock	AR
Creole Fermentation	New Iberia	LA
Degussa	Baldwin	LA
Deltic Farm & Timber	Danville	AR
Demo Print Lithograph	Little Rock	AR
Dix industries Inc	Brownsville	TX
DP&L	Little Rock	AR
DP&M	Little Rock	AR
Dufrene Lumber	Lockport	LA
Duro Bag	Port Of Brownsville	TX
Duropaper Bag Mfg	Brownsville	TX
Elgin Butler Brick	Elgin	TX
Elgin Warehouse	Elgin	TX
Elgo Internacional	Brownsville	TX
Elks Concrete Products	Lafayette	LA
Enterprise Products	Breaux Bridge	LA
Farrell Cooper Mining Co	Corpus Christi	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
FMC	Opelousas	LA
Foxworth - Galbraith	Scoobee	TX
Frontier Services	Brownsville	TX
G E Appliances	Little Rock	AR
G N I Group	Corpus Christi	TX
Gaiennie Lumber	Opelousas	LA
Galbreath Inc	Brownsville	TX
Garva	Port Of Brownsville	TX
Garva Corp	Brownsville	TX
Global Stone Lc	Brownsville	TX
Greenbay Pkg Inc (Ar Kraft)	Danville	AR
Greenbay Pkg Inc (Paper)	Danville	AR
Groendyke Transport	Brownsville	TX
Gulf Compress	Corpus Christi	TX
Gulf Facilities Inc	Brownsville	TX
Gulf Facilities Inc	Port Of Brownsville	TX
Gulf Stream Marine	Brownsville	TX
Gulmar	Port Of Brownsville	TX
Gulmar Inc	Brownsville	TX
Guthrie Lumber	McNeil	TX
Halliburton	Lafayette	LA
Hoover Building Supply	Burnet	TX
Hope Lumber Co	Georgetown	TX
Huntsman	Austin	TX
Iberia Sugar	New Iberia	LA
Iberia Threading	New Iberia	LA
Inland Orange	Orange	TX
Inter Transfer	Brownsville	TX
Interlube Terminals	Brownsville	TX
Intermountain Grain	Ogden	UT
International Shipbreaking	Brownsville	TX
International Stainless Steel	Brownsville	TX
Interstate Highway Sign	Little Rock	AR
Interstate Sign Co	Little Rock	AR
Itapco Border Termi	Brownsville	TX
Itapco Bville Termi	Brownsville	TX
Itapco Tejano Termi	Brownsville	TX
J H Supply	Mcneil	TX
J M Huber	Marble Falls	TX
Joe Pinelli	Austin	TX
John Houlihan	Brownsville	TX
Kraft Food Service	Austin	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Krielow Brothers	Roanoke	LA
Liberty Connell	New Iberia	LA
Liberty Engr Inc	Brownsville	TX
Liberty Rice	Kaplan	LA
Little Rock Distributing	Little Rock	AR
Little Rock Port Railroad	Little Rock	AR
Little Rock Terminal	Little Rock	AR
Lockport Thermostats	Lockport	LA
Longhorn Railroad	Austin	TX
Lower Valley Trans	Brownsville	TX
Marine Scrap Corp	Brownsville	TX
McCoy's	Scoobee	TX
Morton Salt	Baldwin	LA
Mountain Fuel Supply	Salt Lake City	UT
National Beverage	Thibodaux	LA
National By Products	Little Rock	AR
National Distribution	City Limits	UT
Nicolas Paper	Lockport	LA
Northpark	Lafayette	LA
Oglebay Norton	Brownsville	TX
Olin	Lockport	LA
Olin	New Iberia	LA
Omega Tube Conduit	Little Rock	AR
Oneal Steel	Little Rock	AR
Oneida Cold Storage	City Limits	UT
Open Sesame Commodity	Brownsville	TX
OSCA Inc	Lafayette	LA
Pacificorp	Salt Lake City	UT
Patout Bros Inc	New Iberia	LA
Patout M A & Son Ltd	Jeanerette	LA
Penn Octane Corp	Brownsville	TX
Petrol liquids Terminal	Brownsville	TX
Phelps Dodge	Corpus Christi	TX
Piind Supply Perking Supply	Little Rock	AR
Pioneer Concrete	Burnet	TX
Pioneer Door Sales	Ogden	UT
Plitt Crane Src Inc	Brownsville	TX
Port Elevator-Brownsville	Brownsville	TX
Port Of Brownsville	Brownsville	TX
Port Of Corpus Christi	Corpus Christi	TX
Premier Services	Brownsville	TX
Premiere Casing	New Iberia	LA

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Quality Brands Inc	Lafayette	LA
Quimica Fluor Sa	Brownsville	TX
R & G Sloane Mfg	Little Rock	AR
Raceland Sugar	Lockport	LA
Rio Plastics Inc	Brownsville	TX
River Cement	Little Rock	AR
Riviana Foods	New Iberia	LA
Riviana Foods Inc	Abbeville	LA
RM Walsdorf Co	Brownsville	TX
Roll & Hold	Brownsville	TX
RR Maintenance & Constr	Brownsville	TX
Sabine River Northern Railroad	Orange	TX
Safety Kleen	Little Rock	AR
Salt Lake Garfield Western	Salt Lake City	UT
Sanco International Inc	Brownsville	TX
Satellite I Inc - (Handles biz for UNIKEM: address	Brownsville	TX
Sauder Furniture	City Limits	UT
Schaefer Stevedoring	Port Of Brownsville	TX
Schilling Distributing Co Inc	Lafayette	LA
Scholl Forest Industries	Corpus Christi	TX
Schueck Steel	Little Rock	AR
Scobey Alar Distribution	Scoobee	TX
Shiner	Austin	TX
Sloan Mfg	Little Rock	AR
South Pacific Plywood Lumber	Brownsville	TX
South Texas Grain	Brownsville	TX
Southern Bldg Products	Little Rock	AR
Southern Scrap	Little Rock	AR
Southland Products	Little Rock	AR
Southwest Feed Farm	Opelousas	LA
Southwest Grain	Brownsville	TX
Statia Terminals	Brownsville	TX
STG Leasing Co	Brownsville	TX
Strawn Explosives	Feld	TX
Team Track	Feld	TX
Texas Granite	Granite Shoals	TX
Texas Industries	Corpus Christi	TX
Texas International Railway	Port Of Brownsville	TX
Texas International Ry	Brownsville	TX
Texas Lehigh Cement	Corpus Christi	TX
Timet	Corpus Christi	TX
Tip O Tex Elevator	Brownsville	TX

TWO-TO-ONE SHORTLINE CUSTOMERS AS OF JUNE 26, 1997

COMPANY	STATION	ST
Top Dollar Cement	Weir	TX
Transforma Marine	Brownsville	TX
Transit Mix Inc	Georgetown	TX
Trico Technologies Corporation	Brownsville	TX
Twin Bros Marine	Baldwin	LA
U S Brick	Elgin	TX
Union Camp Corp	Lafayette	LA
Union Carbide	Port Of Brownsville	TX
Utah Central Railway	Ogden	UT
Utah State Board Education	Salt Lake City	UT
Valcones Recycling	Elgin	TX
Valley Warehousing	Brownsville	TX
Valls Shipping	Corpus Christi	TX
Vincent Metals	Little Rock	AR
Vinyl Building Products	Little Rock	AR
Vista Trading	Corpus Christi	TX
Warren Furniture	Austin	TX
Waste Mgmt Of Ar	Little Rock	AR
Wayne Poultry	Danville	AR
West Warehouse Ray	Corpus Christi	TX
Westway Terminal	Port Of Brownsville	TX
Wholesalers	Corpus Christi	TX

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
Miller Brands	Harahan	LA
Lehleitner, Geo H Inc	Kenner	LA
A To Z Paper Co	New Orleans	LA
A & A Potato Co	New Orleans	LA
Advnace Paper Co Janitorial	New Orleans	LA
Alabo St Warf	New Orleans	LA
Alcoa Export Supply	New Orleans	LA
Amstar Corp	New Orleans	LA
Arabi Terminal	New Orleans	LA
Aristokraft	New Orleans	LA
Atlas Edco Inc	New Orleans	LA
Baroid Sales Co (NI Ind)	New Orleans	LA
Barriere Construction Co	New Orleans	LA
Better Boxing	New Orleans	LA
Blue Circle Cement	New Orleans	LA
Blue Plate Foods Inc	New Orleans	LA
Bourg Wilson	New Orleans	LA
Branton Insulation Inc	New Orleans	LA
Bridon American Corp	New Orleans	LA
Bubbas Produce	New Orleans	LA
Bulk Materials Transfer	New Orleans	LA
Cajun Distributing	New Orleans	LA
Calciner Industries Inc	New Orleans	LA
Calogne Drayage & Storage Inc	New Orleans	LA
Campbell Building Materials Inc	New Orleans	LA
Chalmette Slip	New Orleans	LA
Charbonnet St Wharf	New Orleans	LA
Citadel Cement	New Orleans	LA
Coastal Engineering Corp	New Orleans	LA
Coastal Enterprise	New Orleans	LA
Creole Cold Storage	New Orleans	LA
Crescent Distributing	New Orleans	LA
Crown Beverage	New Orleans	LA
Crown Oil Chemical	New Orleans	LA
Dbi R Equine Feed Supply	New Orleans	LA
Dca Foods	New Orleans	LA
Deavo Lime Pellican Divn	New Orleans	LA
Dependable Customer Bagging	New Orleans	LA
Depuy Strg & Fwd	New Orleans	LA
Distron	New Orleans	LA
Dixie Tomato	New Orleans	LA
Dravo Basic Materials	New Orleans	LA

STB FD 32760 (Sub 21) 7-1-97 D 180438 3/5

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
Elmwoodbuilding Specialties	New Orleans	LA
Equitable Shipyards Trinity	New Orleans	LA
Fine Papers Inc	New Orleans	LA
Food Suppliers Inc	New Orleans	LA
Frank, L & Co Inc	New Orleans	LA
Gats Masonry	New Orleans	LA
Georgia Pacific Corp	New Orleans	LA
Glazer Steel	New Orleans	LA
Glazer Wholesale Drug	New Orleans	LA
Goodyear Tire & Rubber Co	New Orleans	LA
Goodyear Truck Tire Center	New Orleans	LA
Great Atlantic & Pacific Tea Co	New Orleans	LA
Great Atlantic & Pacitif Tea Co	New Orleans	LA
Gulf State Marine Terminal	New Orleans	LA
Hayes Dockside	New Orleans	LA
Hayward, L H Co	New Orleans	LA
Heritage House Inc	New Orleans	LA
Hill - Behan Lumber Co	New Orleans	LA
Holnan	New Orleans	LA
Horizon Intl	New Orleans	LA
Hug Condon & Mayflower	New Orleans	LA
Huttig Sash & Door	New Orleans	LA
Inter Marine Co	New Orleans	LA
Jackson-Kearney Group	New Orleans	LA
Jackson-Kearney Group	New Orleans	LA
Jefferson Feed And Supply Co	New Orleans	LA
Kaiser Aluminum & Chemical	New Orleans	LA
Katz & Bestoff Inc	New Orleans	LA
Kaye, Neal W	New Orleans	LA
Kellelt, Ego & Sons	New Orleans	LA
Lane & Co	New Orleans	LA
Lehleltner, Geo H Inc	New Orleans	LA
Lengsfield Bros	New Orleans	LA
Levitz Furniture	New Orleans	LA
Levy, Edward Metals	New Orleans	LA
Lincoln Big Three	New Orleans	LA
Liquid Sugars Inc	New Orleans	LA
Louisiana Industries Inc	New Orleans	LA
Ludwig, E B Inc	New Orleans	LA
Lumber Importer'S Service Corp	New Orleans	LA
M I Drilling Fluids Co	New Orleans	LA
Magnolia Chemicals & Solvents	New Orleans	LA

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
Magnolia Liquor Co Inc	New Orleans	LA
Marzoni & Associates	New Orleans	LA
Masonry Products Inc	New Orleans	LA
Mehaffey & Daigle Inc	New Orleans	LA
Menard, P A Co	New Orleans	LA
Miller Brands	New Orleans	LA
Missionary Expeditors	New Orleans	LA
Mobile Oil (Chemical) Corp	New Orleans	LA
Morris Kirschman & Co Inc	New Orleans	LA
Murphy Oil	New Orleans	LA
Namasco	New Orleans	LA
Neeb Kearney Inc	New Orleans	LA
New Orleans Army Terml	New Orleans	LA
New Orleans Beverage Agency	New Orleans	LA
New Orleans Cold Storage	New Orleans	LA
New Orleans Distribution	New Orleans	LA
New Orleans Marine Cont	New Orleans	LA
New Orleans Metal	New Orleans	LA
North Star Steel Co	New Orleans	LA
Orleans Marble Inc	New Orleans	LA
Orleans Materials	New Orleans	LA
Patent Scaffolding	New Orleans	LA
Paulsen-Weber	New Orleans	LA
Pelican Paper	New Orleans	LA
Pelican Tomato Co	New Orleans	LA
Pennzoil	New Orleans	LA
Plantation Marble	New Orleans	LA
Plymouth Cordage	New Orleans	LA
Plywood Panels	New Orleans	LA
Pontchartrain Matl	New Orleans	LA
Port Cargo Service	New Orleans	LA
Port Of New Orleans	New Orleans	LA
Public Bulk Terminal	New Orleans	LA
Puerto Rican Marine Management	New Orleans	LA
Quality Maritime	New Orleans	LA
Reily Chemical Co	New Orleans	LA
Reily Wm B Co Inc	New Orleans	LA
Reily, Wm B & Co Inc	New Orleans	LA
Ribelen Distribution Inc	New Orleans	LA
Rippner Inc	New Orleans	LA
Ryan Timber Co	New Orleans	LA
Sathers Candy Mfg Co	New Orleans	LA

