centers. SP operates a modest intermodal terminal at City of Industry, but this is too far west to serve the Inland Empire efficiently.

UP/SP will also build a new intermodal facility in Kansas City, occupying part of SP's Armourdale Yard. Strategically located near I-70, this $16.7 million, 250,000-lift-per-year facility will replace both the small SP ramp at Armourdale and UP's ramp at Neff Yard, both of which have capacity constraints. It will support UP/SP's much more ambitious participation in the Kansas City-Southern California intermodal business. New, although smaller, intermodal yards will be constructed at Harlingen, Texas, serving the lower Rio Grande Valley and the Mexican border crossing at Brownsville, and at Texarkana. The Texarkana facility, located at a rail junction with frequent service north and south, will replace intermodal ramps at Shreveport, Louisiana, and Marshall, Texas, that will be located on lines with service predominantly in one direction as a result of the directional operations described earlier.

Before the UP/SP merger was announced, UP and SP were already exploring the possibility of contracting with an operator to build and operate a joint intermodal terminal across the Mississippi River from Memphis, possibly in conjunction with NS. This proposal was sufficiently advanced that we concluded we ought not treat the intermodal facility as a benefit of the merger. The new terminal definitely will be built if UP and SP merge, and it definitely will benefit UP/SP customers. This facility will allow UP to close its overtaxed intermodal yard in Memphis, and will allow SP to escape its equally taxed, poorly located intermodal facility in Memphis.

In addition to new facilities, UP/SP will invest more than $150 million to expand parking, lift and gate capacity at a number of major intermodal terminals throughout the system. One of the more ambitious projects will be at Portland, Oregon, where we expect substantial intermodal traffic growth as a result of improved service on the I-5 Corridor and removal of clearance restrictions in the Oregon mountains. We expect this growth even though many of the intermodal shipments loaded and unloaded today in Portland will move by rail to and from Seattle. In order to accommodate new business, the present UP facility in Seattle will also be expanded.

The UP Dupo intermodal terminal in the St. Louis area will be expanded to accommodate growth and shipments transferred from SP's small and outdated Valley Jct. Yard. We will increase Dupo's capacity not only by physical expansion but also by converting it from side loading of trailers and containers to a more efficient overhead crane loading operation. As the map indicates, we will also expand intermodal facilities at Salt Lake City, Laredo, Denver, San Antonio and Oakland. At Oakland, the former WP intermodal terminal is adjacent to the SP terminal; these two facilities will be integrated as well as expanded, with the WP terminal used primarily for American President Lines container shipments.

The UP/SP merger will bring together the excellent intermodal facilities in Chicago created by CNW and UP with Southern California's premier facility, SP's Intermodal Container Transfer Facility ("ICTF") in Long Beach. In Chicago, SP's intermodal operations are dispersed among four facilities, all on the property of other railroads. Shipments to and from Texas, Louisiana, Arkansas and Mexico will be consolidated in

UP's Dolton facility, which will be expanded to accommodate 250,000 annual lifts. Conventional intermodal traffic to and from the West and Southwest will operate to and from the Canal Street terminal on the west side of Chicago's Loop. UP's large Global-2 intermodal facility will be expanded by a third and, along with Global-1, will handle doublestack traffic to and from the same areas. UP/SP will discontinue using one of two IC facilities, as well as a CSX yard at Forest Hill, distributing that traffic among the UP facilities. UP/SP will continue to use a second IC facility until it develops sufficient capacity at Dolton.

In Los Angeles, we will proceed gradually because of the time required to open the Inland Empire facility and complete a new $27 million expansion at ICTF. As these projects are finished, and as an increasing number of steamship containers come to be loaded and unloaded at on-dock facilities, UP/SP will close the less efficient SP Los Angeles Transportation Center ("LATC") intermodal facility (releasing real estate near downtown Los Angeles worth some $65 million) and move many of those functions to UP's East Los Angeles Yard. When we are finished, UP/SP will have the most modern intermodal facilities in the Basin, although we expect BN/Santa Fe to challenge us with its own initiatives.

3. Manifest Terminal and Yard Improvements. Today SP and UP both operate terminals, either in the same city or nearby and serving common territory, at more than 40 points. In some cases the terminals serve virtually identical geographical regions; in all cases there is broad functional overlap between the two facilities. First there are the major terminal yards, such as SP's North Yard and UP's 36th Street Yard in Denver. Next are

what were once considered satellite yards, but will now become small regional yards in their own right, such as SP's Strang Yard at Houston and City of Industry Yard in Southern California. Finally, there are many smaller yards serving local industries, such as SP's Dolores and J Yards and UP's Montclair and Mead Yards in Los Angeles.

In every jointly-served location, UP/SP will combine or coordinate functions of the two carriers' primary freight yards. UP/SP will consolidate manifest operations into SP's North Yard in Denver; SP's Roper Yard in Salt Lake City; UP's Barnes Yard in Portland; UP's Neff Yard in Kansas City; the A&S Gateway Yard in St. Louis; UP's yards in Stockton, Memphis, Texarkana, Elko, Shreveport, Topeka and the New Orleans area; SP's yards in Beaumont, Lake Charles, Oakland, El Paso, Dallas and Reno; and, finally, UP's yards in Ft. Worth, Waco, Brownsville and Harlingen in Texas. At all these locations, the combined traffic of the two carriers can be switched more efficiently in one yard than in two. Interchange movements will be eliminated. In many cases, service can be improved in other ways, as in Dallas, where UP local industry traffic will no longer travel 35 miles west to UP's Centennial Yard, only to move back east on a train. SP's yard in Dallas will build a block for direct movement to North Little Rock, saving at least a day in transit.

In some terminals, neither freight yard will accommodate all UP/SP traffic, so both major yards will remain in use, each playing a tailored role. In Houston, SP's Englewood Yard will be dedicated to handling east-west business, while UP's Settegast Yard will specialize in north-south traffic and supporting local industries. The carriers' San Antonio yards will divide terminal tasks, with SP's yards handling BN/Santa Fe traffic and industry support while UP's SoSan yard will be dedicated to Mexico trade. SP's New Yard at

Avondale, Louisiana, will also have a new role as BN/Santa Fe's yard for the New Orleans terminal. SP's Old Yard will be available for potential development of a new intermodal facility should this become necessary.

As we have already indicated, UP/SP will make a number of changes in Chicago terminal operations. First, we will take some traffic out of Chicago yards altogether by improving run-through service to and from eastern connections. Second, we will concentrate manifest traffic for CSX and GTW, as well as smaller carriers, at BRC's Clearing Yard. This will allow us to reduce manifest freight classification work at Proviso and devote part of that yard to expanded intermodal operations. Finally, north-south traffic will be concentrated at UP's Yard Center facility on the south side of Chicago.

Terminal operations in the Los Angeles Basin will be comprehensively reworked. SP's West Colton hump yard will be primarily responsible for building blocks of traffic leaving or passing through the Basin, while SP's City of Industry Yard will be responsible for receiving inbound traffic for local shippers and providing industry support. This coordination will allow us to eliminate a great deal of classification work performed northeast of Los Angeles at UP's Yermo Yard on the Mojave Desert, freeing track space for staging export coal trains. With these steps, UP/SP will be able to close the SP "J Yard," combine UP and SP switching yards at City of Industry, and consolidate industrial switching at Kaiser, Mira Loma, Riverside, Arlington and Montclair. Aided by a variety of connections discussed in the Operating Plan, UP/SP will simplify the many "hauler" operations that move groups of cars between the larger yards and the support yards.

4. SIT Facilities. Shippers of chemicals, plastics and other commodities often require Storage In Transit ("SIT") of shipments awaiting delivery to their consignees. The largest SP and UP SIT facilities are SP's yard at Dayton, Texas, with a capacity of about 3,000 cars, and UP's Spring, Texas, yard which can store over 1,500 cars. Both facilities will remain in service. In St. Louis, SP's Valley Yard, adjacent to the A&S Gateway Yard, will become a SIT facility operated by A&S. Cars released from Valley Yard can be switched directly into outbound trains at Gateway Yard. Other than at Dayton, SP has little SIT space along the Gulf Coast, while UP has more than a half dozen SIT yards. SP shippers will benefit from coordinated use of all UP and SP facilities, permitting cars to be stored at the locations most appropriate for their needs. In addition, UP's Amelia Yard near Beaumont, Texas, will be converted to a SIT facility.

D. Equipment Availability and Utilization

UP provides its shippers with substantially better access to equipment than has SP in recent years. In fact, SP has given up business and short-hauled itself because it cannot supply all the cars shippers want. The UP/SP merger will offer the combined UP and CNW car fleets to SP shippers. In addition, the car fleets of the combined carriers will be effectively expanded as a result of equipment utilization efficiencies.

UP's experience in acquiring MPRR, WP, MKT and CNW over the last fifteen years shows that, when it comes to locomotives and cars, railroad consolidations permit one plus one to equal more than two. As a combined system, two railroads immediately eliminate a range of practices that for decades have caused the nation's rail system to underutilize these expensive assets. For example, consolidation eliminates the incentives

for individual railroads to get empty cars off-line quickly, instead of using them with consequent risk to their separate car hire balances. Today, an integrated rail system also can continually take account of information about car availability and demand for cars across the entire system, applying new intelligent technology to predict future equipment demand and direct empty cars to the most likely loading areas. Separate railroads do not do that jointly.

1. Matching Seasonal Utilization Patterns. UP and SP studied utilization patterns for the UP and SP systems. As is generally the case, we found that periods of sustained heavy demand, for which railroads generally attempt to size their fleets, differ on the two railroads for some car types. As a single system, UP and SP can share their equipment to meet the same level of demand with fewer cars, or increased demand without buying new cars. At market lease rates for the affected car types, this translates into additional car capacity worth about $12.7 million annually.

2. Eliminating Cross-Hauls. For decades, experts have recognized that separate railroads use cars inefficiently because they move equally serviceable empty cars in opposite directions in order to satisfy the Car Service Rules, comply with Car Service Directives and reduce car hire payments. Rail consolidations eliminate these practices. Our staffs calculated that the reduced cost of cross-hauling empty cars would save UP/SP some $11 million annually. We were unable to prove to our satisfaction that all of these savings are independent of other efficiencies measured in the Operating Plan. To be conservative, we did not include this benefit in the calculation of public benefits attributable to the merger.

3. More Efficient Operations. We explained earlier that the routing, network and operating efficiencies associated with the UP/SP Operating Plan would reduce annual operating expenses for existing traffic by not less than $70 million. A substantial component of this savings is attributable to reduced car time. UP/SP will eliminate more than one million car days from the transit time needed to handle their 1994 traffic (and this measure assumes that SP operated with 100 percent reliability in 1994). Translated, this is equivalent to almost 3,000 additional freight cars.

E. Customer Service Centers

Historically, railroads related to their customers primarily through local freight agents in each town and city. Today, most large railroads operate national customer service centers staffed with customer representatives with specialized knowledge of each customer's line of business and access to an array of information. UP's National Customer Service Center ("NCSC") is in St. Louis, supplemented by an International Customer Service Center in Laredo. SP recently established a National Customer Service Center in Denver. It also has regional offices in Los Angeles and Houston.

UP's NCSC handles not only the customer contacts, but also important operating functions such as train and interchange reporting. On SP, those functions are still carried out by local clerical personnel throughout the system. UP's NCSC also uses a system called ATCS, which allows the customer service representative to make direct computer contact with train crews across the UP system. When a customer reports to the NCSC that a car is loaded and ready to go, the NCSC representative, using ATCS, can instantly

authorize an approaching train to stop and pick up the car. SP does not have this time-sensitive capability.

The UP and SP customer service functions will be combined, although the location has not yet been determined. When we studied the efficiency of these operations, we learned that the UP's NCSC is considerably more efficient in handling calls than SP's, probably because of better computer support. UP information support systems will be used. We expect this consolidation to save UP/SP roughly $28 million annually, while improving our responsiveness to our customers' needs.

IV. Operating Efficiencies of a UP/SP Merger

A. Centralized Functions

One of our planning teams studied a variety of operating activities administered on a centralized basis on one or both railroads, such as train dispatching, locomotive management and crew dispatching. It found many potential efficiencies through merged operations.

1. Train Dispatching: At UP's state-of-the-art Harriman Dispatching Center in Omaha, 41 dispatching desks work around the clock to control trains across the UP system, including recently-acquired CNW tracks. Within the last year, SP also centralized dispatching on its railroad at a modern center in Denver. At both centers, dispatchers use computer terminals to control train movements, set switches and signals in CTC territory, issue track warrants, authorize maintenance activities and conduct other dispatching functions. SP's system uses PC-based work stations, while UP's Harriman Center uses mainframe computers and large displays of track segments showing locations of trains.

In addition, the UP center has a feature that SP does not have, called Computer Assisted Dispatching, or "CAD." CAD automates the dispatcher's routine decisions by identifying routes for trains in CTC territory.

Ultimately, UP/SP will combine dispatching at a single system location, but that will not be accomplished in the first years after the merger. For at least the next several years, it makes more sense to use both dispatching centers and to link them electronically. With present technology, neither center has the capacity today to absorb the other's work. By linking and ultimately combining the UP and SP dispatching systems and adopting the best technologies of both systems, UP/SP will be able to dispatch the entire railroad with 172 fewer dispatchers and related personnel, saving over $15 million annually.

UP is developing a new technology for the next generation of automated train dispatching which may suggest a different facility or form of organization. This next generation of dispatching technology will include a radically new way of dispatching trains. All dispatching systems today rely primarily on the judgment of experienced train dispatchers, who exercise their best judgment to advance the trains on their territory and those they expect in coming hours. However, not even the most experienced dispatcher with the most sophisticated planning system in use today has the breadth of knowledge or comprehensive information necessary to make the optimal dispatching decision -- one that reduces costs and maximizes customer satisfaction.

For example, when faced with the decision whether to stop a through freight on a busy mainline to pick up a single car containing an important shipment, neither the dispatcher nor operating managers can evaluate the tradeoffs inherent in the decision,

including the downstream effects of stopping the train on other trains, the economic benefits of picking up the car and other perspectives.

UP is developing a new version of "CAD," which will add comprehensive analysis of the system effects of dispatching decisions, with a focus on customer service, not railroad convenience. This will allow dispatchers to make decisions that are most consistent with the entire range of commitments the railroad has made to its customers and that minimize the costs of providing service, taking into account dozens of factors no individual could assimilate. This system can also be used as a sophisticated planning tool. UP/SP will extend this capability to dispatchers who control not only UP territory, but also SP territory.

2. Locomotive Management and Utilization. By using more direct routes, running trains faster in many corridors, eliminating helper locomotives, triangulating locomotive movements and combining traffic flows that now require separate trains on the two railroads, UP/SP will be able to use locomotives more efficiently and consume less fuel. Looking only at 1994 traffic, a merged UP/SP could have handled the same traffic with 210 fewer 4,400-hp. through-freight locomotives worth approximately $410 million and 80 fewer local and yard locomotives. In fact, we determined that UP/SP could handle all the traffic projected for the merged system, including traffic resulting from extended hauls, new marketing opportunities and truck-to-intermodal diversions, with approximately the same number of locomotives they used as separate companies in 1994 to transport less business. The same efficiencies will allow UP/SP to transport a given volume of freight with significantly lower locomotive fuel consumption. UP/SP would have burned about

25.6 million fewer gallons of diesel fuel based on 1994 traffic levels. At today's average market price of $.65/gallon, that translates into an annual cost reduction of almost $17 million. A further benefit will be significantly reduced air emissions as a result of reduced fuel consumption.

3. Crew Management. By adopting TCS, UP/SP will be able to use UP's Crew Management System on SP routes. This software allows UP crew managers to be substantially more efficient than their SP counterparts, whose productivity is only 65 percent of UP's based on calls handled or 60 percent of UP's based on train and yard crew employees handled. UP/SP will be able to manage crews with 62 fewer agreement employees and 10 fewer managers, saving approximately $4.3 million annually.

In addition, the quality of crew management will improve. Due to lack of technological support, SP crew managers sometimes have difficulty anticipating crew shortages until they occur. For example, SP crew dispatchers in Denver sometimes lack information that would enable them to reposition crews in advance of an imbalance at Pueblo or Minturn, Colorado, even though operating personnel in the field can see that crews are becoming imbalanced. UP's systems alert crew dispatchers to such problems in advance.

4. Timekeeping Functions. SP's timekeeping activities are approximately one-third less efficient than UP's comparable functions, again primarily due to less effective technology. By applying UP technology and practices to SP timekeeping, the UP/SP system can save over $6 million annually.

5. Train Crew Reporting. UP/SP will adopt on a systemwide basis an SP system called C-CATS, which eliminates the need for train crews to prepare written timekeeping reports and the need to use clerical personnel to process the information. SP train crews enter timekeeping information on computer terminals, which automatically record the information and compute compensation.

6. Operating Department Administration. SP and UP have separate operating management teams, just as they have separate corporate support functions such as executive officers, lawyers and accountants. In the operating area, these duplicate management functions include engineering, equipment maintenance, communications, police, purchasing, freight claims, fleet management and labor relations, as well as field level operating supervisors. Through merger, these activities can be consolidated, generating operating savings that translate directly into the ability to produce transportation at less expense, resulting in benefits to shippers and the public.

B. Engineering Services

In the short term, engineering costs for a UP/SP system will increase dramatically, as we invest heavily in capital improvements. These will include not only corridor upgrades on SP and UP lines, but also numerous connections throughout the combined system to facilitate new operating patterns.

Over the long term, UP and SP will save approximately $5.6 million annually through more efficient track and signal repair and maintenance. We did not attempt to quantify all the efficiency savings resulting from combining our two companies, because some of the savings will be offset by improving maintenance practices on SP lines. (One

small example is that SP's weed control program along its rights of way has fallen behind. UP/SP will spend more to keep the weeds at bay.) Programs like those do not have a payoff visible to shippers, but they ensure that the railroad will be in good condition in future years.

UP/SP will also increase annual spending on track and signals on SP lines. SP has done a good job of maintaining its mainline rail and track structure on core routes. Elsewhere, such as secondary lines and yards, jointed rail was not replaced with continuous welded rail and ties were not replaced with the same frequency as on UP. UP/SP will adopt UP maintenance of way practices throughout the SP system, ensuring that SP lines are maintained to high standards for future decades.

Engineering activities can be viewed as involving four main areas: (1) general office functions, such as design, planning, budgets, public projects, contracts, purchasing track materials, leasing maintenance equipment, environmental review, and supervision of system and division-level work; (2) system gangs or project teams, which work throughout the system as needed; (3) heavy equipment repair, and (4) on-line, division-based support personnel and facilities.

1. General Office Functions. With the adoption of common standards throughout the system, the general office functions of the two companies will become largely duplicative and can be consolidated.

Significant expense reductions are also expected in the reallocation of purchases among ballast and tie suppliers. In 1994, taking the lowest-cost supplier as index 100, the prices of the 20 major ballast suppliers for the two companies ranged up to index 199.7.

Location of the supplier and distance to the point of application are always factors, but large savings can be realized by choosing lower-cost options from among the multiple comparable sources. UP/SP will obtain 50 percent of the ballast requirements for SP's existing lines from UP quarries, for an average price $2.29 per ton less than ballast from SP quarries.

SP and UP have slightly different rail section specifications for new mainline construction and renewal: SP uses 136-pound rail, while UP uses 133-pound rail, which is comparable. Adoption of the UP standard will save over $900,000 per year. In addition, combining the purchasing power of the two railroads should lead to greater per-unit cost savings when larger orders are placed. Similar savings will be realized in the purchase of other track materials, such as spikes, tie plates, switch materials and the like.

UP can perform rail grinding, rail testing, rail welding, panel track fabrication and track geometry testing at lower cost than SP. In some cases, SP uses outside contractors, while UP -- after evaluating external against internal costs -- has concluded that it can do the work more efficiently. Further efficiencies can be obtained by combining UP and SP volumes. In this area, UP/SP again will use UP best practices, saving about $2.2 million annually, after some initial investment.

2. System Gangs and Projects. The system gangs cover what is referred to as "program" work, major projects requiring specialized equipment and augmented forces, such as rail renewal, tie programs, bridge and tunnel heavy repairs or construction, and major communications and signal projects.

Many years ago, track maintenance depended upon section gangs located every ten to twenty miles, each responsible for the maintenance of a short segment of the railroad. As labor-saving equipment was designed and machines were developed that cleaned or spread ballast, pulled old and placed new ties, spiked rails in place, and lined and surfaced track at a miles-per-day rate, division-level maintenance work was redesigned and reliance placed on production gangs which covered the system for the major renewals. Combining the equipment and employees of the production gangs for the two companies, who often work in the same geographic area, will give planners greater scheduling opportunities for optimum production in all seasons. Because the gangs will be used more efficiently, UP/SP will be able to perform the same quality of maintenance with two fewer tie gangs and four fewer curve gangs. Purchases of associated equipment will also be avoided. Labor organization changes required for efficient use of system gangs are described in Appendix A to the Operating Plan.

3. Maintenance of Way Repair Shops. SP has a new repair facility at Denver for maintenance of way equipment. UP uses an outdated shop in an old building in Pocatello, as well as a smaller shop in Ft. Worth. Most of this work will be combined at the SP Denver shop. Ft. Worth will continue to perform light repairs.

4. Maintenance Districts. Notwithstanding the major shift to production machinery, there continues to be a substantial need for locally based forces to deal with day-to-day maintenance that cannot wait for the next renewal cycle, and to regularly inspect track, tunnels, bridges and structures. These activities are essentially division- or district-based. Redesign of operating units and re-channeling of traffic brought about by the merger will

allow UP/SP to combine these forces in a more efficient manner, as described in Appendix A to the Operating Plan.

C. **Locomotive and Car Repair Facilities**

The Operating Plan produces savings by combining, where appropriate, the work of existing UP and SP car and locomotive facilities at a single location. To determine which facilities should be closed, two separate inquiries were made: (1) where are the best locations for heavy rebuild or overhaul facilities, based on convenience to anticipated traffic patterns on the new system; and (2) what on-line facilities are needed to support individual traffic flows.

1. Locomotive Repairs. UP has a locomotive overhaul shop at North Little Rock (Jenks), and SP has a comparable heavy repair facility at Denver (Burnham). The joint team concluded that both shops should be retained, but each should specialize: Denver should handle the General Electric locomotive units (in light of the fact that 70% of UP's GE fleet is assigned to the territory west of and including North Platte), and North Little Rock should handle the EMD (Electro-Motive Division) units. Traction motor and wheel shops in Sacramento and supporting work in Los Angeles will be transferred to the GE program at Denver. An SP "Power-by-the-Mile" program under which EMD maintains GP-60 locomotives using SP employees will be transferred from an EMD facility in Kansas City to an existing SP facility in El Paso, Texas. SP's locomotive repair shop at Hardy Street in Houston will be closed, and its work distributed to another location in Houston, as well as to El Paso and North Little Rock.

UP/SP will realign locomotive running repair shops to serve the route structure of the merged system. UP/SP will build a new $21 million running repair facility at West Colton, replacing an older and inefficiently located shop at Taylor Yard. UP's running repair facility at Stockton will be closed and its work relocated to Roseville. Independently of the merger, UP is constructing a major running repair facility at Hinkle, Oregon. These three facilities will give UP/SP excellent coverage of its western route network. In addition to these changes, a number of improvements and modifications will be made to locomotive servicing facilities throughout the UP/SP system.