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
Sazarac Company	New Orleans	LA
Sazerac Co	New Orleans	LA
Schwegmann Giant Super Stores	New Orleans	LA
Sealand	New Orleans	LA
Sea-Mar Inc	New Orleans	LA
Second Harvester	New Orleans	LA
Sequoia Supply Inc	New Orleans	LA
Sewage & Water Board Of No	New Orleans	LA
Sewage & Water Board Of No	New Orleans	LA
Sewage & Water Board Of No	New Orleans	LA
Sewerage & Water Board	New Orleans	LA
Sewerage & Water Board Of No	New Orleans	LA
Shell Oil Metairie Plant	New Orleans	LA
Southeast Recycling	New Orleans	LA
Southern Eagle	New Orleans	LA
Southern Quikrete Products Inc	New Orleans	LA
Southern Scrap	New Orleans	LA
Southern Steel & Aluminum	New Orleans	LA
Standard Coffee	New Orleans	LA
Stationers Distributing	New Orleans	LA
Texberry Container Corp	New Orleans	LA
Times Picayune Publishing Co	New Orleans	LA
Transoceanic Shpg	New Orleans	LA
Triple E Transport Inc	New Orleans	LA
Turner Marine Bulk Inc	New Orleans	LA
Twl-Ro-Pa Mills Agency Inc	New Orleans	LA
United Distributors	New Orleans	LA
United Parcel Service	New Orleans	LA
Universal Machinery Co Inc	New Orleans	LA
US Corp Engr	New Orleans	LA
US General Services Admn	New Orleans	LA
US Gypsum Co	New Orleans	LA
W R Grace	New Orleans	LA
West Cash & Carry Co	New Orleans	LA
Weyerhaeuser Co, Wood Prod	New Orleans	LA
Winn Dixie of Louisiana	New Orleans	LA
Orange City Of	Orange	TX
Specialized Rail Service	Salt Lake City	UT

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
A To Z Paper Co	New Orleans	LA
A & A Potato Co	New Orleans	LA
Advnace Paper Co Janitorial	New Orleans	LA
Alabo St Warf	New Orleans	LA
Alcoa Export Supply	New Orleans	LA
Amstar Corp	New Orleans	LA
Arabi Terminal	New Orleans	LA
Aristokraft	New Orleans	LA
Atlas Edco Inc	New Orleans	LA
Baroid Sales Co (NI Ind)	New Orleans	LA
Barriere Construction Co	New Orleans	LA
Better Boxing	New Orleans	LA
Blue Circle Cement	New Orleans	LA
Blue Plate Foods Inc	New Orleans	LA
Bourg Wilson	New Orleans	LA
Branton Insulation Inc	New Orleans	LA
Bridon American Corp	New Orleans	LA
Bubbas Produce	New Orleans	LA
Bulk Materials Transfer	New Orleans	LA
Cajun Distributing	New Orleans	LA
Calcliner Industries Inc	New Orleans	LA
Calogne Drayage & Storage Inc	New Orleans	LA
Campbell Building Materials Inc	New Orleans	LA
Chalmette Slip	New Orleans	LA
Charbonnet St Wharf	New Orleans	LA
Citadel Cement	New Orleans	LA
Coastal Engineering Corp	New Orleans	LA
Coastal Enterprise	New Orleans	LA
Creole Cold Storage	New Orleans	LA
Crescent Distributing	New Orleans	LA
Crown Beverage	New Orleans	LA
Crown Oil Chemical	New Orleans	LA
Dbi R Equine Feed Supply	New Orleans	LA
Dca Foods	New Orleans	LA
Deavo Lime Pellican Divn	New Orleans	LA
Dependable Customer Bagging	New Orleans	LA
Depuy Strg & Fwd	New Orleans	LA
Distron	New Orleans	LA
Dixie Tomato	New Orleans	LA
Dravo Basic Materials	New Orleans	LA
Elmwoodbuilding Specialties	New Orleans	LA
Equitable Shipyards Trinity	New Orleans	LA

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
Fine Papers Inc	New Orleans	LA
Food Suppliers Inc	New Orleans	LA
Frank, L & Co Inc	New Orleans	LA
Gats Masonry	New Orleans	LA
Georgia Pacific Corp	New Orleans	LA
Glazer Steel	New Orleans	LA
Glazer Wholesale Drug	New Orleans	LA
Goodyear Tire & Rubber Co	New Orleans	LA
Goodyear Truck Tire Center	New Orleans	LA
Great Atlantic & Pacific Tea Co	New Orleans	LA
Great Atlantic & Pacitif Tea Co	New Orleans	LA
Gulf State Marine Terminal	New Orleans	LA
Hayes Dockside	New Orleans	LA
Hayward, L H Co	New Orleans	LA
Heritage House Inc	New Orleans	LA
Hill - Behan Lumber Co	New Orleans	LA
Holnan	New Orleans	LA
Horizon Intl	New Orleans	LA
Hug Condon & Mayflower	New Orleans	LA
Huttig Sash & Door	New Orleans	LA
Inter Marine Co	New Orleans	LA
Jackson-Kearney Group	New Orleans	LA
Jackson-Kearney Group	New Orleans	LA
Jefferson Feed And Supply Co	New Orleans	LA
Kaiser Aluminum & Chemical	New Orleans	LA
Katz & Bestoff Inc	New Orleans	LA
Kaye, Neal W	New Orleans	LA
Kellelt, Ego & Sons	New Orleans	LA
Lane & Co	New Orleans	LA
Lehleltner, Geo H Inc	Kenner	LA
Lehleltner, Geo H Inc	New Orleans	LA
Lengsfie'd Bros	New Orleans	LA
Levitz Furniture	New Orleans	LA
Levy, Edward Metals	New Orleans	LA
Lincoln Big Three	New Orleans	LA
Liquid Sugars Inc	New Orleans	LA
Louisiana Industries Inc	New Orleans	LA
Ludwig, C B Inc	New Orleans	LA
Lumber Importer'S Service Corp	New Orleans	LA
M I Drilling Fluids Co	New Orleans	LA
Magnolia Chemicals & Solvents	New Orleans	LA
Magnolia Liquor Co Inc	New Orleans	LA

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
Marzoni & Associates	New Orleans	LA
Masonary Products Inc	New Orleans	LA
Mehaffey & Daigle Inc	New Orleans	LA
Menard, P A Co	New Orleans	LA
Miller Brands	Harahan	LA
Miller Brands	New Orleans	LA
Missionary Expeditors	New Orleans	LA
Mobile Oil (Chemical) Corp	New Orleans	LA
Morris Kirschman & Co Inc	New Orleans	LA
Murphy Oil	New Orleans	LA
Namasco	New Orleans	LA
Neeb Kearney Inc	New Orleans	LA
New Orleans Army Terml	New Orleans	LA
New Orleans Beverage Agency	New Orleans	LA
New Orleans Cold Storage	New Orleans	LA
New Orleans Distribution	New Orleans	LA
New Orleans Marine Cont	New Orleans	LA
New Orleans Metal	New Orleans	LA
North Star Steel Co	New Orleans	LA
Orange City Of	Orange	TX
Orleans Marble Inc	New Orleans	LA
Orleans Materials	New Orleans	LA
Patent Scaffolding	New Orleans	LA
Paulsen-Weber	New Orleans	LA
Pelican Paper	New Orleans	LA
Pelican Tomato Co	New Orleans	LA
Pennzoil	New Orleans	LA
Plantation Marble	New Orleans	LA
Plymouth Cordage	New Orleans	LA
Plywood Panels	New Orleans	LA
Pontchartrain Matl	New Orleans	LA
Port Cargo Service	New Orleans	LA
Port Of New Orleans	New Orleans	LA
Public Bulk Terminal	New Orleans	LA
Puerto Rican Marine Management	New Orleans	LA
Quality Maritime	New Orleans	LA
Reily Chemical Co	New Orleans	LA
Reily Wm B Co Inc	New Orleans	LA
Reily, Wm B & Co Inc	New Orleans	LA
Ribelen Distribution Inc	New Orleans	LA
Rippner Inc	New Orleans	LA
Ryan Timber Co	New Orleans	LA

OPEN CUSTOMER ON CONNECTION OTHER THAN UP OR "2:1" SHORTLINES

COMPANY	STATION	ST
Sathers Candy Mfg Co	New Orleans	LA
Sazarac Company	New Orleans	LA
Sazerac Co	New Orleans	LA
Schwegmann Giant Super Stores	New Orleans	LA
Sealand	New Orleans	LA
Sea-Mar Inc	New Orleans	LA
Second Harvester	New Orleans	LA
Sequoia Supply Inc	New Orleans	LA
Sewage & Water Board Of No	New Orleans	LA
Sewage & Water Board Of No	New Orleans	LA
Sewage & Water Board Of No	New Orleans	LA
Sewerage & Water Board	New Orleans	LA
Sewerage & Water Board Of No	New Orleans	LA
Shell Oil Metairie Plant	New Orleans	LA
Southeast Recycling	New Orleans	LA
Southern Eagle	New Orleans	LA
Southern Quikrete Products Inc	New Orleans	LA
Southern Scrap	New Orleans	LA
Southern Steel & Aluminum	New Orleans	LA
Specialized Rail Service	Salt Lake City	UT
Standard Coffee	New Orleans	LA
Stationers Distributing	New Orleans	LA
Texberry Container Corp	New Orleans	LA
Times Picayune Publishing Co	New Orleans	LA
Transoceanic Shpg	New Orleans	LA
Triple E Transport Inc	New Orleans	LA
Turner Marine Bulk Inc	New Orleans	LA
Twl-Ro-Pa Mills Agency Inc	New Orleans	LA
United Distributors	New Orleans	LA
United Parcel Service	New Orleans	LA
Universal Machinery Co Inc	New Orleans	LA
US Corp Engr	New Orleans	LA
US General Services Admn	New Orleans	LA
US Gypsum Co	New Orleans	LA
W R Grace	New Orleans	LA
West Cash & Carry Co	New Orleans	LA
Weyerhaeuser Co, Wood Prod	New Orleans	LA
Winn Dixie of Louisiana	New Orleans	LA

Attachment 13

SHORTLINES CONNECTING WITH BNSF AT UP/SP "2-TO-1" POINTS

<u>CORRIDOR</u>	<u>SHORTLINE</u>	<u>JUNCTION WITH BNSF</u>
Central Corridor	BHP Nevada Salt Lake City Southern* Salt Lake Garfield & Western Utah Railway Utah Central Railway	Shafter, NV Salt Lake City, UT Salt Lake City, UT Grand Junction, CO Provo, UT Utah Railway Jct., UT Ogden, UT
Houston-Brownsville	Brownsville & Rio Grande International Railroad Corpus Christi Terminal Assoc. Texas Mexican Railway Co.	Port of Brownsville, TX Corpus Christi, TX Corpus Christi, TX Houston, TX Robstown, TX
Houston-Memphis	Little Rock & Western Railroad Little Rock Port Authority Railroad	North Little Rock, AR Little Rock, AR
Houston-New Orleans	Arcadiana Railway Louisiana & Delta Railroad New Orleans Public Belt Orange Fort Terminal Railroad	Crowley, LA Lafayette, LA Schriever, LA New Orleans, LA Orange, TX
I-5	Almanor Railroad	Clear Creek Junction, CA
Texas - Other	Georgetown Railroad Longhorn Railway	Kerr, TX Elgin, TX

Notes:

*BNSF customer access limited to specific customers within Salt Lake City reciprocal switch limits.

Updated through June 30, 1997

Attachment 14

TRAIN VOLUME REPORTS

Second Quarter 1997

<u>Corridor</u>	<u>Lane</u>	<u>Train Symbol</u>
Gulf North	Houston - Memphis	H-HOME
	Memphis - Houston	H-MEHO
	Longview - Memphis	H-LOME
	Memphis - Longview	H-MELO

H-HOME

Arriving Memphis

April 1997

of Cars

Tons

100

10,000

80

8,000

60

6,000

40

4,000

20

2,000

0

0

1

3

5

7

9

11

13

15

17

19

21

23

25

27

29

Date

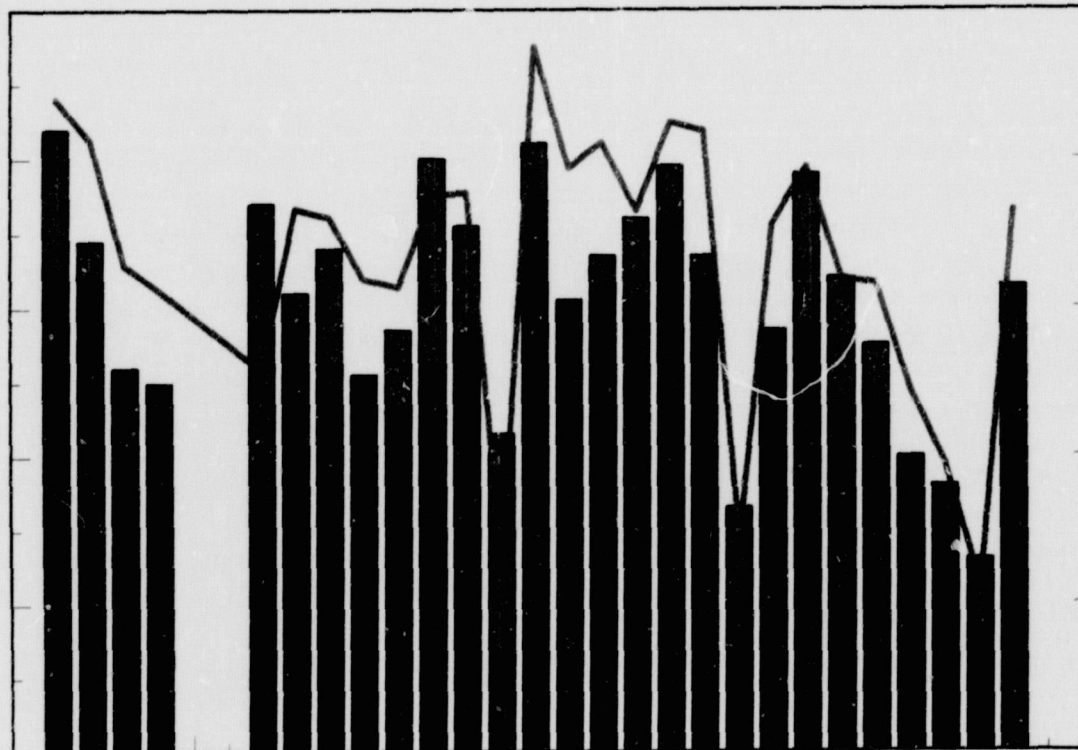
Tons

Empties

Loads

Average Cars/Train

Tons	6394
Empties	11
Loads	48



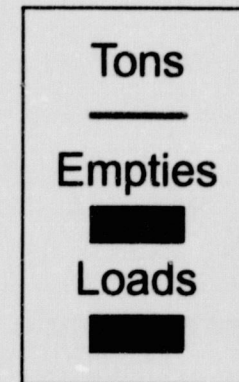
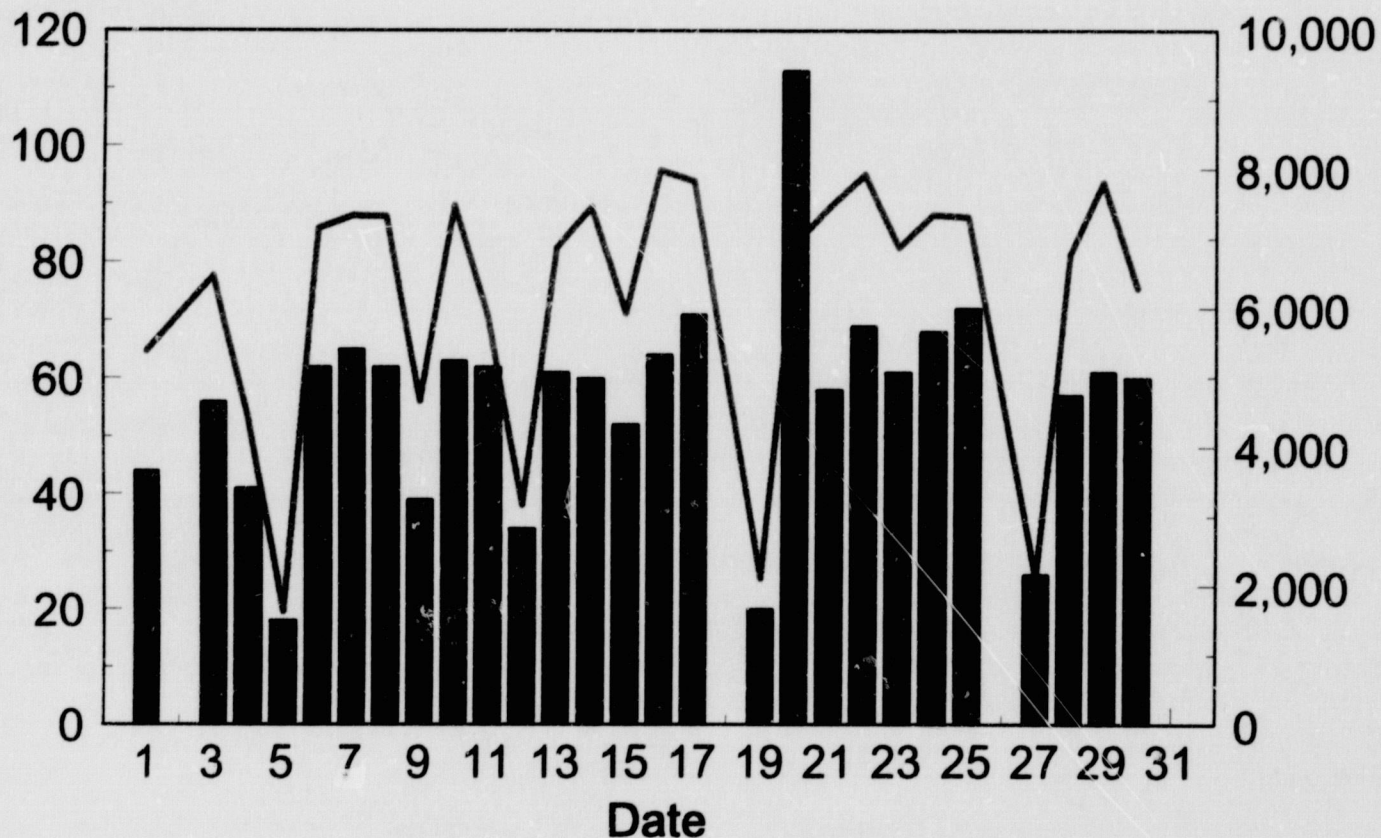
H-HOME

Arriving Memphis

May 1997

of Cars

Tons



Average Cars/Train

Tons	6080
Empties	8
Loads	45

H-HOME

Arriving Memphis

June 1997

of Cars

Tons

100

10,000

80

8,000

60

6,000

40

4,000

20

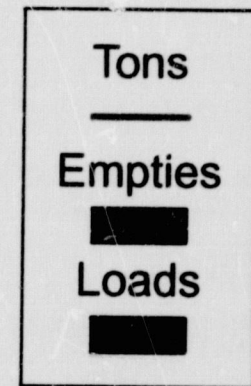
2,000

0

0

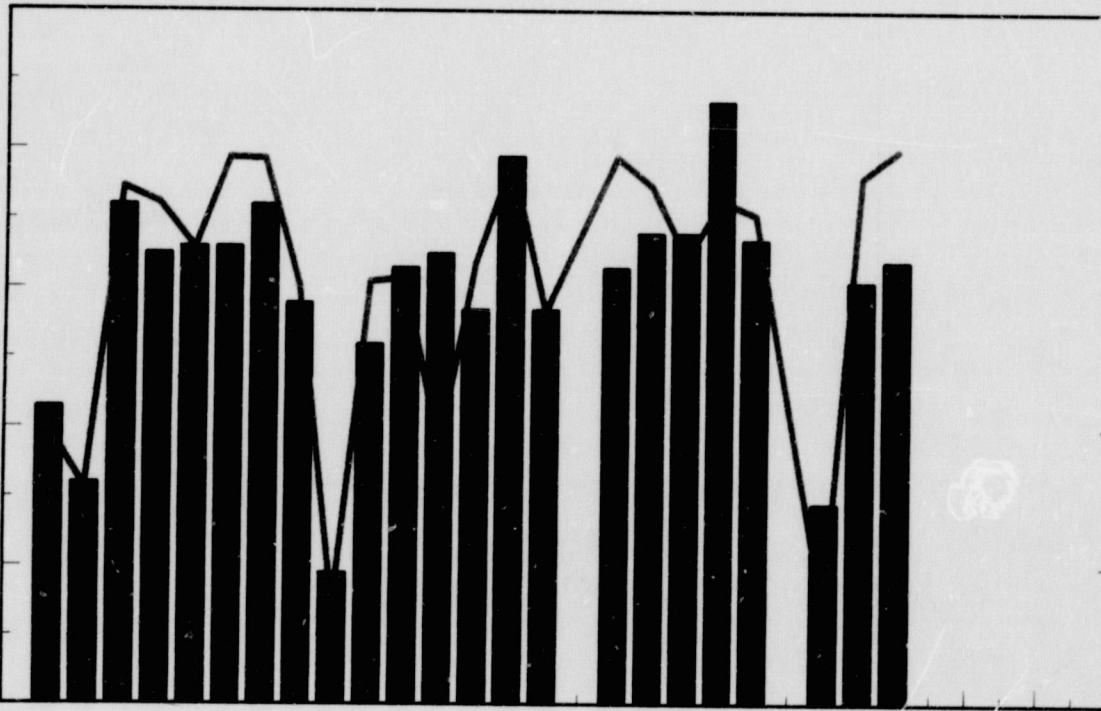
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29