2. Freight Car Repairs. UP has system car shops for heavy repairs at Pocatello, Idaho; DeSoto, Missouri; and Palestine, Texas. SP's system car shops are in Denver and Pine Bluff. After the merger, SP's Denver and Pine Bluff shops will be closed and their work will be moved to Pocatello and DeSoto, respectively.

SP and UP will consolidate "one-spot" car repair facilities for on-line repairs at several locations. These duplicative facilities will be consolidated at the SP yards in Salt Lake City, West Colton, Denver, and El Paso, and at the UP yards in Kansas City, New Orleans and Portland. In Northern California, SP's one-spot repair tracks are at Roseville and Oakland; UP's are at Stockton and Lathrop. These facilities will be consolidated at SP's Roseville and Oakland facilities and UP's Lathrop intermodal terminal. In addition, the combined system will realize cost savings by eliminating several smaller maintenance operations at outlying locations.

D. Procurement Savings

UP and SP purchase many of the same types of materials and services. As a result of the merger, the procurement functions of the two railroads can be combined. Since it takes no more time to work on a contract for 2,000,000 spikes (or any other item or service we purchase) than 1,000,000 spikes, UP/SP can perform these functions with fewer personnel. In some instances, notably with respect to locomotives, UP/SP joint purchases will qualify for higher levels of volume pricing reductions. In the case of 6,000-hp AC locomotives, we expect the savings in a normal year to be approximately $29 million. Volume purchases of locomotive fuel should save approximately $10.8 million. UP/SP will also terminate several million dollars in locomotive fuel procurement fees paid by SP.

UP has adopted rigorous contracting and acquisition procedures to ensure that it obtains the lowest possible prices from key suppliers and enforces all warranty rights. SP does not have such systems. Based on actual experience in applying these procedures to UP contracts, we expect to reduce SP purchasing expenses by at least $50 million annually.

CONCLUSION

Separate testimony by Mr. King:

For those of us in the UP Operating Department, this is both the most challenging and the most exciting time of our careers. With the BN/Santa Fe merger, UP faces a larger, better financed competitor with superior routes in all three of the major transcontinental freight corridors. We have been challenged, and improved, under the

pressures of deregulation, just-in-time delivery and Total Quality Management, but we know that we will now be called upon to perform and deliver as never before.

While the new competitive challenge comes from BN/Santa Fe, the excitement comes from the prospect of what we can do with our colleagues at SP. Yes, UP wanted to join forces with SP partly because we did not want to be relegated to the position of clearly second-best in the West, playing catch-up to the huge BN/Santa Fe system that surrounds us. But there is much more to this merger than pride. Most of us, like Mr. Barriger, have long considered SP to be UP's "natural" merger partner. The fit between our routes is at least as solid today as it was a century ago, and the service opportunities even more promising. UP has a fine physical plant and we run a lot of trains, but on many routes and for many types of traffic, we have to go farther than our rivals and cannot be as fast. With SP as our partner, this will change: from St. Louis to Los Angeles, from Chicago to Northern California, from Los Angeles to Seattle and Seattle to New Orleans, from Memphis to the Inland Empire, from Chicago to Houston and throughout our service territory, we expect to run stride-for-stride with anyone, including BN/Santa Fe.

Separate testimony by Mr. Ongerth:

On a personal note, I have a feeling of sadness that Southern Pacific, an historic company which played a major role in the settlement and then development of the American West, and which has in the past contributed much to the art and science of railroading, is now a diminishing entity in an industry of giants. SP faces a difficult future if it continues to compete independently, handicapped by persistent operating cash flow

shortages in its efforts to provide the kind and quality of dependable services demanded by its shippers and routinely furnished by UP and the impressive new BN/Santa Fe system.

On the other hand, I take pride in the fact that we have preserved a strong basic transportation plant in the face of much adversity, and that our merger is with an historic partner that helped build SP's plant when the two companies were joined in the early years of this century. The two properties are now uniquely situated to create a new and higher standard of efficiency and service which will benefit the shippers using both. SP shippers will realize not only the stability and dependability that only a strong, well-resourced carrier can provide, but also transit time improvements systemwide. UP shippers will realize systemwide service gains attributable to putting together two physical plants whose combination creates new opportunities for achieving efficiencies, getting the most from the available physical plant, and creating new services which bypass points of chronic congestion in the Western rail network.

While SP as a separate entity will fade from the scene, the higher standards of service and efficiency which the contribution of its properties makes possible will benefit shippers and the public for generations to come.

VERIFICATION

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

R. Bradley King, being duly sworn, deposes and says that he is the Vice President of Transportation of Union Pacific Railroad Company and Missouri Pacific Railroad Company, and has read the foregoing statement, knows the contents thereof, and that the same is true and correct.

R. Bradley King

Subscribed and sworn to before me by R. Bradley King this 17th day of November, 1995.

GENERAL NOTARY-State of Nebraska
VICKI SOMERVELL
My Comm. Exp. Jan. 18, 1996

Notary Public

VERIFICATION

STATE OF CALIFORNIA)
) ss.
CITY AND COUNTY OF SAN FRANCISCO)

M. D. ONGERTH, being duly sworn, deposes and says that he is the Vice President-Strategic Development of Southern Pacific Transportation Company and has read the foregoing document, knows the contents thereof, and that the same is true and correct.

M. D. Ongerth
M. D. ONGERTH

Subscribed and sworn to before me by M. D. Ongerth this 15th day of November, 1995.

Virginia Fraire-Fong
Notary Public

VIRGINIA FRAIRE-FONG
COMM. #1021308
NOTARY PUBLIC-CALIFORNIA
SAN FRANCISCO COUNTY
My Comm Expires Mar. 23, 1998

EXHIBIT 13

UP/SP OPERATING PLAN

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UP/SP OPERATING PLAN

1.0 INTRODUCTION

1.1 Purpose and Scope

This Operating Plan describes how a unified Union Pacific/Southern Pacific system would operate and serve its customers. The Operating Plan encompasses the following functional areas: (1) transportation; (2) mechanical; (3) engineering; (4) Operating Department organization; and (5) management information systems and communications. In each of these areas, the Operating Plan shows how SP and UP activities, personnel and facilities would be integrated and describes the expected impacts on service, traffic density, terminal operations and labor. The Operating Plan also reflects the costs and quantified economic benefits of these integrations.

2.0 DEVELOPMENT OF THE OPERATING PLAN

2.1 Base Period

The Operating Plan was constructed using 1994 traffic levels, modified to take into account the estimated impacts of the UP/CNW merger, the BN/Santa Fe merger, and the conditions granted in settlement agreements between the BN/Santa Fe applicants and SP, KCS and UP. These modifications are described in the Traffic Study.

To provide as accurate an indication of operating patterns as possible, UP and SP planners identified freight train schedules and other operating data for the most recent period during 1995 for which this information was available when planning began. Like the traffic data, these data were modified to take into account anticipated changes

resulting from the UP/CNW merger, the BN/Santa Fe merger, and BN/Santa Fe's settlement agreements. The Operating Plan treats three additional events as having been completed before a UP/SP merger. It assumes that UP has completed a new intermodal facility at West Memphis, Arkansas, and a locomotive running repair shop at Hinkle, Oregon, because UP was pursuing those plans before this transaction was announced. The Plan also assumes that through trains cannot operate over the SP line west of Phoenix to Wellton, Arizona, because of SP's independent, pre-merger decision to discontinue service over part of that line.

2.2 Car Flows and Traffic Densities

Traffic data for loaded movements during the base period were developed for each carrier by applying to each loaded movement an empty-return factor for each car type in the opposite direction to the movement of the load, except in a small number of circumstances where this would have distorted known operations involving a backhaul arrangement. As an example, after their release from Geneva Steel at Geneva, Utah, the empty cars that handle iron ore from Minnesota are used for backhaul coal movements to the Midwest from SP coal mines in Utah and Colorado.

For intermodal carloads, it was assumed that 1.83 trailers or containers would move on each intermodal platform. Gross tons were developed by adding to the net tons involved in each loaded movement (1) the tare weight of the car, trailer or container and (2) the tare weight multiplied by the appropriate empty-return factor for the move.

Using a computer model, loaded and empty traffic in the base period for each separate system was routed across that system and assigned to appropriate trains based

on the blocking plan and train schedules for the base period.[1/] The computer model maintained counts of trains, cars and gross tonnage on each line segment, as well as car flows through terminals. It also compiled total car-mile, car-hour and gross-ton-mile data. Locomotive tonnages by segment were calculated on the basis of freight gross ton miles.

To create a merged UP/SP scenario, the two traffic data bases were combined and then modified to include the impacts of extended hauls, new marketing opportunities, diversions from trucks, and the UP/SP settlement with BN/Santa Fe. Again using the computer model, the resulting traffic was flowed across a merged UP/SP system and assigned to appropriate blocks and trains based on a merged operating scenario for the UP/SP system.

To quantify changes in line segment density and terminal activity, statistics on car miles, car hours, trains, gross ton-miles and terminal volumes for the merged system were compared with those developed for the separate UP and SP systems. These comparisons suggested changes in routing, blocking, and train schedules, as well as the need for capacity improvements. The final UP/SP Operating Plan was developed through an iterative process of running the computer model with a particular blocking and train schedule scenario, reviewing the results, and then revising the plan as necessary for a subsequent computer run.

Every effort was made to ensure that the proposed train schedules, blocking plans and terminal functions are conservative, realistic and practical and will accommodate

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1/ Base-period SP train schedules were identified manually by SP personnel due to variations in SP train operations from those scheduled during that period.

the projected traffic. (UP is using the same transportation planning method to plan new operations today.) For example, we did not assume any improvement in terminal performance, even though changes will be made to improve terminal operations at many locations.

2.3 Realization of Traffic Gains and Consolidation Benefits

The Operating Plan takes into account the phased realization of traffic gains due to diversions and new marketing opportunities estimated in the Traffic Study. The Plan assumes that 30% of these traffic gains to UP/SP would be realized by the first year of unified operation, 70% by the second year, 80% by the third year, 90% by the fourth year, and 100% by the fifth year. Traffic losses due to the line sales and trackage rights associated with the UP/SP-BN/Santa Fe settlement agreement were assumed to begin in the first year of unified UP/SP operation.

The Operating Plan also considers the impact of phased gains in operating efficiency. Due to the time required to complete planned track and terminal upgrades, to construct needed connections and other improvements, and to negotiate labor agreements, operations will not be completely consolidated immediately upon approval. The Plan assumes that 40% of the capital expenditures would occur in the first year of unified operation, 30% in the second year, 20% in the third year, and 10% in the fourth year. In many instances, we identified a specific year in which efficiency improvements are expected to occur. We assumed that 30% of other recurring operating savings would be realized by the first year of unified operation, 70% by the second year, 80% by the third

year, 90% by the fourth year, and 100% by the fifth year. In computing savings and expenditures, revenues and costs were developed at 1994 levels.

The Operating Plan discusses transitional operations during the implementation period where those operations are significantly different from both current operations and merged operations projected after full integration of UP and SP. Otherwise, the Plan describes only operations expected after full implementation.

3.0 PATTERNS OF SERVICE

3.1 Principal UP and SP Routes

The principal rail lines and routes of UP and SP are shown on maps submitted as Exhibit 1 to the Application (designated as Appendix F and located in the pocket at the end of Volume 1) and on the density charts submitted as Exhibit 14, located at the end of this volume and in the back cover pocket.

3.2 Consolidation of Main Line Operations

The UP/SP merger offers major opportunities to improve service and efficiency through development of new service routes in some corridors and the "customizing" of UP and SP routes in other corridors. Operational changes in major corridors are described below, although other traffic will also benefit from improved routings.