Date



Average Cars/Train

Tons	6289
Empties	13
Loads	46



H-MEHO Departing Memphis April 1997

of Cars

140

120

100

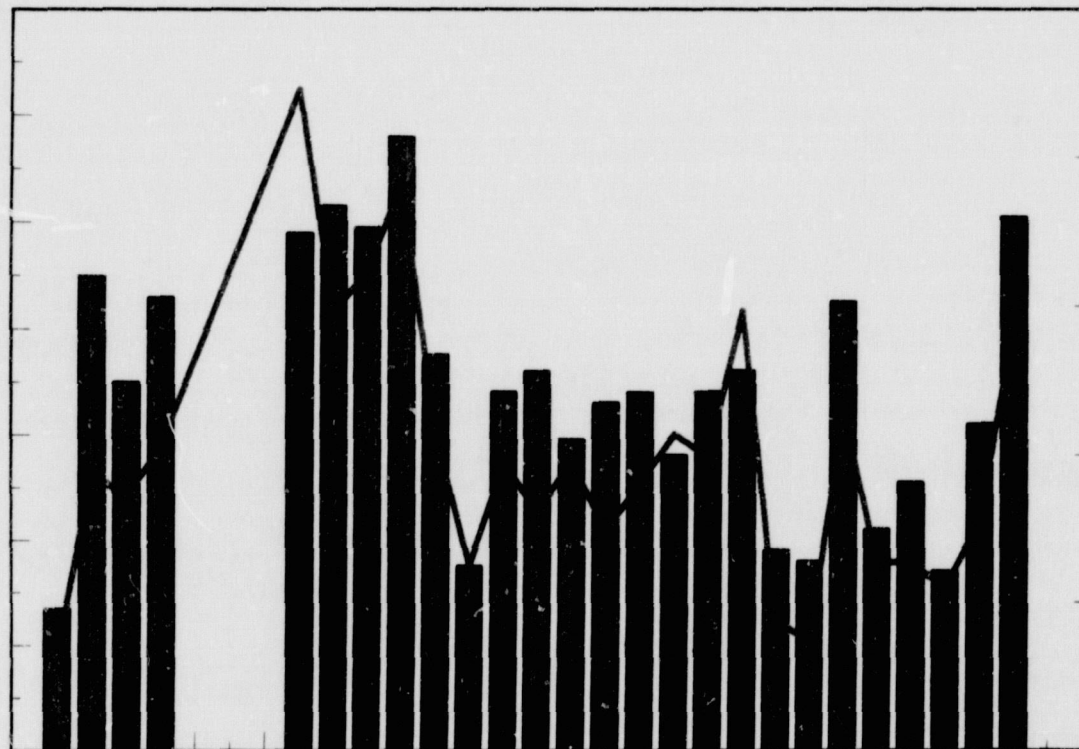
80

60

40

20

0



Tons

10,000

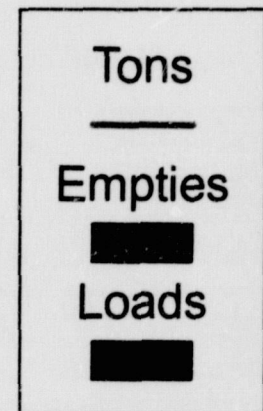
8,000

6,000

4,000

2,000

0



Average Cars/Train

Tons	3474
Empties	42
Loads	17

Date

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29

H-MEHO

Departing Memphis

May 1997

of Cars

120

100

80

60

40

20

0

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31

Date

Tons

8,000

7,000

6,000

5,000

4,000

3,000

2,000

1,000

0

Tons

Empties

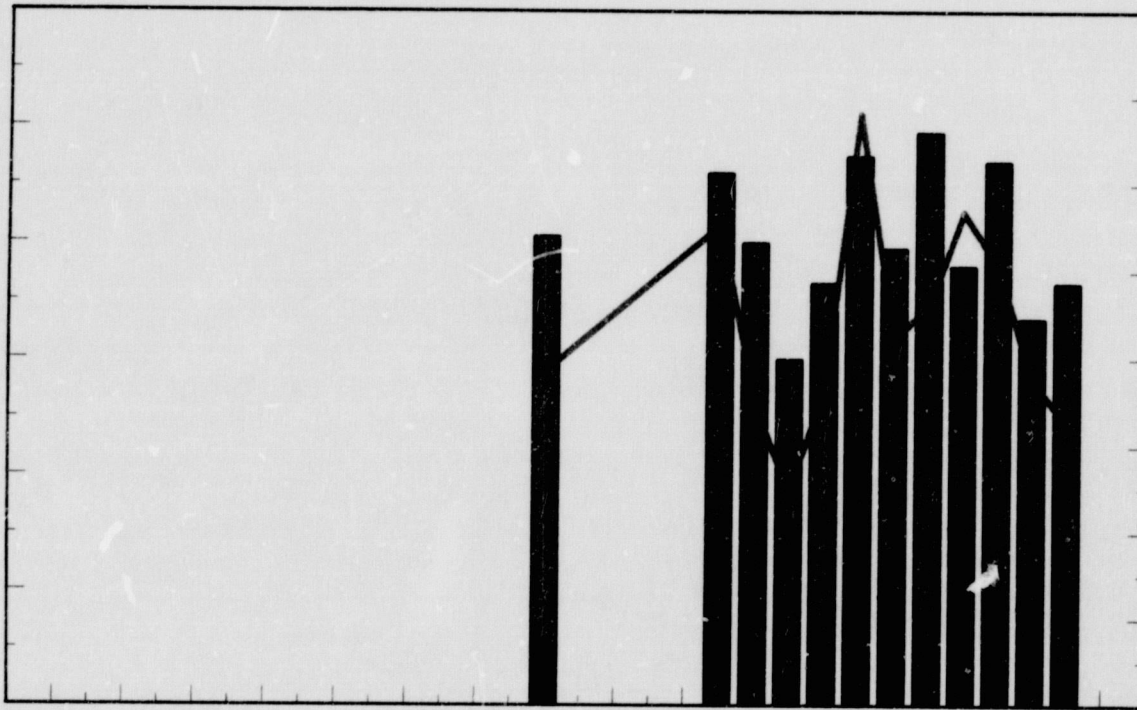
Loads

Average Cars/Train

Tons 4368

Empties 63

Loads 18



H-MEHO Departing Memphis June 1997

of Cars

120

100

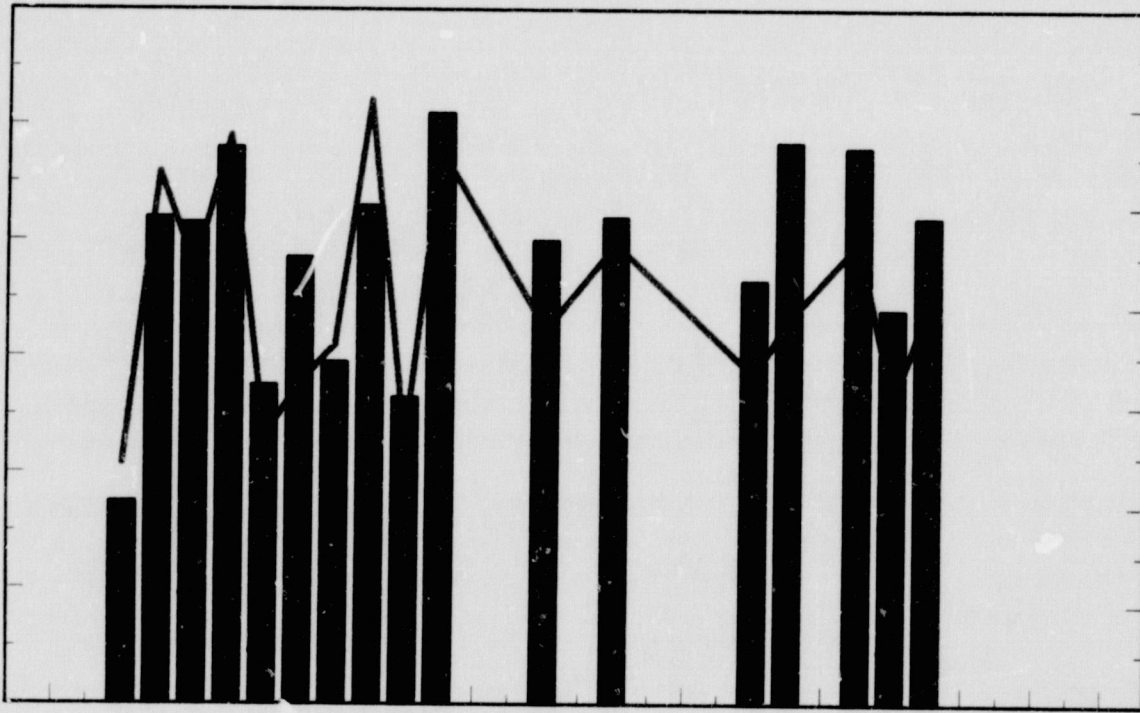
80

60

40

20

0



Tons

7,000

6,000

5,000

4,000

3,000

2,000

1,000

0

Tons

Empties

Loads

Average Cars/Train

Tons 4124

Empties 64

Loads 15

Date

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31

H-LOME Arriving Memphis April 1997

of Cars

Tons

80

7,000

60

6,000

40

5,000

20

4,000

0

3,000

2,000

1,000

0

Tons

Empties

Loads

Average Cars/Train

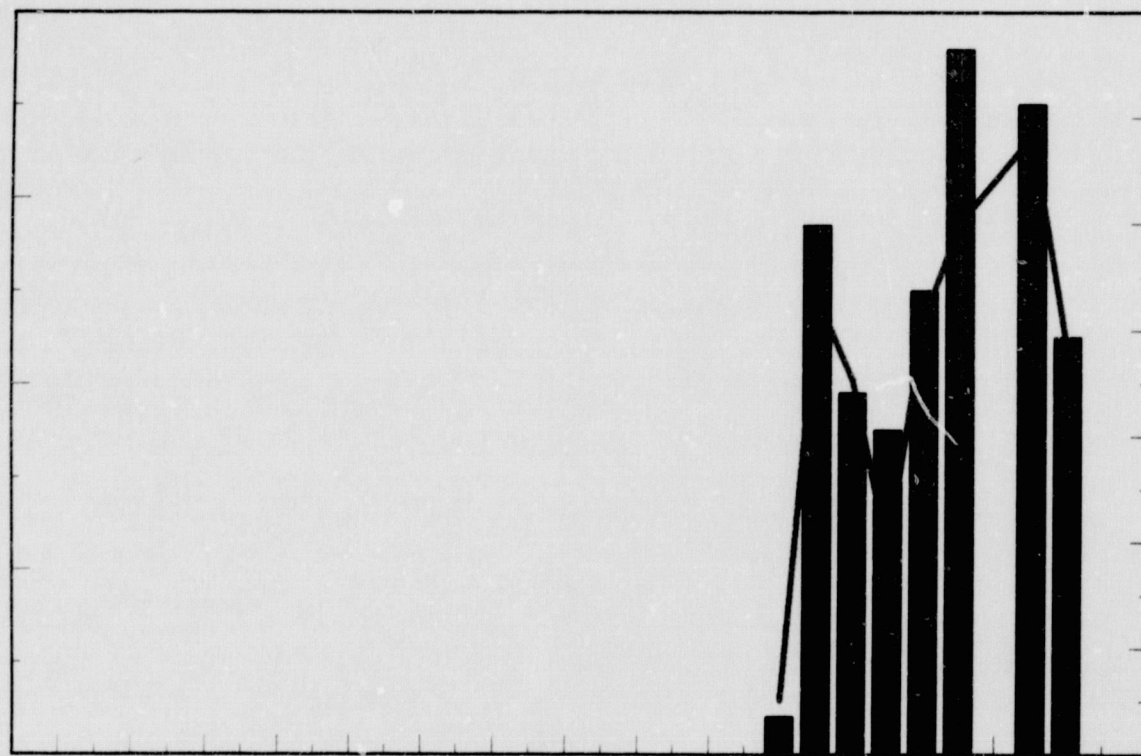