Chicago-Los Angeles

The SP route, including trackage rights over BN/Santa Fe between Chicago and Hutchinson, Kansas, is approximately 60 miles shorter than the UP route via Ogden, Utah. The SP route also has slightly higher speed limits, but it has less capacity west of

Hutchinson due to infrequent sidings and the absence of Centralized Traffic Control. The merged UP/SP system will increase capacity on the SP lines between Topeka, Kansas, and El Paso, Texas, and between El Paso and Los Angeles, California. This will enable the new railroad to handle the traffic diverted to this route, as well as allow the rerouting of some UP intermodal and auto traffic from the UP route. Reduced traffic volumes on the UP route between Salt Lake City and Colton will allow improved service for the UP intermodal traffic remaining on that route.

SP Chicago-Southern California manifest traffic will be rerouted over the UP route to provide additional capacity on the SP route for intermodal traffic, as well as to take advantage of the significant blocking capabilities of the UP classification yard at North Platte, Nebraska. These relatively minor volumes will not, however, interfere with the ability to improve service for the intermodal and other trains remaining on the UP route.

Chicago-Oakland

The SP route via Kansas City and Pueblo is slow and circuitous in spite of the excellent SP route west of Ogden, Utah. While the SP trackage rights over BN/Santa Fe between Chicago and Hutchinson provide some improvement, this route is still not generally competitive for most service-sensitive traffic due to its circuity and relatively slow speeds. This situation is made worse by the fact that the SP route cannot handle high-cube doublestacks due to clearance restrictions between Ogden and Oakland. Because of this, some SP Chicago-Oakland traffic is routed via Los Angeles.

UP has a superior route between Chicago and Ogden by any measure: mileage, grades, curvature or capacity. While its route west of Ogden is in excellent

physical condition and has grades not greater than one percent, it is approximately 180 miles longer than the SP route between Ogden and Oakland. With the parallel UP and SP routes providing significant operating flexibility, the merged system will use both routes, but will concentrate intermodal and other service-sensitive traffic on the shorter SP route. This will not only save approximately 180 miles compared to the UP route, but will also result in a savings of approximately 260 miles on SP traffic now routed via Pueblo and nearly 400 miles on SP traffic now routed via Los Angeles. To take maximum advantage of the service capabilities of the SP route, the merged system will increase the clearances on the SP line in California to allow operation of high-cube doublestack traffic.

Chicago-Salt Lake City

The UP/SP system will use the UP route between Chicago and the Salt Lake City/Ogden area. This route is approximately 170-190 miles shorter than the SP route, and is also significantly faster and more efficient. Heavy tonnage movements, such as the Geneva ore traffic for Provo, Utah, can be handled much more efficiently on this route, since it has a westbound ruling grade of 1.0 percent, versus grades of up to 2.4 percent on the current SP route between Pueblo and Provo.

Chicago-Kansas/Oklahoma

UP does not have a route between Chicago and Kansas City that allows it to compete for the most service-sensitive traffic. The CNW acquisition did not significantly change that situation, since the CNW line via Des Moines is no more direct than the UP line via St. Louis. SP trackage rights over the shorter, faster BN/Santa Fe routes between Chicago and Kansas City will improve efficiency and allow UP/SP to compete for additional

traffic. As an example, Chicago traffic to and from the Wichita/Salina area will be efficiently handled by the UP/SP system via an SP-Herington-UP routing. This route, coupled with improved classification facilities at Herington, will reduce transit times to and from Chicago, allowing UP/SP to provide increased competition with BN/Santa Fe.

Although BN/Santa Fe will still have the best route, UP/SP will be able to compete for service-sensitive traffic, such as automotive traffic, moving between Oklahoma City and Chicago and beyond. Santa Fe and BN were the primary competing carriers in Oklahoma City prior to their merger, with UP only a minor factor. The new UP/SP routing to Oklahoma City via Kansas City, Herington and El Reno will increase competition for Oklahoma City traffic.

St. Louis/Kansas City-Los Angeles

SP operates over the UP line between St. Louis and Kansas City, so the route benefits of a UP/SP merger are related to operations west of Kansas City. Operations between St. Louis/Kansas City and Los Angeles will be concentrated on the SP route, which is approximately 160 miles shorter than UP's route. This will provide significant mileage-related benefits, as well as take some traffic off the UP line between Kansas City and North Platte, which is often congested due to heavy coal volumes out of the Powder River Basin.

All intermodal and automotive traffic, St. Louis manifest traffic and westbound Kansas City manifest traffic will use the SP route. Eastbound manifest traffic for Kansas City from Southern California, however, will be routed through North Platte to be integrated into run-through trains for connecting lines at Kansas City. These trains, including a new

and SP beyond. This route will be shorter than the current SP mileage by approximately 230 miles and shorter than the current UP mileage by approximately 580 miles, making the merged system fully competitive in this important corridor. To support development of this route, the merged system will provide additional capacity on the UP line between Big Sandy, Texas, and Ft. Worth. It will also undertake an extensive physical upgrade of the UP Ft. Worth-Sierra Blanca line to increase speed limits, as well as a major expansion of capacity on this line.

Memphis-Oakland

The UP and SP routes in this corridor are comparable in terms of mileage, but both are inferior to the BN/Santa Fe route, which enjoys a 280 to 310-mile advantage. A combined UP-SP route via Ft. Worth, West Colton, Fresno and the UP route into Oakland will save approximately 280 miles, which will make UP/SP a strong competitor with BN/Santa Fe in this corridor.

Dallas-Los Angeles/Oakland

From Dallas to the West Coast, SP's disadvantage versus a BN/Santa Fe system increases because the SP route first goes straight south towards San Antonio before turning west. SP's 100-mile disadvantage versus BN/Santa Fe in the Memphis-Los Angeles corridor grows to nearly 200 miles from Dallas. The UP route is approximately 750 miles longer than the SP route and is not a reasonable alternative.

UP/SP will use the UP route to Sierra Blanca and SP beyond. This route is approximately 100 miles shorter than the BN/Santa Fe route, 280 miles shorter than the current SP route and over 1000 miles shorter than the UP route.

Between Dallas and Oakland, SP is approximately 350 miles longer than BN/Santa Fe, and the UP route is approximately 440 miles longer than the SP route. The UP-Sierra Blanca-SP route, combined with UP's route into the Bay Area from the SP San Joaquin Valley line, will cut more than 300 miles off the current SP route and make the merged system competitive with BN/Santa Fe.

Pacific Northwest-Texas

UP traffic between the Pacific Northwest/Intermountain Region and Texas is currently routed via Kansas City. The merged system will operate intermodal traffic between Seattle/Tacoma and Texas via a UP-Portland-SP route to take advantage of the faster service available by tying together improved services on the I-5 Corridor and the Sunset Route. Traffic moving to and from the North Texas area, including Dallas-Ft. Worth, will save approximately 280 miles compared to the current SP route by using the UP route between El Paso and Dallas.

Pacific Northwest-Texas manifest traffic and all Texas traffic from the Intermountain Region (Idaho, Montana, Utah, Nevada, plus most of Wyoming and Colorado) will move via Denver, Pueblo and the SP trackage rights over BN/Santa Fe between Pueblo and Ft. Worth. This will save approximately 240 miles compared to the current UP route via Kansas City.

Utah/Colorado-Kansas City Coal

Use of the UP route east of Ogden for most Central Corridor traffic will result in a significant reduction in through manifest/intermodal train operations over the SP lines between Ogden/Salt Lake City and Denver/Pueblo. This will allow UP/SP to abandon the

Sage-Cañon City SP line, with its three-percent grade over Tennessee Pass, and portions of the UP east of Pueblo to Herington, Kansas. Coal trains to the Midwest from Utah and Western Colorado will be able to use the SP Moffatt line to Denver due to the reduced number of manifest and intermodal trains on that line.

East of Denver, coal trains destined for locations in or east of Northern Illinois will use UP to Cheyenne and points east. This routing will reduce the distance these trains travel. Trains for locations further south, such as in the St. Louis area, will utilize the UP "KP" line between Denver and Kansas City via Salina, Kansas. This route offers reduced grades compared to the current routing via Pueblo and Herington. To ensure an efficient, competitive route for this traffic, the merged UP/SP will upgrade the "KP" line to handle 286,000-lb. loadings and will add capacity to the line to handle the increased volumes. Current customers on the line, particularly Kansas and Eastern Colorado grain shippers, will also benefit from these improvements through more efficient train operations on the line.

Wyoming-Texas Coal

Although the UP route between the Powder River Basin and Texas via Kansas City is somewhat longer than the BN/Santa Fe route via Denver, the UP route is very efficient in terms of gradient and is a strong competitor to BN/Santa Fe. Rapid growth in coal shipments from the Basin through the Kansas City gateway, coupled with growth in other commodities moving through the gateway, has at times created serious congestion in Kansas City. This has caused significant delays for many UP customers, as well as for SP customers whose trains use UP lines east and west of Kansas City. Section 7.1.2

describes the improvements UP/SP will make to facilities in Kansas City and how they will enhance both efficiency and service to UP/SP customers.

In addition to changes in Kansas City, however, UP/SP will develop a new route for coal trains moving between the Powder River Basin and Texas using segments of UP and SP trackage. This route combines the highly efficient UP route between the Basin and Topeka, Kansas; the SP line between there and Herington, Kansas; and the UP "OKT" route from Herington to Ft. Worth. This new route will save approximately 60 miles versus the current route. More importantly, however, it will keep this traffic off of the high density UP/SP Topeka-Kansas City line and out of the Kansas City terminal area. This will provide significant service benefits not only for this coal traffic, but for all UP/SP traffic flowing through the Kansas City gateway and for other railroads in Kansas City.

Although the OKT has been significantly upgraded since UP acquired it and MKT in the late 1980's, it cannot handle substantial increases in heavy tonnage traffic. Therefore, UP/SP will undertake a major program to upgrade the physical condition of the OKT, as well as to add substantial capacity to handle the increased volumes efficiently. Other traffic will benefit from this improved route. For example, the Oklahoma City traffic previously discussed will move faster and more efficiently over the improved route between Herington and El Reno, Oklahoma. Grain flows to Texas out of Salina, Wichita and Enid will also be able to take advantage of the physical improvements on the OKT. Grain traffic for the Gulf Coast from UP locations in Eastern Nebraska, such as Hastings, Superior, and Lincoln, as well as locations in Eastern Kansas, such as Topeka, will also be able to use

the new, improved route to the Gulf. As an added benefit, rerouting these flows will further reduce the amount of traffic through Kansas City.

Chicago-St. Louis/Southern Illinois

Between Chicago and Southern Illinois, both UP and SP routes will be utilized, although most through traffic will be shifted from the SP route through St. Louis to the UP route to take advantage of the blocking performed at the UP Yard Center facility in Dolton, Illinois, and the shorter UP route to Southwest locations via Salem, Illinois. This will also reduce the amount of traffic through the St. Louis gateway.

The former CNW Chicago-St.Louis route via Nelson, Illinois, and the SP line will be integrated to improve operating efficiency, while allowing abandonment of light density portions of the CNW line. This will maintain the strategically important UP route between Eastern Iowa/Western Illinois and the St. Louis gateway. To accomplish this integration, UP/SP will acquire trackage rights over approximately 14 miles of C&IM trackage between Barr and Springfield, Illinois. From Springfield to East St. Louis, traffic will move over the SP line.

Considerable volumes of SP north-south traffic to and from Conrail and CSX will be shifted from the St. Louis gateway to the Salem, Illinois, gateway. This traffic will be handled in run-through service with those carriers, much as UP traffic is currently handled. Mileage on this traffic will be reduced, as will classification work at the A&S yard in East St. Louis, thereby allowing A&S to take on additional classification work for the St. Louis area.

Chicago/St. Louis/Memphis-Texas/Mexico

Between Southern Illinois and many locations in Arkansas and Texas, UP and SP lines parallel each other. In some areas, the railroads are 40 or more miles apart, while in other areas they share trackage. Both railroads handle substantial volumes of traffic, and, in most cases, neither railroad has the ability to efficiently handle the combined traffic of both carriers.

Some SP lines in the corridor have available capacity, since they handled large volumes of transcontinental traffic prior to SP's acquisition and upgrading of the "Tucumcari" line between Kansas City and Tucumcari, New Mexico, in 1980. Others, however, were not affected by the Tucumcari acquisition and may in the future require capacity improvements. Growing traffic volumes on virtually all UP lines in this corridor increasingly cause congestion problems. Some capacity-related projects have been completed in recent years, and many others are on the drawing board.

UP/SP will maximize utilization of the parallel lines by employing primarily directional running over the two routes. In general, southbound flows will be handled over SP lines and northbound flows over the UP lines (Figure 13-1). To accomplish this, terminal and crew operations must be changed to handle the directional flows efficiently.

South of Dexter, Missouri, where the UP/SP joint line from St. Louis splits, southbound traffic from the Chicago, Salem and St. Louis gateways will operate over the SP line, with traffic from the Memphis gateway joining this flow at Brinkley or Fair Oaks, Arkansas. Manifest traffic requiring blocking will be classified at Pine Bluff. Houston area traffic will use the SP route via Shreveport to Houston, while Dallas/Ft. Worth traffic will

use the SP route to Big Sandy, Texas, where it will follow the UP line to Dallas used by SP today. San Antonio and Laredo/Eagle Pass gateway traffic will use the SP route via Texarkana, Corsicana, Hearne, and Flatonia, Texas. Northbound traffic from all these Texas locations will use UP lines and will be classified at North Little Rock for further movement to the Chicago, Salem, St. Louis and Memphis gateways.

These primarily directional flows will significantly improve service by reducing the number of train meets on these primarily single-track segments of railroad. They will also substantially eliminate the need for planned capacity expenditures in the area. The operational flexibility provided by using two routes, plus the ability of crews to operate over either of the routes, will allow substantial service and cost benefits, especially during periods when heavy maintenance work or other conditions close one of the lines.

Dallas/Ft. Worth-South Texas

This corridor also represents an area where "customizing" the use of UP and SP lines will result in significant benefits. UP traffic, in particular, has grown in this area, resulting in congestion and an excessive number of crews being unable to make their runs within Hours of Service limitations.

While UP/SP trains normally will utilize the UP route between Hearne and Houston in both directions, north of Hearne a directional operation will be implemented. Most southbound trains, which include the heavy unit coal and grain trains, will operate via the UP line, while most northbound trains will operate to Ft. Worth via either the SP line through Corsicana and Waxahachie, or via the SP to Dallas and the UP line between Dallas and Ft. Worth.

This arrangement, necessary because of grades and bridge limitations, will create a minor conflict on flows between Hearne and Corsicana. As noted previously, UP/SP southbound trains from Pine Bluff to South Texas will operate over the SP line to Hearne, including the portion of the Hearne-Ft. Worth line between Hearne and Corsicana. Dallas-South Texas trains will also operate southbound over the line. The SP line between Hearne and Corsicana, however, has significant capacity available, since it handled major volumes of Northeast-West Coast transcontinental traffic prior to SP's acquisition of the Tucumcari Line. Additional capacity on the line will also result from the rerouting of Memphis/Pine Bluff-West Coast traffic to the UP line between Big Sandy and El Paso.

This directional operation will significantly reduce the number of meets between trains, with resulting improvements in service and efficiency. It will also allow deferral of several capacity-related projects.

Between Ft. Worth and the San Antonio area, most manifest traffic will use the current UP route via Waco and Taylor to take advantage of its reduced mileage. Most bulk traffic, however, will move via Hearne to take advantage of the better grades on the SP line south of Hearne and to gain the transit time advantages associated with directional running. Southbound bulk trains, including unit coal trains for the Lower Colorado River Authority (LCRA) at Halsted, Texas, and City Public Service (CPS) at Elmendorf, Texas, will operate via the UP line between Ft. Worth and Hearne, as previously described for the Ft. Worth-Houston operation. South of Hearne, southbound trains will operate to San Antonio via the SP line, with northbound trains primarily operating via the UP line.

San Antonio-Houston

UP and SP have generally parallel routes between San Antonio and Houston, with the UP route being longer and slower. (Figure 13-2.) The major flows in this corridor are bulk commodities, particularly aggregates, and manifest/intermodal traffic moving to or from the West Coast and Mexican gateways at Laredo or Eagle Pass. To improve operations in the corridor, UP/SP will operate much of the lower-speed bulk commodity traffic on the UP route, with the faster traffic operating on the SP route. This will increase the effective capacity on the SP line by reducing the number of situations where a fast train must pass a slower one due to the large disparity in train speeds, and will also improve the reliability of the bulk trains.

San Antonio/Houston-Corpus Christi/Brownsville

UP has direct routes to Corpus Christi and Brownsville from both San Antonio and Houston, while SP must move its traffic over circuitous routes via Flatonia, Texas, and then trackage rights over UP south of Victoria/Placedo, Texas. UP/SP will utilize UP routes in these corridors, which will reduce mileages for SP Houston traffic by about 60 miles and San Antonio traffic by about 120 miles, while also reducing train movements on the important SP Houston-San Antonio-Southern California mainline.

Houston-New Orleans

UP/SP will have two parallel routes between New Orleans and Houston. One, the current SP line, will include trackage rights over BN/Santa Fe between Avondale and Iowa Junction, Louisiana, which will be sold to the BN/Santa Fe. (Figure 13-3.)

A major service benefit resulting from the merger will be the use by UP/SP of the new UP classification yard at Livonia, Louisiana, to make a significant number of blocks of manifest traffic to connecting carriers through the New Orleans gateway. In turn, these carriers will preblock additional traffic for UP/SP. This will result in most manifest traffic moving via Livonia, while most intermodal and preblocked westbound manifest traffic moves via the SP-BN/Santa Fe route west of Avondale.

Some traffic for Livonia will be able to move directly via UP routes from Houston or Beaumont. Other trains will operate to Livonia from Houston via the SP line to Iowa Junction and then the UP line north to Kinder, Louisiana, and east to Livonia. This will maximize use of available capacity and allow work at intermediate locations, such as Beaumont and Lake Charles.

3.3 Through Train Service

3.3.1 Current Operations

This section describes changes in train service that would result from a UP/SP consolidation. Attachments 13-1 and 13-2 set forth UP and SP freight schedules as of mid-1995. As described earlier, current UP and SP schedules were modified in our planning model as necessary to take into account the expected impact of the UP/CNW and BN/Santa Fe consolidations, the conditions granted in settlement agreements between the applicants in the BN/Santa Fe case and SP and UP, and actual SP operating patterns.

3.3.2 Proposed Operations

UP/SP will add, improve and modify a significant number of train schedules to take advantage of the new route structure, upgraded routes, and traffic diverted from

other railroads and other modes, less expected diversions to BN/Santa Fe. Some of these train changes represent new, single-line service made possible by the consolidation. Other changes result from rerouting traffic to shorter, more efficient routes, or to routes designed to maximize use of available capacity in congested corridors or to take advantage of the significant upgrades proposed for various UP/SP lines. Rerouting the base traffic volumes to more efficient routes resulting from the merger produces an estimated annual reduction of 298 million car miles. Still other changes in train schedules result from changes in the blocking plan designed to allow traffic to travel further, both on and off the UP/SP system, before requiring further classification.

The consolidations of mainline operations described in Section 3.2 and the changes in blocking to be discussed in Section 3.4 resulted in changes to virtually all UP and SP through train schedules. The UP/SP transportation plan includes literally hundreds of new and revised schedules with changes in timing, routing or blocks handled. Rather than provide a train-by-train listing of these changes and a detailed schedule for each train, which would require a separate volume, brief descriptions of the significant changes in major corridors are provided below. Additional details and discussion of the service changes are included in the joint verified statement of R. Bradley King and Michael D. Ongerth. The underlying train schedules are included in Applicants' document depository. In some instances, the service changes will benefit locations not specifically mentioned in the following discussions. For example, many of the service improvements discussed for corridors involving Southern California also apply to the Tucson-Phoenix area.

Northern California-Chicago

By combining the UP route east of Ogden with the SP route west of Ogden, UP/SP will be able to compete effectively in this corridor with the service leader, BN/Santa Fe. UP/SP will provide a comprehensive set of intermodal service offerings, with several major improvements for shippers. Table 13-1 indicates the planned intermodal schedules in the corridor. First, the combined UP-SP route will allow significant improvements in speed and reliability, since it combines the best parts of the current routes of both carriers. The resulting capabilities are indicated by the "CSOAZ" and "OACSZ" trains, which serve both the Bay Area at Oakland and, via good connections, the northern part of the San Joaquin Valley through the new UP ramp at Lathrop, California, just south of Stockton, and the SP ramp at Fresno. These schedules represent significant improvements over the best current UP and SP schedules, and are faster than BN/Santa Fe trains #199 and #991, currently the fastest trains in the corridor.

Second, doublestack traffic will be able to use the SP route over Donner Pass, because the merged company will increase clearances on the route so that it can accommodate stacked high-cube containers. All intermodal traffic will then be able to take advantage of the efficiency of the shorter SP route. This will also provide benefits to other customers, since moving some of this intermodal traffic off the UP route will allow it to handle lower speed manifest and bulk traffic, for which its lower grades offset its longer mileage. BN/Santa Fe traffic will enjoy these benefits on both routes.

Additional expenditures are planned on the portion of the route between Alazon and Weso, Nevada, where each carrier owns one track and the trains of both

carriers operate directionally westbound on the SP track and eastbound on the UP track. New crossovers and signaling will permit both tracks to be used bidirectionally as a true double track.

Carload shippers will benefit from new manifest service offerings. A key factor will be the rehabilitation and upgrading of the SP Roseville, California, hump yard. With traffic declines in recent years, Roseville's capabilities have been reduced as tracks have been taken out of service. Strategically located, however, Roseville plays a key role in UP/SP plans. It provides the key to consolidating both north-south and east-west flows and using the greater volumes of the merged system to improve service and reduce costs.

In the east-west corridor, this will allow traffic from throughout California north of Bakersfield to be concentrated at Roseville for movement east. Roseville will run a train for direct delivery to the Clearing Yard of the Belt Railway of Chicago (BRC) at Chicago. This will primarily include traffic for BRC-served industries and for connecting railroads, especially for CSX and GTW/CN, which receive preblocked trains from the BRC.

Roseville will include traffic for delivery to Conrail in its North Platte block, where it will be switched into three blocks for direct delivery to Conrail points via Chicago. The additional volumes of Conrail traffic moving through North Platte as a result of the merger will allow the addition of a second daily train from North Platte to Conrail, with trains operating twelve hours apart, both carrying three blocks. This means that all UP/SP customers whose shipments flow through North Platte to or from Conrail will receive better service, since their shipments will not have to wait as long at North Platte for the next train. Similar improvements will occur westbound, with traffic flowing directly from the BRC and

from North Platte to Roseville, which will then act as the primary distribution center for traffic to locations throughout the Bay Area and up and down the San Joaquin Valley.

Northern California-Kansas City/St. Louis

Many of the benefits described for the Northern California-Chicago corridor are also applicable to this corridor. Shippers will receive the benefits of the shorter, more efficient route of the merged system. For intermodal customers, this will mean faster service and a greater selection of terminals in the Northern California area. Table 13-2 indicates improvements in scheduled running times of up to 12 hours compared to current UP intermodal schedules. Reliability will also be increased, as these trains will operate through terminals without additional switching, rather than having to make connections with other trains at intermediate terminals.