Tons 3632

Empties 22

Loads 25

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29

Date



H-LOME Arriving Memphis May 1997

of Cars

100

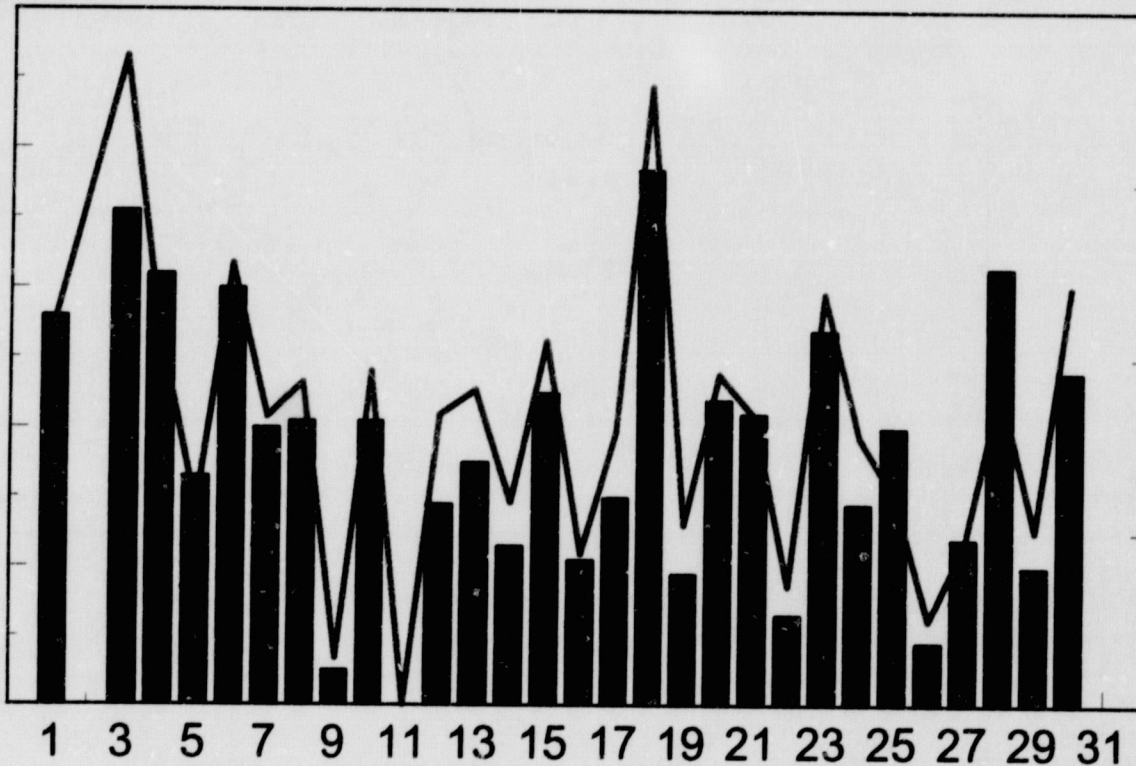
80

60

40

20

0



Date

Tons

8,000

6,000

4,000

2,000

0

Tons

Empties

Loads

Average Cars/Train

Tons 3330

Empties 12

Loads 25

H-LOME Arriving Memphis June 1997

of Cars

70

60

50

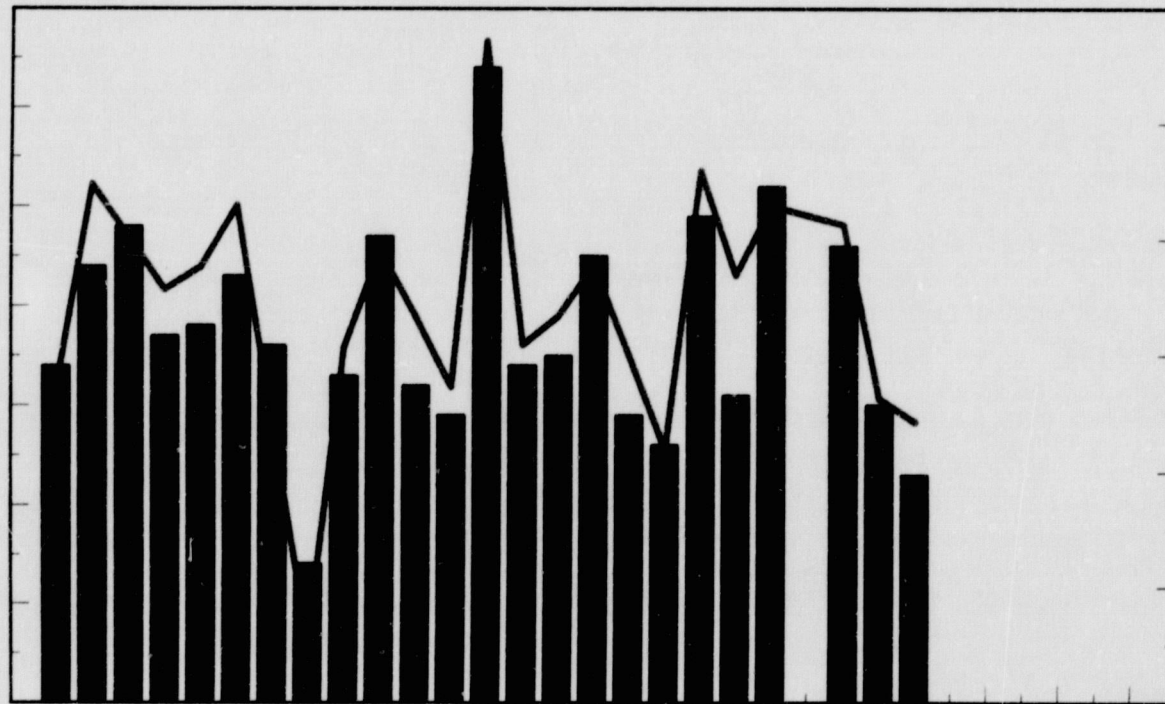
40

30

20

10

0



Tons

6,000

5,000

4,000

3,000

2,000

1,000

0

Tons

Empties

Loads

Average Cars/Train

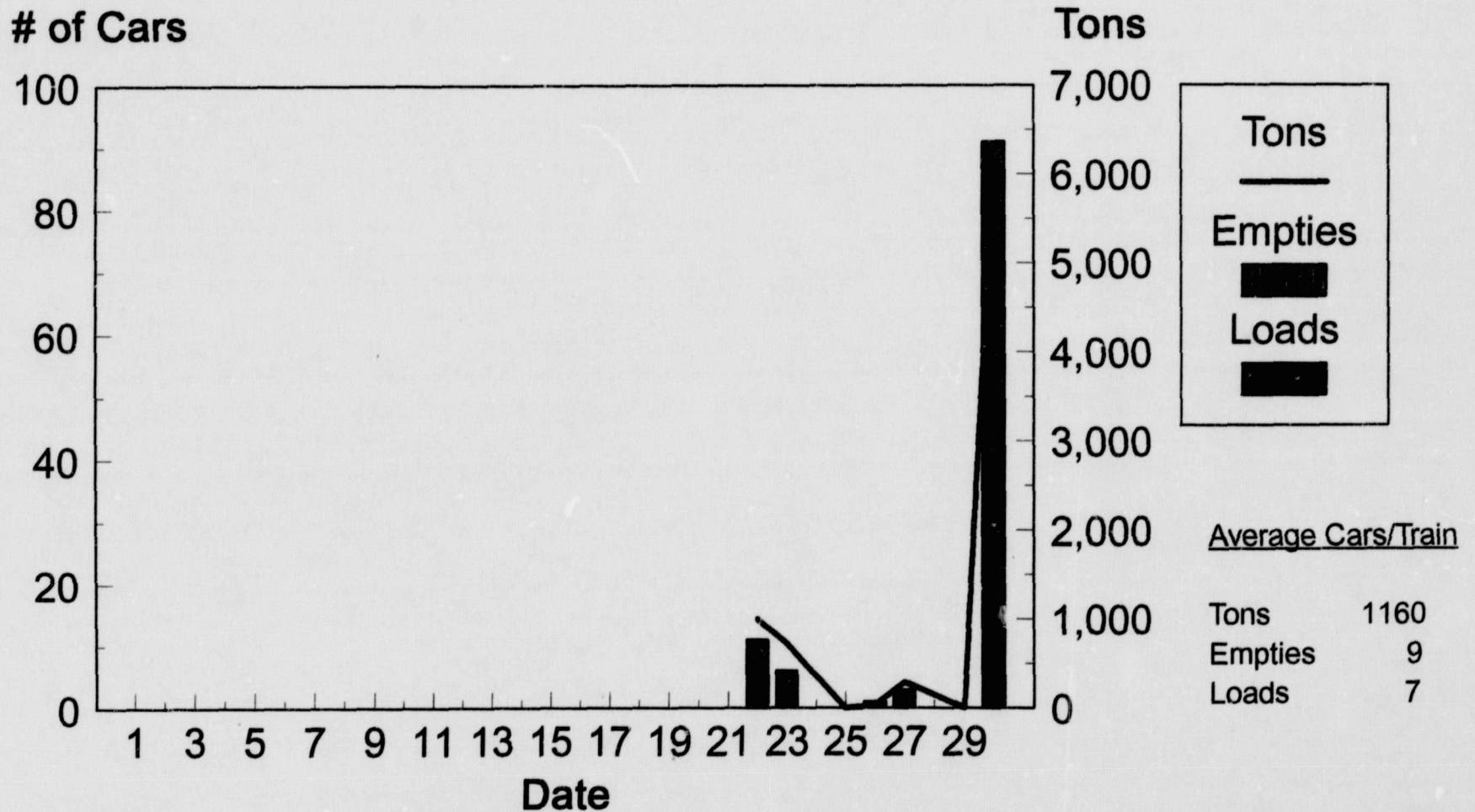
Tons 3423

Empties 12

Loads 26

Date

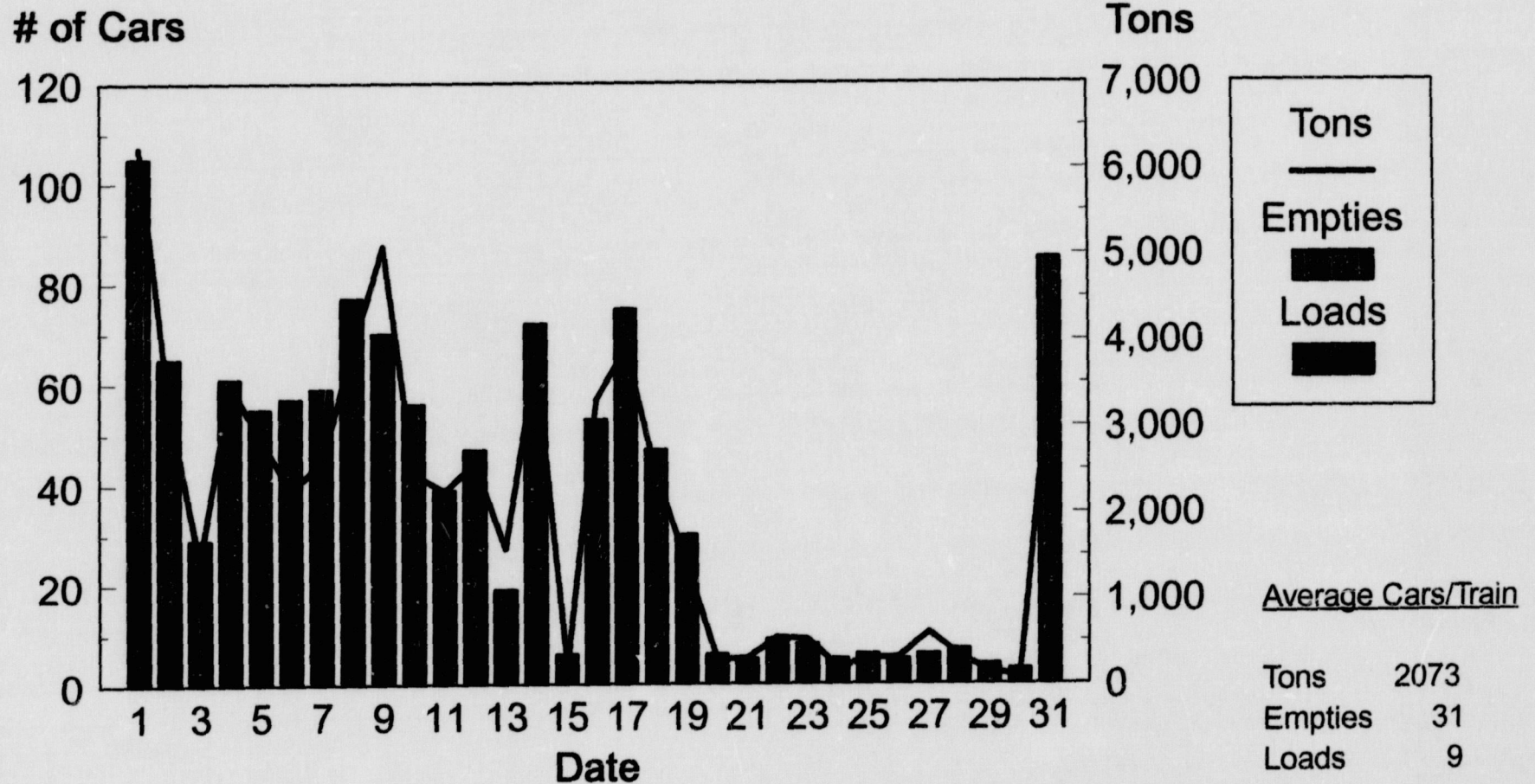
H-MELO Departing Memphis April 1997



H-MELO

Departing Memphis

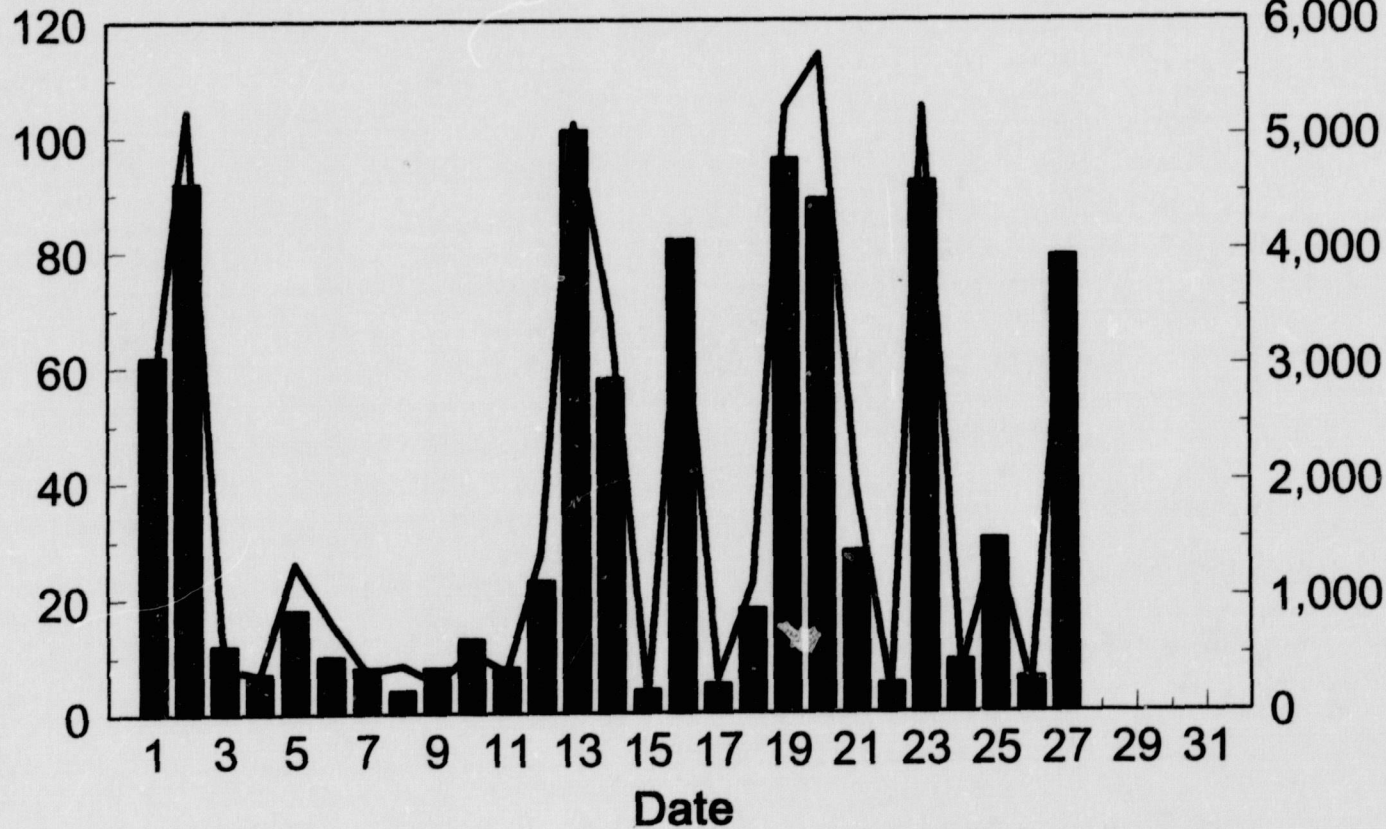
May 1997



H-MELO Departing Memphis June 1997

of Cars

Tons



Tons
—
Empties
Loads

Average Cars/Train

Tons	1991
Empties	29
Loads	8

Attachment 15

TRAIN VOLUME REPORTS

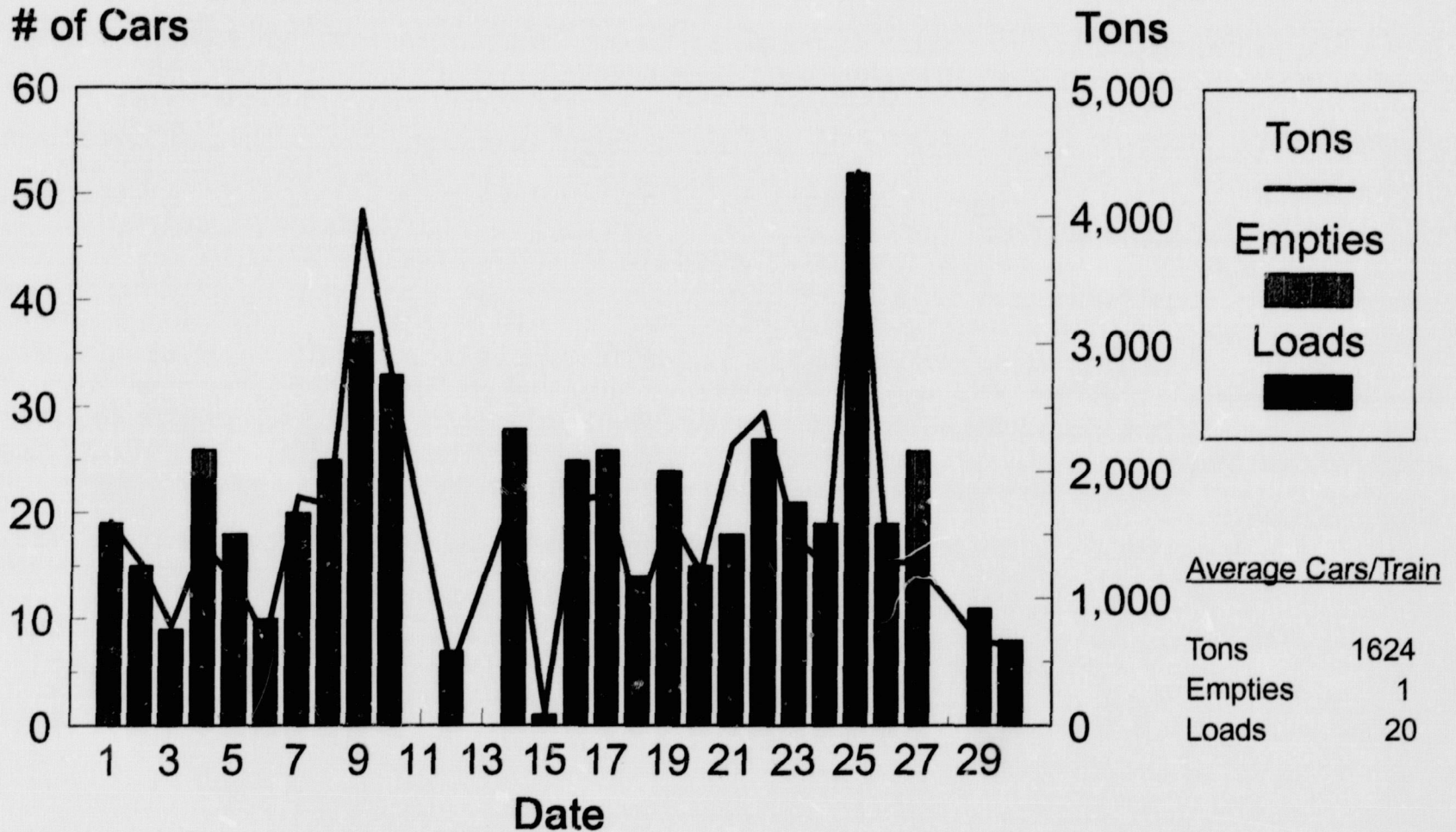
Second Quarter 1997

<u>Corridor</u>	<u>Lane</u>	<u>Train Symbol</u>
Gulf East	Houston - New Orleans Stack	S-CVNO
	New Orleans - Houston Intermodal	P-NOHO
	Silsbee - New Orleans	H-SINO
	New Orleans - Silsbee	H-NOSI