Manifest traffic will also receive better service. Although the A&S in East St. Louis makes a Roseville block today, this traffic moves via the slower, less efficient SP route. The UP route is faster, but UP does not have the extensive coverage of carload shippers in Northern California that SP enjoys. UP/SP will operate a daily train in each direction between Roseville and the A&S Gateway Yard, benefitting all shippers who route over this corridor.

Southern California-Chicago

UP and SP currently operate in the Southern California-Chicago corridor, but both have inferior train service compared with BN/Santa Fe, especially for the most service-sensitive traffic. The strong UP intermodal terminal infrastructure in Chicago, combined with the strong SP intermodal terminal infrastructure in Southern California,

especially the Intermodal Container Transfer Facility ("ICTF") north of the Ports of Los Angeles and Long Beach, will allow the combined company to offer more effective competition. Even with that combination, however, UP/SP would still be at a disadvantage due to its lack of an intermodal facility in the "Inland Empire," the eastern portion of the Los Angeles Basin, and severe capacity constraints on key track segments.

The SP route has been significantly improved by the trackage rights SP received for intermodal and automotive traffic over the former Santa Fe line between Chicago, Kansas City and Hutchinson, Kansas, as part of its settlement agreement with BN/Santa Fe. To be a more effective competitor with BN/Santa Fe, however, significant improvements will be required to the SP line west of Hutchinson to upgrade portions of the line and to increase capacity. For example, the Tucumcari Line between Hutchinson and El Paso still has the former Rock Island Automatic Block System (ABS) on the line so that train crews have to stop and throw the switches manually at the ends of most sidings.

UP/SP will upgrade the Tucumcari Line and add capacity, including installing Centralized Traffic Control (CTC) on the entire line. It will also increase capacity on the El Paso-Colton line by adding more than 100 miles of second main track. And it will construct a new Inland Empire intermodal terminal in Southern California.

UP/SP will increase the amount of Southern California-Chicago intermodal traffic on the SP route via Tucumcari and El Paso, but will continue to use the UP route to some degree because the volumes are too great for the SP route to handle. In general, higher priority westbound trains will use the Tucumcari route, while similar eastbound trains will use the UP route. This will reduce delays to high-priority trains, which will not

have to be delayed meeting trains of similar priority. To further improve the utilization of available capacity, Southern California-Chicago manifest traffic will flow via the UP, reducing the number of manifest trains on the Tucumcari Line, as well as allowing this traffic to benefit from the classification capabilities at North Platte.

With the proposed train services and the improvements to the SP line west of Hutchinson, UP/SP will be in a much better position to compete with BN/Santa Fe. Table 13-3 indicates the proposed intermodal schedules in the Southern California-Chicago corridor. A total of 93 trains per week is proposed, or an average of about six trains per day in each direction.

Scheduled running times have been improved and frequencies increased. Even for trains with little improvement in schedule time, the improved routes will result in better service by ensuring greater reliability. With congestion currently a problem on both the UP and the SP routes, today's scheduled times do not always reflect actual performance, and significant service improvements can be achieved even without changing the schedules.

The Table indicates faster schedules for trains CSLAT, 1G1LAX, 2G1LAX, INCST and LACST, with schedules in the 54-58.5 hour range. These trains will provide service competitive with BN/Santa Fe for all but the most expedited types of traffic. As UP/SP continues to improve its line over time, it may at some point be able to compete for even these types of traffic.

As mentioned previously, UP/SP Chicago-Southern California manifest traffic will move via the UP route. The BRC will make a West Colton block, which will bypass

classification at North Platte. That yard will also make both a West Colton and a City of Industry block. With significant industry switching performed out of City of Industry, and with "haulers" operating from West Colton to many of the other industry serving yards in the LA Basin, this will significantly speed service to industries throughout the Los Angeles Basin, as well as reduce the number of cars requiring further classification at West Colton. Eastbound, most traffic will flow through West Colton for movement to North Platte for further classification.

Southern California-St. Louis/Kansas City

The current SP route will be used for most traffic between Southern California and both St. Louis and Kansas City. As indicated in Table 13-4, daily intermodal service will be provided in both directions. Schedules have been shortened from current offerings to take into account the upgrading of, and the increased capacity on, the SP Tucumcari and El Paso-Colton lines. The westbound BSMFT will be one of the fastest trains on the railroad, operating from St. Louis to Inland Empire in slightly over 50 hours. Running times have also been shortened by reducing the amount of on-line work performed by the trains. For example, the LBSLT works only at Kansas City on its run between Southern California and St. Louis.

The UP/SP route from Southern California to both Kansas City and St. Louis is approximately 160 miles shorter than the current UP route via North Platte. For that reason, westbound manifest traffic will flow via the Tucumcari Line, even though this route will primarily carry expedited traffic. A daily train will operate between the A&S yard in East St. Louis and Southern California. Westbound, this train will set out a block at West

Colton and terminate at City of Industry. As mentioned previously, this will speed service to industrial customers and reduce the number of cars requiring classification at West Colton. Eastbound, the West Colton-A&S train will stop for work only at Tucson and Herington, Kansas.

From Kansas City, traffic will move to Herington where it, along with traffic that has bypassed Kansas City, will be classified for City of Industry and West Colton. It will then be added to the A&S-City of Industry train or operate as a separate train, depending on the total volumes of traffic to be moved. Eastbound, Southern California-Kansas City traffic will move from West Colton to North Platte. This will be done partially to reduce the classification load at Kansas City, but more to allow Kansas City connecting line traffic to be assembled into preblocked run-through trains to connecting carriers that avoid further classification at Kansas City. With the concentration of BN/Santa Fe traffic at Argentine Yard in Kansas City, North Platte will build either a solid train or a substantial block for direct delivery. This will speed service, eliminate one classification at Kansas City, and reduce the number of inter-yard transfers operating in the congested Kansas City terminal.

Southern California-Memphis

The BN/Santa Fe merger created a strong, single-line route in this corridor that is shorter and faster than the SP route. As the newly-merged BN/Santa Fe upgrades and provides additional capacity on portions of its route via Avard, Oklahoma, the competitive position of the SP route will decline.

UP/SP will strengthen competition in the corridor by creating a new, single-line route that is approximately 230 miles shorter than the current SP route and more than 120 miles shorter than the BN/Santa Fe route. By upgrading and providing additional capacity on the UP portion of the route between Big Sandy and Sierra Blanca, Texas, UP/SP will provide a strong competitive alternative to the BN/Santa Fe route. This is especially true when the improvements east of El Paso are combined with the additional capacity planned for the SP El Paso-Colton line and the planned intermodal terminal improvements in the Los Angeles Basin, including the new Inland Empire facility.

As indicated in Table 13-5, UP/SP will provide fully-competitive, fast and reliable intermodal schedules in this corridor. These schedules will be several hours faster than current SP schedules, which include SP's fastest train, the Memphis Blue Streak Merchandise. The significantly shorter route and additional capacity on the lines will also greatly increase the reliability of the service.

Service will be improved for manifest traffic, which will also take advantage of the significantly shorter UP/SP route. Traffic flowing through the Memphis gateway in run-through trains from NS, CSX and IC, along with local Memphis traffic, will be gathered at Pine Bluff and blocked for West Colton and City of Industry. Traffic will then move on a 70-hour schedule to Southern California with only two intermediate stops at Ft. Worth and Tucson to set out or pick up traffic. As indicated previously, assembling both City of Industry and West Colton blocks ensures the fastest movement to the major yards serving industries in Southern California. Eastbound, traffic will be gathered at West Colton for a 68-hour run to North Little Rock, where it will be placed in trains to Memphis for delivery

to industries, or in pre-blocked trains to connecting lines for movement through the Memphis gateway.

Northern California-Memphis

UP currently serves this corridor via North Platte and St. Louis, while SP handles some traffic via the Southern Corridor and some via the Central Corridor. UP/SP will use the shorter and faster combined route via El Paso. UP/SP traffic moving in this corridor will be able to take advantage of the route improvements described for the Southern California-Memphis corridor. Because of the BN/Santa Fe and UP/SP route structures, the UP/SP mileage advantage in the Southern California-Memphis corridor is eliminated, with the two routes being very comparable.

Daily intermodal service will be provided in each direction as indicated in Table 13-6, with service provided to both the Lathrop and the Oakland intermodal facilities. Service should be competitive with that provided by BN/Santa Fe.

UP/SP will also provide improved service for manifest traffic. Pine Bluff will block Northern California traffic to West Colton for direct movement along with Southern California traffic to that facility. West Colton will serve as the distribution center for traffic flowing north-south into all areas of Central and Northern California. It will build several trains per day for Roseville that will operate via the San Joaquin Valley, setting out at intermediate locations such as Bakersfield, Fresno and Stockton. Another train will operate from West Colton via the SP Coast Line to locations along the coast between Los Angeles and the Bay Area, as well as Warm Springs, which is the primary yard serving industries in the Bay Area. Eastbound traffic will be handled in the reverse manner to

West Colton. Northern California-Memphis traffic will then move in the West Colton-North Little Rock train for forwarding to Memphis connections and industries.

Southern California-Dallas

SP competes in this corridor with its circuitous route to El Paso via San Antonio, and UP is not a factor because its route is 750-950 miles longer than the SP and BN/Santa Fe routes. At one time, Santa Fe also used a relatively circuitous route from Dallas to reach its transcontinental main line, but this deficiency was largely overcome when Santa Fe acquired trackage rights over the UP Ft. Worth-Sweetwater, Texas, line.

BN/Santa Fe will provide an even better route by using the BN line from Ft. Worth to Amarillo to connect the Dallas/Ft. Worth area with the BN/Santa Fe transcontinental mainline. While not significantly shorter than the route via Sweetwater in terms of miles, it will avoid congestion in the downtown Ft. Worth area.

UP/SP will integrate Dallas-West Coast flows with those from the Memphis gateway, Arkansas, and East Texas. Traffic will move via the UP route to El Paso and the SP beyond, saving approximately 270 miles compared to the current SP route and making UP/SP a strong competitor in this corridor. Dallas area traffic will benefit from the same route improvements previously discussed for the Southern California-Memphis corridor.

Table 13-7 shows that UP/SP plans a strong service offering in this corridor. Westbound, a 50-hour schedule will be provided to the ICTF facility in Los Angeles on train DALBT, but the schedule time will be less than 44 hours to the Inland Empire ramp, which should be very competitive with BN/Santa Fe service. Eastbound, an even faster schedule is provided to Dallas from the three Los Angeles Basin intermodal facilities.

Dallas area manifest traffic will also benefit from the UP/SP operation. This traffic will be blocked at Ft. Worth for West Colton and City of Industry and will then be added to the Pine Bluff-City of Industry train. Eastbound traffic will be set out at Ft. Worth by the West Colton-North Little Rock train.

Northern California-Dallas

Service in this corridor is similar to that previously discussed in the Southern California-Dallas and Northern California-Memphis sections. Table 13-8 indicates the proposed intermodal schedules. In this case, Dallas traffic is generally integrated with the previously discussed schedules in the Northern California-Memphis corridor. Manifest traffic will similarly be integrated, with westbound Dallas-Northern California traffic being picked up at Ft. Worth by the Pine Bluff-City of Industry train and eastbound traffic being set out at Ft. Worth by the West Colton-North Little Rock train.

Southern California-Houston/New Orleans

SP is currently the leading carrier in this corridor. The UP route is approximately 1000 miles longer, and BN/Santa Fe uses joint-line service with KCS via Dallas to reach New Orleans. The UP/SP settlement with BN/Santa Fe will allow it to serve the New Orleans gateway on a single-line basis from either Houston or Beaumont via a mixture of trackage rights and ownership. This will provide BN/Santa Fe with a strong competing route.