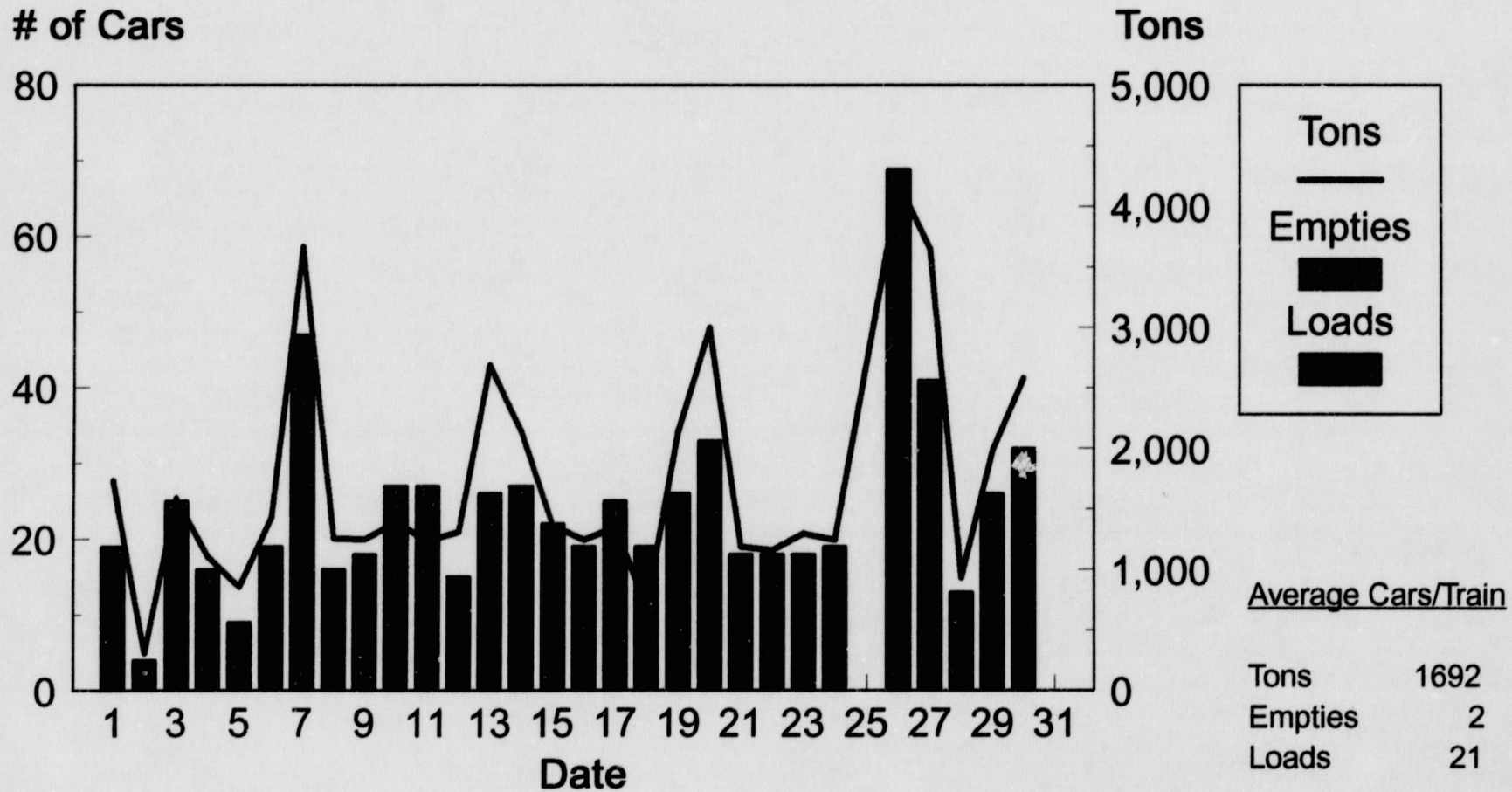
S-CVNO

Arriving New Orleans

April 1997

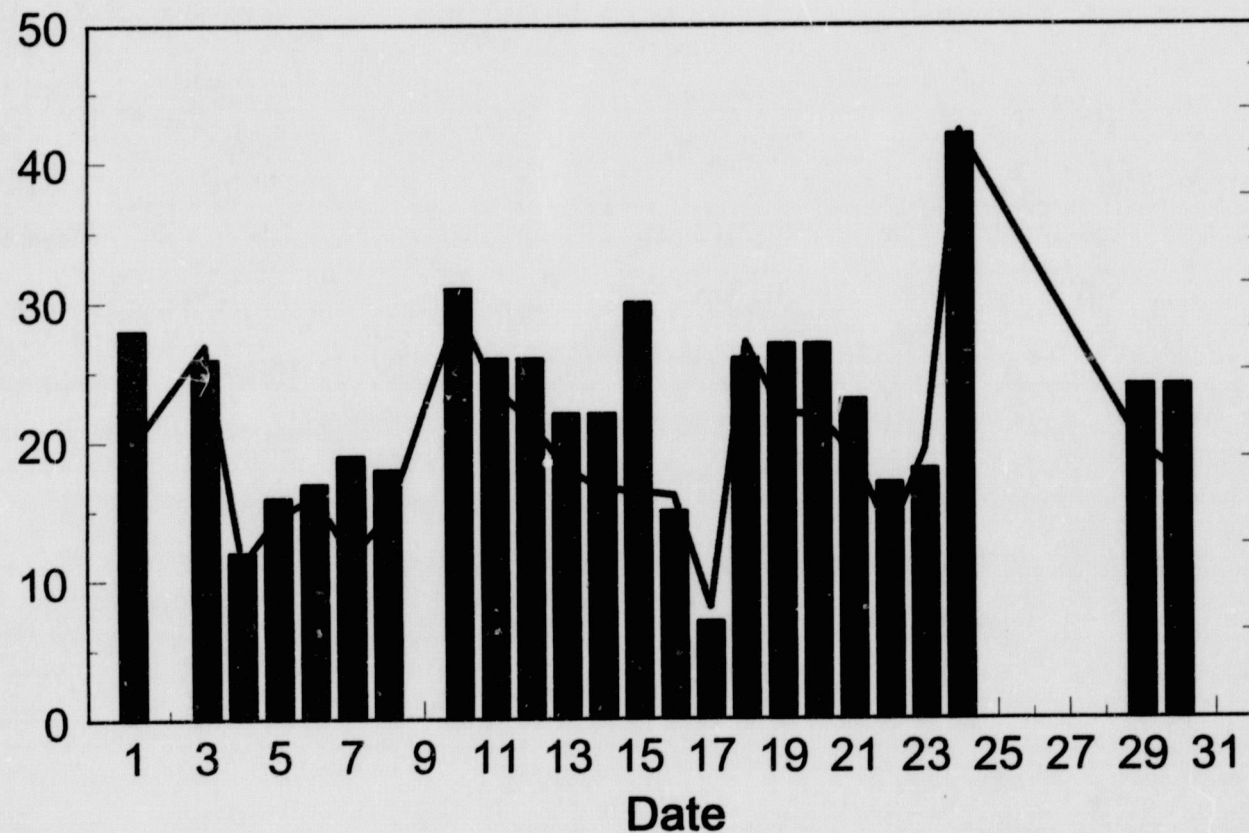


S-CVNO Arriving New Orleans May 1997



S-CVNO Arriving New Orleans June 1997

of Cars



Tons

4,000

3,500

3,000

2,500

2,000

1,500

1,000

500

0

Tons

Empties

Loads

Average Cars/Train

Tons 1528

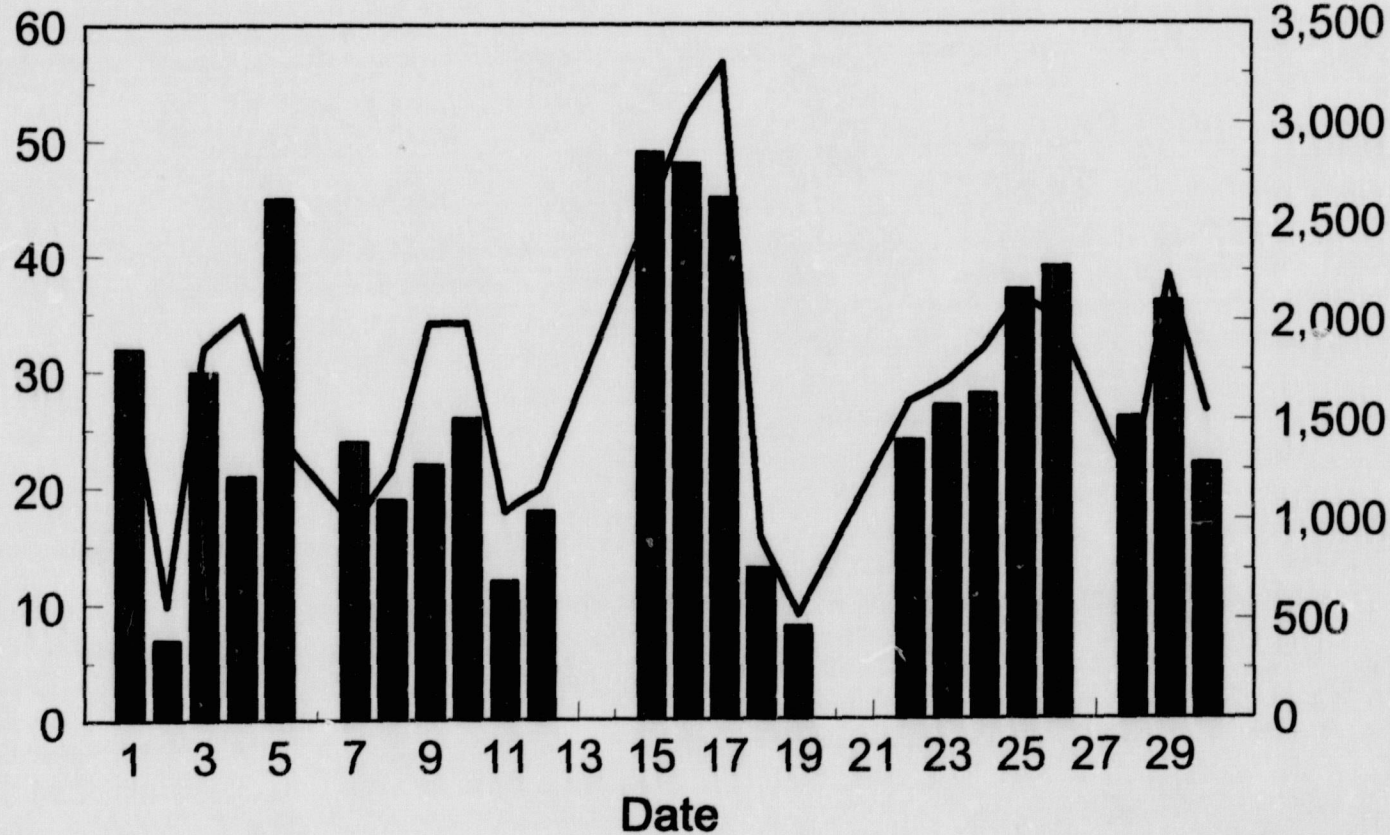
Empties 1

Loads 21

P-NOHO
Depart Avondale
April 1997

of Cars

Tons



Tons
—
Empties
█
Loads
█

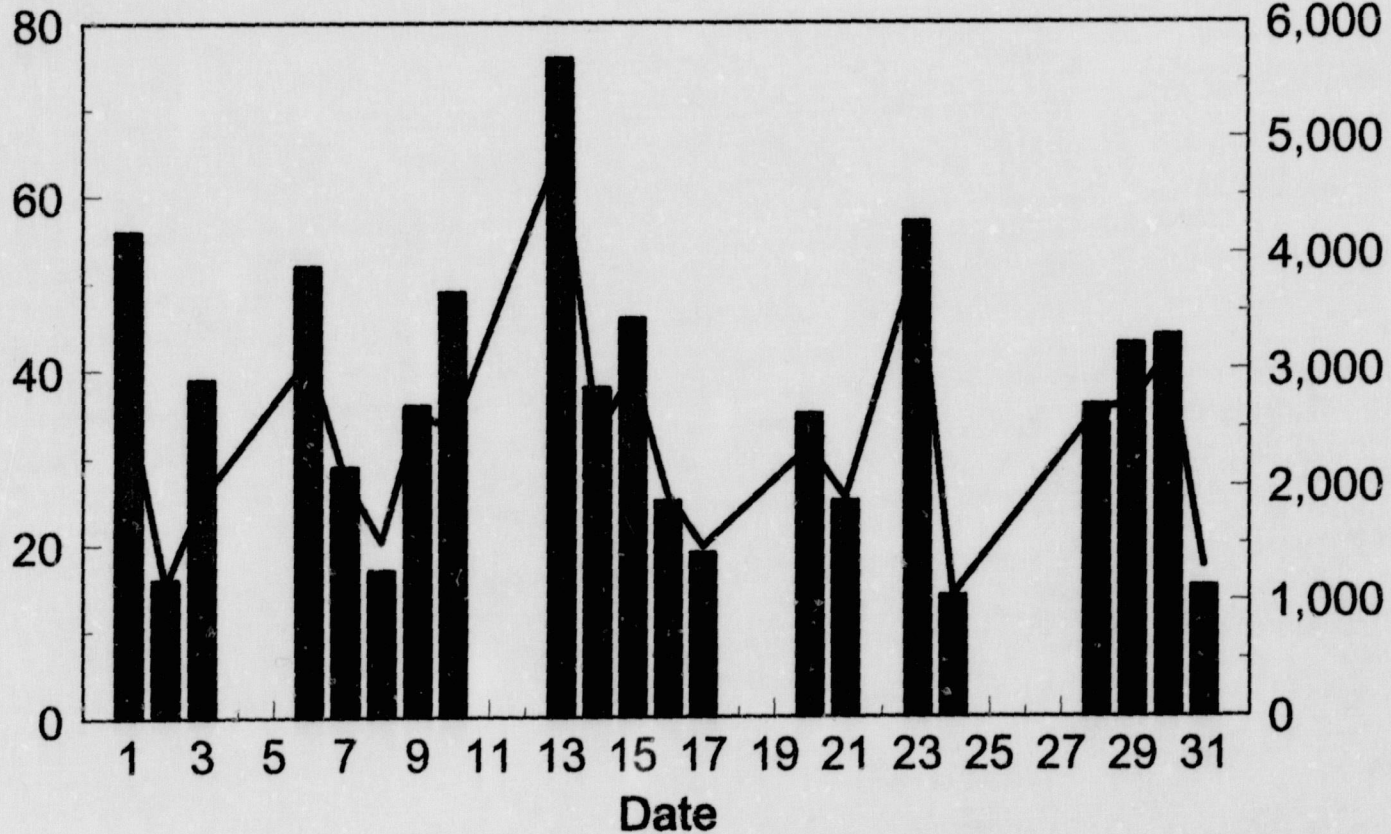
Average Cars/Train

Tons	1702
Empties	11
Loads	16

P-NOHO
Depart Avondale
May 1997

of Cars

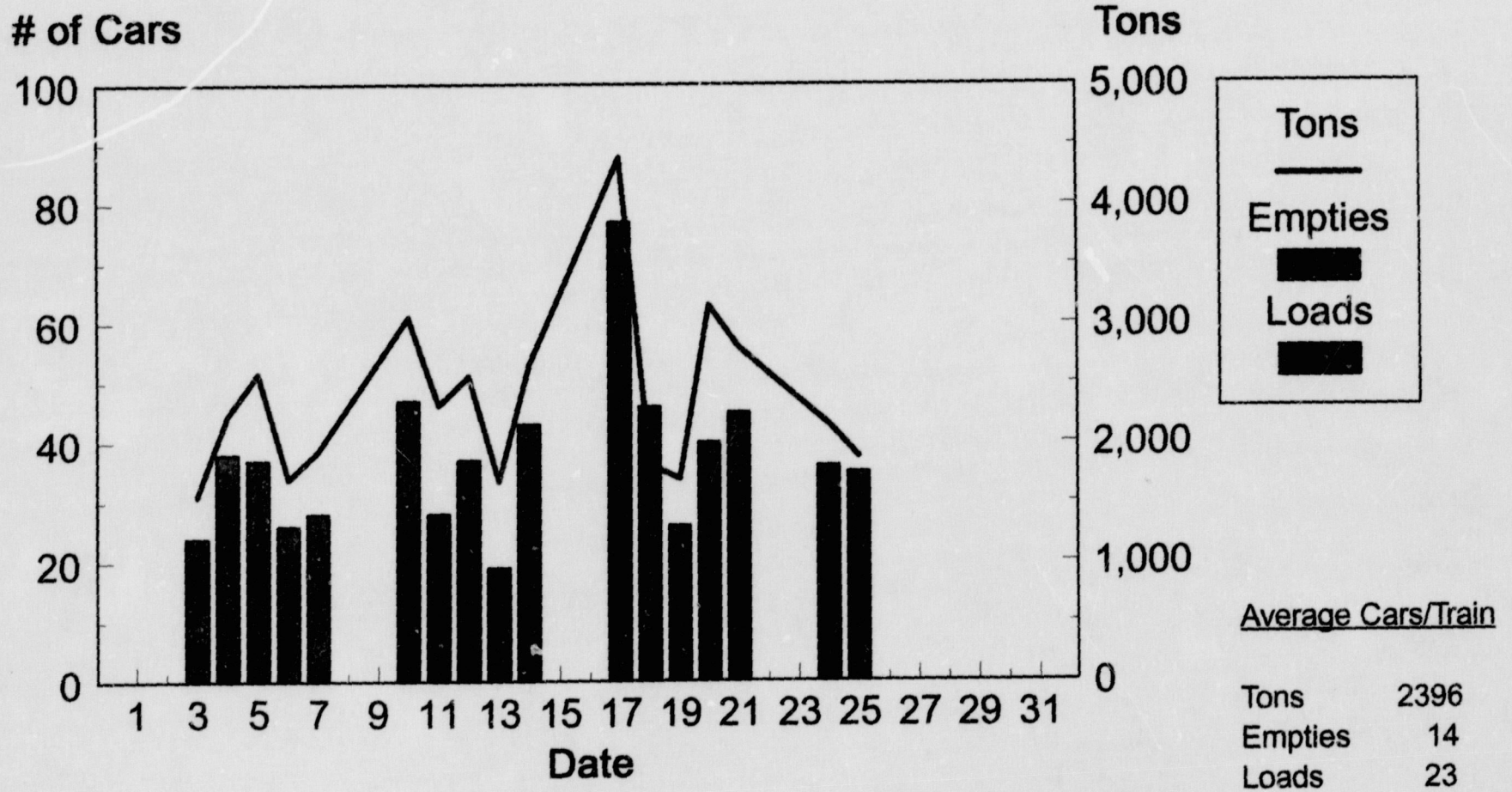
Tons



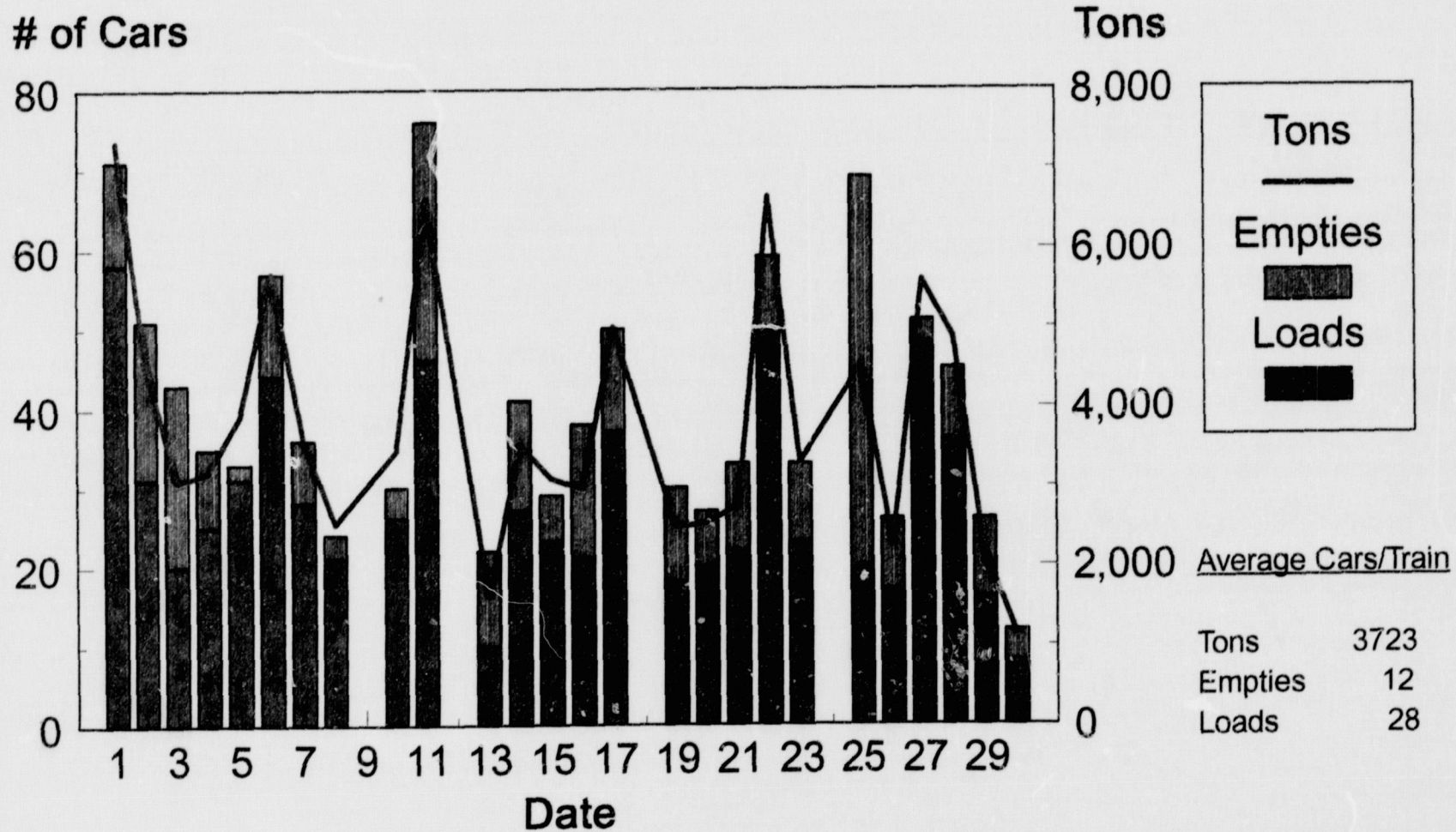
Average Cars/Train

Tons	2402
Empties	13
Loads	24

P-NOHO
Depart Avondale
June 1997



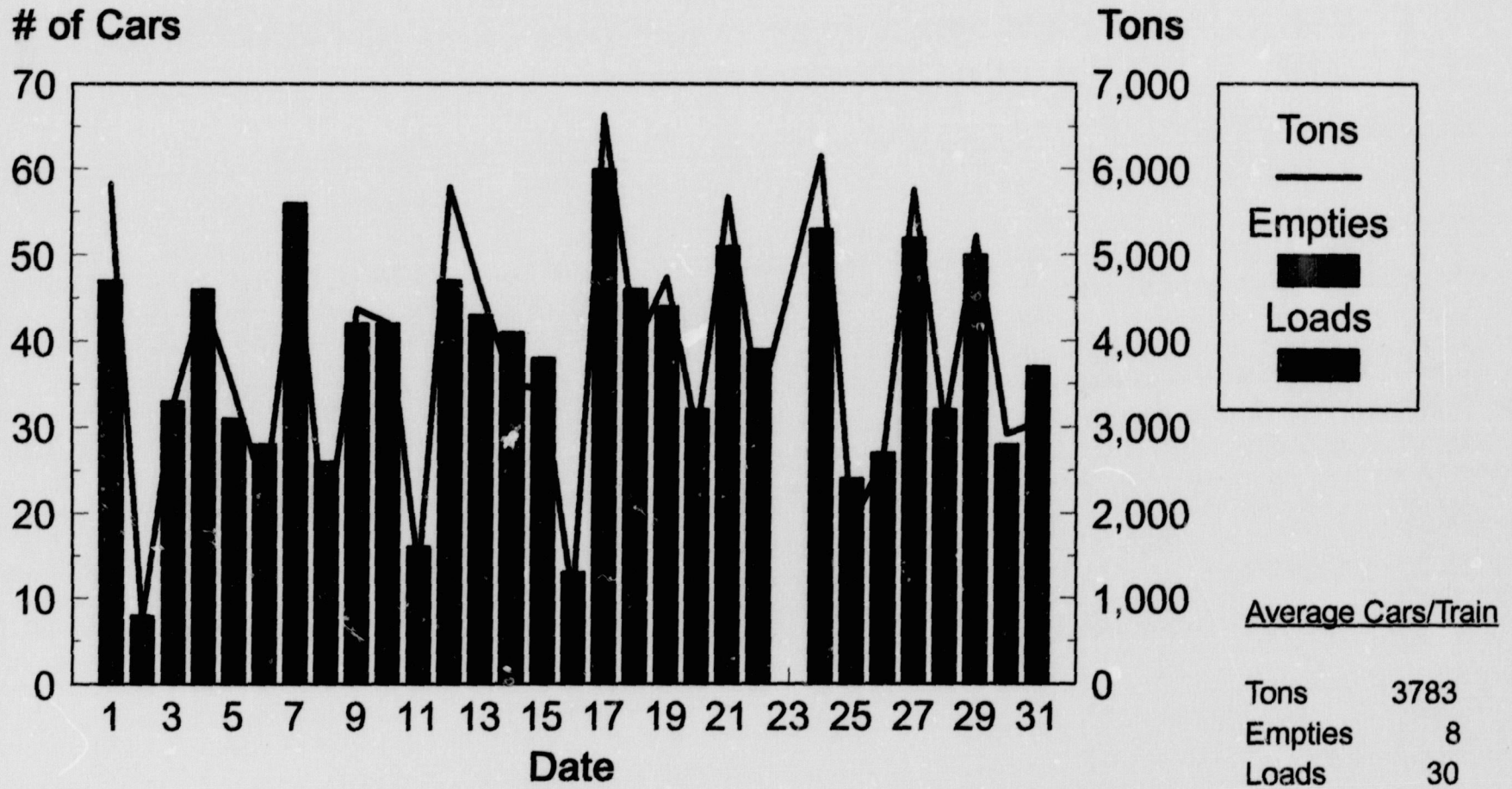
H-SINO Arriving Lafayette April 1997



H-SINO

Arriving Lafayette

May 1997



H-SINO

Arriving Lafayette

June 1997

of Cars

50

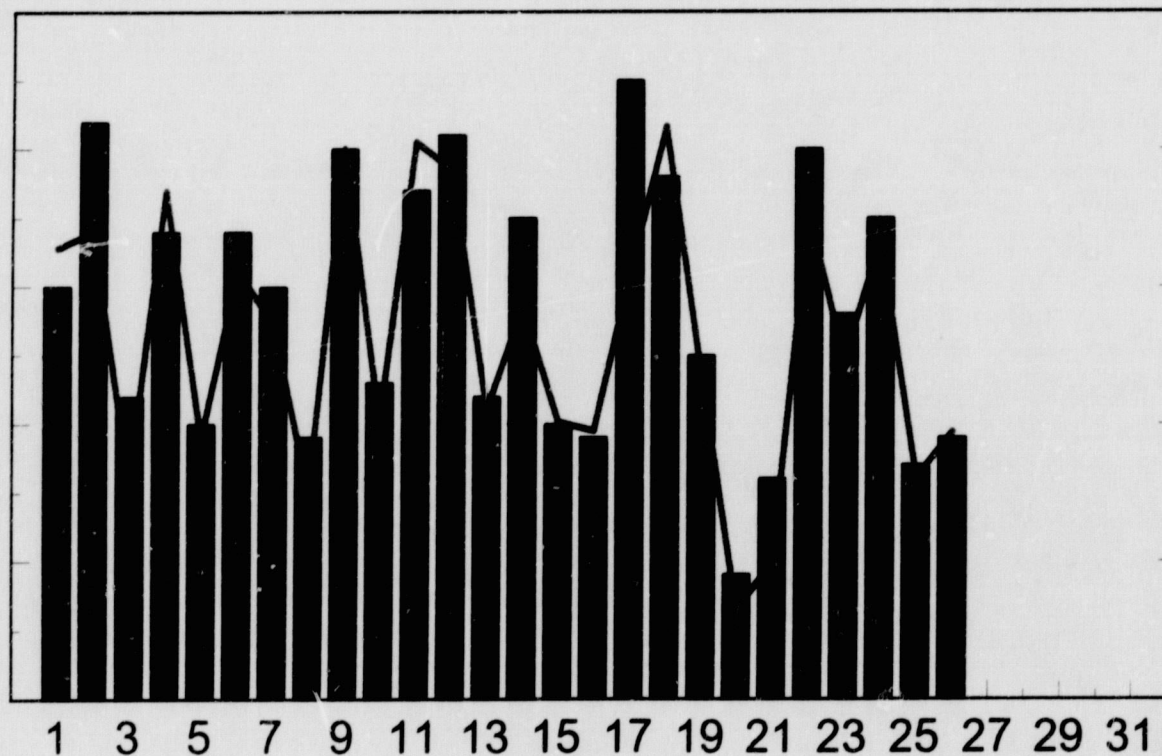
40

30

20

10

0



Date

Tons

5,000

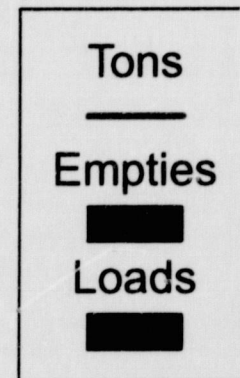
4,000

3,000

2,000

1,000

0



Average Cars/Train

Tons	2593
Empties	9
Loads	20

H-NOSI

Departing Lafayette

April 1997

of Cars

Tons

100

7,000

80

6,000

60