Although SP is the leading carrier today, UP/SP will offer improved service as indicated in Table 13-9. Schedule improvements result from reduced time for work en route, reduced volumes on the San Antonio-El Paso portion of the route due to the shift

of Memphis and Dallas traffic to the Ft. Worth-El Paso line, and the previously discussed capacity improvements west of El Paso. These same factors facilitate the improved service shown between Houston and Southern California where, again, BN/Santa Fe will offer single-line competitive service. With Houston-New Orleans access, BN/Santa Fe likely will be able to improve its Houston-West Coast service by consolidating New Orleans and Houston traffic, something it cannot do today.

For carload shippers, UP/SP will offer significant service improvements through the New Orleans gateway. The key factor will be the expansion and increased use of the new UP hump yard at Livonia, Louisiana. This facility currently allows UP to consolidate traffic from UP lines along the Gulf and from the Shreveport-Dallas/Ft. Worth area. Multi-block run-through trains are then built for connecting lines at New Orleans. Trains received at New Orleans are classified at Livonia for various destinations to the west and northwest.

UP/SP will further expand the Livonia facility, which will also handle traffic from SP locations. The increased traffic moving through Livonia will allow it to make additional classifications. For example, four blocks will be built for NS and seven for CSX, all handled in run-through service. For the West Coast, Livonia will build City of Industry and West Colton blocks, which will move on a direct train to City of Industry. This train will have limited work en route, picking up at Beaumont and San Antonio. Houston will build the same blocks, which will move on a Houston-West Colton train, with the City of Industry block connecting to the Livonia-City of Industry train. Eastbound, West Colton will build a train for Livonia, which will set out San Antonio and Houston traffic en route.

Northern California-Houston/New Orleans

Factors affecting Southern California service similarly affect service to and from Northern California. Intermodal service is offered either directly by trains to Southern California, which continue from there to Northern California, or by connections in Southern California to trains operating in the I-5 Corridor. Table 13-10 indicates the projected intermodal service in this corridor, which will provide strong competition with BN/Santa Fe.

Carload traffic will move between New Orleans/Houston and West Colton on the same trains as Southern California shipments. Westbound traffic will be included in a West Colton block and eastbound shipments will move from West Colton in Houston and Livonia blocks. West Colton will be the distribution center for this traffic, moving it to and receiving it from various Central and Northern California locations, as previously described for similar Memphis and Dallas-Northern California traffic.

I-5 Corridor

The I-5 Corridor along the Pacific Coast has become increasingly important as a rail market, especially for intermodal traffic. Today, no railroad provides single-line service through the entire corridor. SP comes the closest with its Los Angeles-Portland service. BN/Santa Fe works with SP on a relatively small amount of intermodal traffic between Portland and Seattle/Tacoma, but otherwise does not participate in the intermodal market. BN/Santa Fe serves all but the center of the corridor, lacking a connecting link between the former BN at Bieber, California, and the former Santa Fe at Stockton. UP's single-line route via Salt Lake City is too circuitous to be competitive.

The UP/SP merger, and the associated settlement with BN/Santa Fe, will fill in the missing pieces for all of these carriers. UP will provide SP with the key missing Portland-Seattle link, while the combination of purchase and trackage rights between Keddie and Stockton will provide the missing link in the corridor for BN/Santa Fe.

As indicated in Table 13-11, UP/SP will offer multiple intermodal schedules in this corridor, with one or two Seattle and two or three Portland services each day. Additional service is also provided to intermediate locations, such as Oakland, Roseville and Lathrop. Scheduled running times between Los Angeles and Portland will not change significantly from present SP times due to the expedited nature of the current SP schedules. In addition to the more frequent service, shippers will benefit from the availability of the new Inland Empire ramp in the Los Angeles Basin and the extension of direct all-rail service to and from Seattle/Tacoma, thereby avoiding the associated drayage cost to and from Portland.

Manifest shippers in this corridor will benefit from the major rehabilitation and upgrading of the Roseville Yard. North-south traffic will flow into Roseville for distribution to points all along the West Coast. Preblocked trains will be operated from the Eugene, Oregon, area to Roseville in conjunction with the Willamette & Pacific (WP) and the Central Oregon & Pacific (CORP), shortlines that serve many branch lines in the area north and west of Eugene. This will expedite the movement of lumber products to all areas of the California market, with blocks made at Roseville for West Colton, City of Industry, various locations in the Bay Area and throughout the San Joaquin Valley. Similar trains will be built at Roseville for direct delivery to these shortlines.

Southbound traffic will also arrive at Roseville from Portland, Seattle, Klamath Falls and other areas to the north, with Roseville building similar blocks in return. A daily train in each direction will operate between Roseville and the UP hump yard at Hinkle, Oregon. This will expedite traffic flowing to Eastern Washington, as well as Western Canada traffic moving via the UP-CP interchange at Eastport, Idaho.

Pacific Northwest-New Orleans

One singular feature of the UP/SP transportation plan will be a daily through intermodal train in each direction between Seattle and New Orleans via the Sunset and I-5 Corridors. (Table 13-12). These trains will provide the first through service for traffic moving between these locations. The trains will also move traffic between these points and certain intermediate locations along their route.

Pacific Northwest-Texas

As part of its settlement agreement with BN/Santa Fe, SP acquired trackage rights between Pueblo, Colorado, and Ft. Worth, Texas. SP plans to operate a daily train in each direction over this route when the trackage rights operation is implemented early in 1996.

UP/SP will utilize these rights for additional volumes of traffic to reduce mileage and improve service on traffic flowing between the Pacific Northwest/ Intermountain Region and the Gulf Coast. Because of service requirements and the ability to integrate the traffic with other operations, UP/SP will operate Texas-Pacific Northwest intermodal traffic via the Southern Corridor to Southern California and the I-5 Corridor from there along the coast to the Pacific Northwest.

Intermodal traffic from Pacific Northwest locations inland from the coast, such as Hinkle, Oregon, and from Intermountain Region locations, such as Nampa and Pocatello, Idaho; Salt Lake City, Utah; Green River, Wyoming; and Denver will move via the trackage rights. Major volumes of carload traffic moving from throughout the Pacific Northwest and the Intermountain Region will also use the route, which will save approximately 240 miles compared to the existing UP route via North Platte and Kansas City.

UP/SP will operate a daily train in each direction between Hinkle, Oregon, and Ft. Worth, Texas, utilizing the trackage rights. Both trains will set out or pick up additional traffic at Pocatello and Green River. Another daily train pair will operate between Denver and Ft. Worth, handling additional manifest and intermodal traffic, as well as traffic for the Amarillo-Plainview-Lubbock area to which SP gained access as part of its settlement agreement with BN/Santa Fe.

South Texas-New Orleans

The discussion of service in the New Orleans-Southern California corridor emphasized the important role of the UP yard at Livonia, Louisiana, in the UP/SP transportation plan. It will play the same role for South Texas traffic by preblocking shipments for movement through the New Orleans gateway; receiving trains from the East; and making blocks and building trains to distribute this traffic throughout the Gulf Coast region.

Eastbound, trains from Bloomington, Strang and Beaumont, Texas, will sweep the railroad for Livonia traffic, picking it up at locations such as Angleton, Houston,

and Orange, Texas, plus Lake Charles, Louisiana. A West Coast-Livonia train will move San Antonio area traffic to Livonia, including traffic from the Laredo and Eagle Pass gateways. Westbound, Livonia will make blocks for direct movement to these locations on trains originating at Livonia.

Oklahoma City

Oklahoma City is served by BN/Santa Fe and UP, although the formerly separate BN and Santa Fe railroads were the primary carriers in the market. UP did not have a competitive route, since Oklahoma City was on a branch line from the former OKT at El Reno, Oklahoma, and the OKT was not in physical condition to handle substantial volumes of additional traffic. Although UP has been upgrading the OKT route between Ft. Worth and Wichita, it is still a relatively light-density line, used primarily for grain traffic.

UP/SP will upgrade and substantially increase capacity on the OKT line, so that it will be capable of handling unit coal trains moving between the Powder River Basin and various Texas destinations over a Topeka-Herington-Wichita-Ft. Worth route. This upgrade will include the Wichita-Herington segment of the route, which sees little traffic on its northern portion. The SP portion of this route between Topeka and Herington will have capacity available to handle the traffic due to the shifting of central corridor traffic to other UP routes and movement of additional traffic via the trackage rights over the BN/Santa Fe between Kansas City and Hutchinson.

With the upgraded route and additional available capacity, UP will implement improved service via Kansas City to OKT points including Oklahoma City. UP will operate an Oklahoma City-Kansas City train to capture some automotive and other traffic currently

moving in this corridor via BN/Santa Fe. Although the UP/SP route still will not be as direct or as fast as BN/Santa Fe's, it will serve as an important competitive alternative in the Oklahoma City market.

Chicago/St Louis-Texas

Section 3.2 discussed the operating changes resulting from the consolidation of mainline operations in this corridor. It included a discussion of the directional train flows proposed for the north-south corridor between Chicago, Salem and East St. Louis and Texas. Specifically, most southbound trains will use the SP route between Dexter Jct., Missouri, and Houston, San Antonio, or Big Sandy, Texas (for Dallas/Ft. Worth). In this same territory, most northbound trains will use the UP route. The primary benefits associated with the proposed directional operation are service improvements due to fewer delays from train meets and more effective use of available capacity.

Table 13-13 shows the proposed UP/SP intermodal schedules in the Chicago-Texas corridor. Most are relatively unchanged from current schedules, with the largest time savings in the Chicago-Houston corridor, where the current UP southbound service can be improved by using the shorter SP route south of Dexter Jct. The current SP intermodal operation from Chicago, which involves use of the IC Moyers Intermodal Terminal in Chicago and IC haulage between Chicago and Memphis, will be eliminated after sufficient capacity is in place at UP's Dolton, Illinois, to absorb it. Ultimately, all north-south intermodal operations will be shifted to Dolton, which will be expanded to handle the additional traffic.

Table 13-14 indicates planned intermodal service in the St. Louis-Texas corridor, which includes a northbound counterpart to the existing southbound Conrail-UP run-through train between Salem and Dallas. From Dupo, Illinois, the location of the UP/SP St. Louis-area intermodal terminal, service will be provided to Dallas, Houston, San Antonio, Laredo and Eagle Pass, as well as intermediate locations. In some cases, direct service will be provided, while in others, St. Louis traffic will be integrated with Chicago traffic at intermediate locations. Competition in the St. Louis-Houston market should be increased due to the ability of BN/Santa Fe to use a shorter and potentially faster route, combining its route between St. Louis and Memphis with the Memphis-Houston trackage rights over SP it gained in the settlement agreement with UP/SP.

Although many of the UP/SP schedules are relatively unchanged, service reliability will be improved. More effective utilization of capacity will also help prevent further deterioration in performance as volumes grow, with the associated increase in congestion-related delays that would otherwise occur were it not for the improved use of capacity. Even UP/SP shippers who do not have shipments in this corridor will benefit from the operation, since the large amounts of capital that would otherwise be required for capacity improvements can, instead, be utilized for capacity improvements elsewhere on the railroad or for additional freight cars or locomotives.

As previously described in Section 3.2, the SP yard at Pine Bluff, Arkansas, will be the primary yard classifying southbound manifest traffic, while the UP North Little Rock yard serves as the primary yard classifying northbound traffic. The two yards, acting in tandem, will be equivalent to using a single hump yard with 106 classification tracks.

This capability will allow an increase in blocks to on-line locations, especially to locations currently served by both carriers. For example, Pine Bluff will make blocks for Orange, Texas, and Lake Charles, Louisiana, locations that currently require an intermediate classification. Similarly, Dallas-area traffic will be blocked out of Pine Bluff, thereby avoiding having to move through the Ft. Worth terminal.