5,000

40

4,000

20

3,000

0

2,000

1,000

0

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29

Date

Tons

Empties

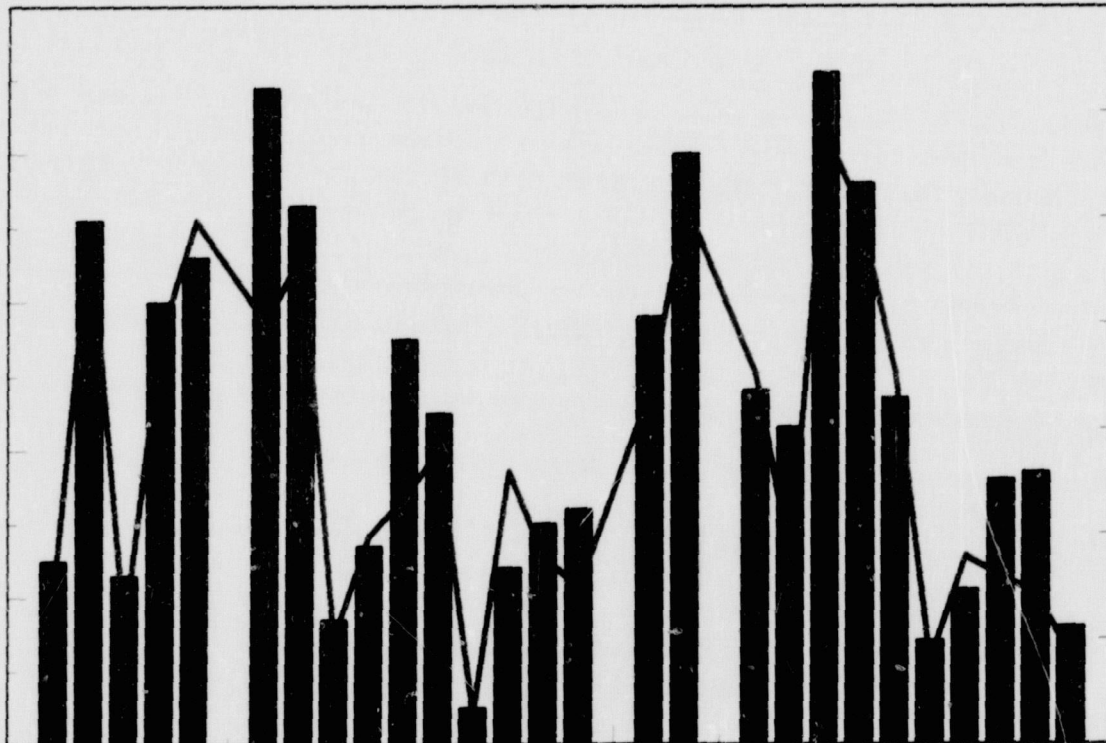
Loads

Average Cars/Train

Tons 2706

Empties 29

Loads 15



H-NOSI Departing Lafayette May 1997

of Cars

Tons

80

6,000

60

5,000

40

4,000

20

3,000

0

2,000

1,000

0

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31

Date

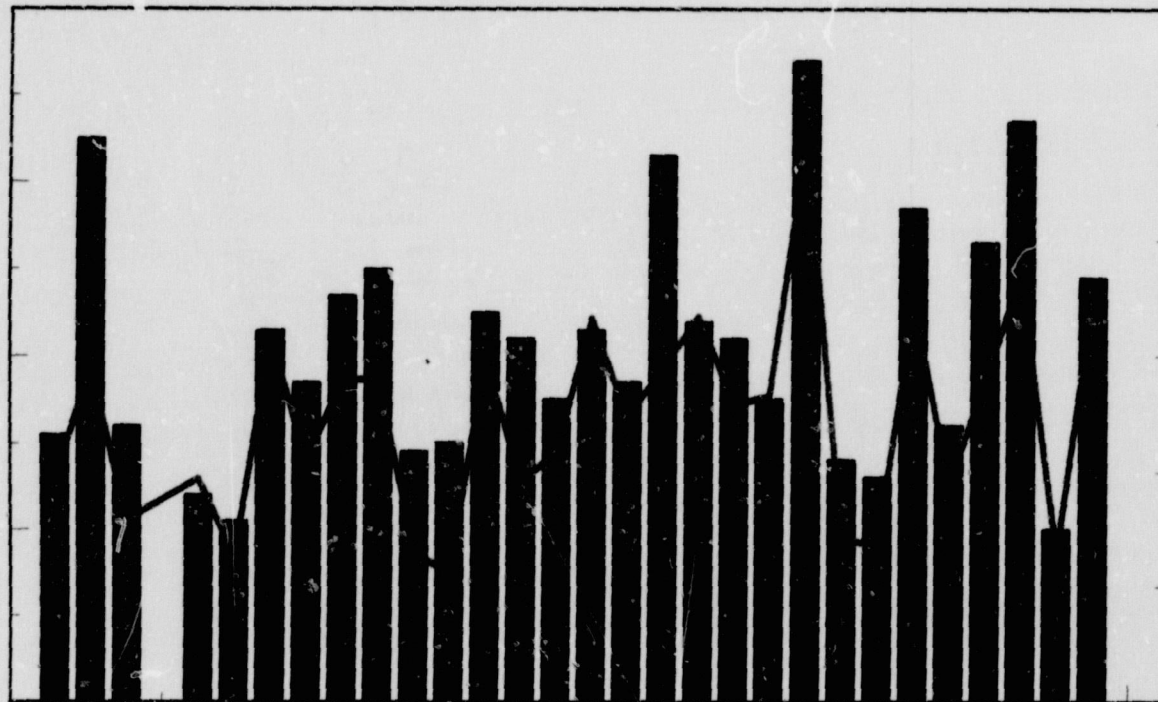
Tons

Empties

Loads

Average Cars/Train

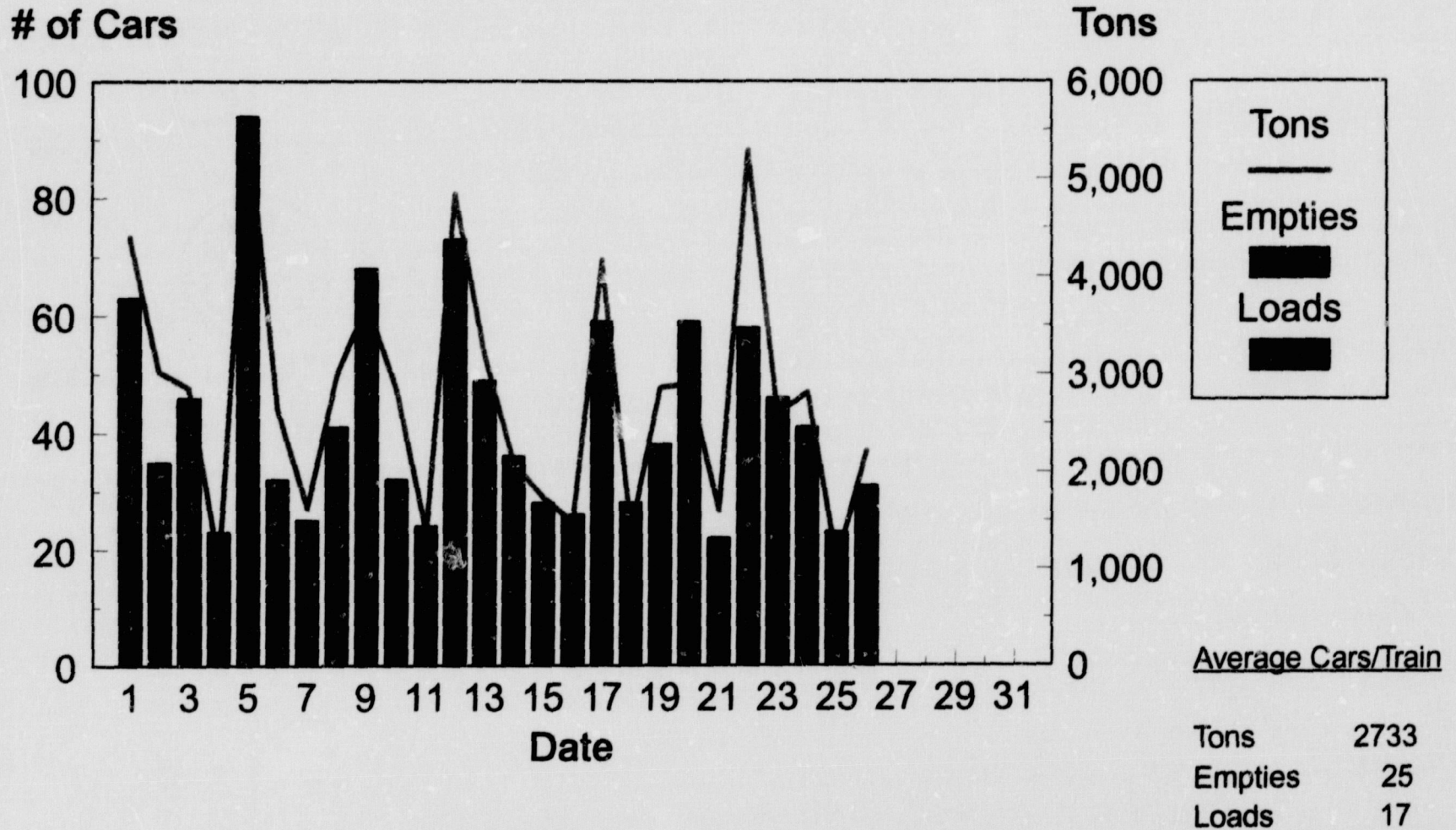
Tons	2367
Empties	27
Loads	13



H-NOSI

Departing Lafayette

June 1997



Attachment 16