The merged system's increased volumes and blocking capabilities will also allow additional preblocking of traffic for connections and for on-line locations to the north. Additional blocks will be made for some carriers, such as a new Buckeye block for the Conrail yard at Columbus, Ohio, which will save an intermediate classification on Conrail. A new multi-block train will be built for NS at East St. Louis, saving a classification currently required at the A&S yard. Run-through trains will be operated with the BRC over Chicago, with Conrail and CSX over Salem, Illinois, with NS over East St. Louis, and with NS, CSX, IC and BN/Santa Fe over Memphis.

St. Louis area traffic will decline as SP-Conrail and SP-CSX traffic, currently classified by the A&S, is shifted to run-through trains operating through the Salem gateway. Another reduction will result from the UP/SP-NS run-through train, which will pass through St. Louis but will be preblocked out of North Little Rock to bypass classification at the A&S yard.

In some cases, the number of blocks moving on a train will not increase, but the operation will be more efficient. For example, UP and SP today may both operate run-through trains with a connecting line, each train carrying small volumes of traffic. This produces a more expensive operation and may cause UP or SP to attempt to place other

traffic on the trains, which may deteriorate service and detract from the benefits of the run-through operation. If only small volumes are available, the connecting line may hold traffic to combine it with other traffic before forwarding the train. UP/SP will have adequate volumes of traffic to ensure operation on a consistent basis of cost-effective trains that can be operated as true run-through trains by both carriers involved in the operation.

Automotive Network

Transportation of finished automobiles is a specialized service requiring speed, consistency and minimization of en route handling to reduce potential damage. UP serves six automotive assembly plants and has automotive distribution facilities at many of the major locations in the West. SP automotive traffic has declined significantly in recent years, partially due to the closing of several SP-served assembly plants on the West Coast. However, SP still handles considerable automotive traffic.

UP/SP will build on the current automotive networks of the two carriers to further improve service. Significant changes include:

- A Chicago-Southern California auto train operating via the Tucumcari route, getting out Phoenix traffic at Tucson.
- A Kansas City-Southern California auto train via the Tucumcari route.
- A Southern California-Kansas City auto train primarily handling empty auto cars for delivery to NS at Kansas City.
- A Kansas City-Benicia, California, auto train via the upgraded KP line to Denver handling Denver, Salt Lake City and Benicia auto traffic.
- A Chicago-Milpitas, California, auto train handling Northern California autos for the Benicia and Milpitas unloading facilities.

- A Roseville-Houston train operating via the Coast Line to Los Angeles and handling Bay Area and Southern California auto traffic for Texas distribution facilities, including San Antonio, Midlothian (Dallas/Ft. Worth) and Westfield (Houston).

- A Benicia-Kansas City auto train handling empty auto cars for delivery to NS at Kansas City.

- An auto train from Denver via the KP line to Kansas City with empty auto cars for NS.

- An Oklahoma City to Kansas City train handling automotive traffic for movement beyond Kansas City.

3.4 Blocking Plan

As described in Section 2.3 above, the Operating Plan incorporates a new blocking plan for all post-merger traffic flowing across the routes and through the terminals of a merged UP/SP system. Attachment 13-3 lists new manifest traffic blocks that will be assembled by major UP/SP yards. Applicants' document depository contains more detailed data about merged-system blocking.

3.5 Local Train Service

The primary function of locals and road switchers is to gather and distribute traffic for customers in metropolitan areas, on mainlines between terminals, and on branch lines. Changes in local train service are summarized on the following pages. Changes will be made in starting points of, or territories served by, other local trains. The new schedules are included in Applicants' document depository.

Changes In UP/SP Local Train Assignments

Present Assignment	Planned Change
SP Colton-Riverside, CA	Abolished. Work done by UP local.
UP East Los Angeles- Paramount, CA	Abolished. Hauler will handle deliveries to Paramount.
UP Paramount, CA	Abolished. Dolores road switchers will handle work.
UP West Sacramento, CA, Zone Local	Abolished. Work assigned to existing SP Local serving West Sacramento and the Port of Sacramento.
UP Stockton-Port Chicago, CA	Abolished. Work assigned to locals out of Ozol.
UP Reno-Reno Jct., NV	Abolished. Not needed with shift of intermodal traffic to SP ramp at Sparks, NV.
UP Ogden-Clearfield, UT	Abolished. Consolidated with SP local.
UP Wichita-Salina, KS	Abolished. Newton-Whitewater line abandoned. Newton and McPherson traffic handled over SP lines.
SP Pine Bluff-North Little Rock, AR	Abolished. Traffic will move on UP trains.
UP El Dorado-North Little Rock, AR	Abolished. Replaced with El Dorado-Camden turn.
SP Shreveport, LA-Tenaha, TX Turn	Abolished. Longview traffic will move via UP lines.
UP El Paso-Van Horn, TX	Abolished. Traffic will be handled by SP locals.
SP Hearne-Waco, TX	Abolished. Waco-Hearne traffic will be handled on UP trains.

Present Assignment	Planned Change
UP Valley Jct.-Hearne, TX	Abolished. Traffic will be handled by SP locals at Hearne.
SP Galveston, TX	Abolished. Duplicates existing UP local.
SP Strang-Galveston, TX	Abolished. Galveston traffic will be served of Settegast Yard in Houston on existing trains.
UP Mauriceville-Orange, TX	Abolished. SP local will handle traffic.

3.6 Terminal Trackage Rights

No terminal trackage rights would be required by UP/SP to implement merged operations. Two small segments of terminal rights over KCS are, however, required for BN/Santa Fe to operate over the trackage rights granted to it by UP/SP as part of the UP/SP-BN/Santa Fe settlement agreement. BN/Santa Fe is seeking rights over 3.5 miles of track in the Shreveport, Louisiana, terminal and 1.8 miles of track in Beaumont, Texas. SP already has trackage rights over these lines and UP has rights over the Beaumont segment. In neither case will BN/Santa Fe's use of KCS' terminal facilities interfere with KCS' operations. BN/Santa Fe's petition for rights to operate over these segments accompanies this Application.

3.7 Proposed Abandonments

Certain line segments will become redundant or uneconomic to operate as a result of the consolidation. None of these abandonments could be accomplished without

the proposed consolidation, and no line segments are proposed for abandonment independently of the consolidation.

Applications, notices and petitions to abandon the following line segments are being submitted:

(1) Gurdon - Camden, Arkansas (UP) - 29 Miles

This segment is a portion of the UP line between Gurdon and El Dorado, Arkansas. There is virtually no local traffic on the Gurdon-Camden segment, and the Camden-El Dorado segment will be served off the SP Pine Bluff-Texarkana mainline through Camden.

(2) Whittier Junction - Colima Junction California (UP) - 5 Miles

This segment of the UP Anaheim branch can be abandoned, as industries on the south end of the branch will be served from SP's La Habra branch. There is no local traffic.

(3) Melrose - Magnolia Tower, California (UP) - 5 Miles

This segment parallels a portion of the SP Oakland-San Jose mainline and operates in the streets of Oakland. There is no local traffic.

(4) Wendel-Alturus, California (SP) - 86 Miles

This segment is a portion of SP's Modoc Line. This line handles overhead traffic almost exclusively; on several occasions such traffic has moved over the alternative Roseville route. There is no recurring local traffic.

(5) Sage - Leadville, Colorado (SP) - 69 Miles

The Sage-Malta portion of the SP's Tennessee Pass mainline and the connecting from Malta-Leadville can be abandoned due to rerouting of all overhead traffic to other routes. There is no future recurring traffic on the line.

(6) Malta - Cañon City, Colorado (SP) - 109 Miles

This line is also part of the Tennessee Pass mainline and can be abandoned due to rerouting of all overhead traffic to other routes. There is little local traffic.

(7) NA Junction - Towner, Colorado (UP) - 122 Miles

This trackage is owned by UP but is operated primarily as part of SP's Pueblo-Herington, Kansas, mainline, with UP providing only local service. It can be abandoned due to rerouting of all overhead traffic to other routes. There is little local traffic.

(8) Barr - Girard, Illinois (UP) - 38 Miles

This line is part of the UP mainline between Peoria and East St. Louis, Illinois. Contingent on receiving trackage rights from C&IM between Barr and Springfield, Illinois, it can be abandoned due to rerouting of all overhead traffic to other routes. There is little local traffic.

(9) DeCamp - Edwardsville, Illinois (UP) - 15 Miles

This line is part of the UP mainline between Peoria and East St. Louis, Illinois. It can be abandoned due to rerouting of all overhead traffic to other routes. There is no local traffic.

(10) Edwardsville - Madison, Illinois (UP) - 15 Miles

This line is part of the UP mainline between Peoria and East St. Louis, Illinois. It can be abandoned due to rerouting of all overhead traffic to other routes. There is little local traffic.

(11) Hope - Bridgeport, Kansas (UP) - 31 Miles

This trackage is owned by UP but is operated primarily as part of SP's Pueblo-Herington, Kansas, mainline, with UP providing only local service. It can be abandoned due to rerouting of all overhead traffic to other routes. There is little local traffic.

(12) Whitewater - Newton, Kansas (UP) - 9 Miles

This segment is used by UP to provide service to Newton and McPherson, Kansas. Following merger, service will be provided to these locations from SP routes. There is no local traffic.

(13) Iowa Junction - Manchester, Louisiana (UP) - 8 Miles

This segment parallels the SP mainline for part of the distance between Iowa Junction and Lake Charles, Louisiana. There is very little local traffic on the line, which is utilized primarily to provide UP access to Lake Charles. All UP/SP traffic will move via the SP line.

(14) Troup - Whitehouse, Texas (UP) - 7 Miles

This segment has no local traffic and is a portion of the UP Troup-Swan branch line. Following consolidation, industries between Whitehouse and Swan will be served from the SP line via a connection at Tyler, Texas.

(15) Suman - Bryan, Texas (SP) - 16 Miles

This segment is a portion of the SP Hearne-Houston line. It can be abandoned due to the rerouting of all overhead traffic to other routes. There is little local traffic.

(16) Seabrook - San Leon, Texas (SP) - 10 Miles

This segment is a portion of the SP line between Houston and Galveston. It has no local traffic and has been out of service for some years, with service to Galveston provided on trackage rights over a parallel UP route. Following consolidation, UP/SP Galveston service will be provided over UP lines.

(17) Little Mountain - Little Mountain Junction, Utah (UP) - 12 Miles

This UP segment parallels the SP mainline, which also serves Little Mountain. There is no local traffic.

4.0 YARD AND TERMINAL CHANGES AND CONSOLIDATIONS

The UP/SP consolidation would result in a considerable number of changes at UP and SP terminals. Some yards would be eliminated, others expanded, and still others would play new roles. This section describes the effects of the consolidation on all locations where there will be significant changes in functions, operations, facilities or

personnel. The functions analyzed include Transportation, Intermodal, Automotive and Mechanical (car and locomotive servicing and repair). The proposed changes will permit UP/SP to realize the full potential of the consolidation for improved service, operating economies and more efficient use of investment dollars.

For each location, the present operation is described first, followed by a description of the proposed operation. Locations are presented in regional groups because of the interrelationships among activities at the various locations within the area. Reductions in clerical forces related to adoption of UP's Transportation Control System (TCS) are considered in Section 10.1 Customer Service.

4.1 West Coast Region

4.1.1 Portland, Oregon

Present Operation - UP has two major yards in the Portland area (Figure 13-4). Albina is primary yard, with five receiving/departure tracks, 24 classification tracks, and a seven-track local yard. It operates 14 yard jobs and switches approximately 1200 cars per day. The UP intermodal facility is also located at Albina. It handled approximately 132,000 lifts in 1994. Mechanical facilities include a one-spot car repair facility and a diesel shop and servicing facility.

Barnes Yard, located in the port area, is a major industrial yard with 22 tracks. It operates 15 yard jobs per day serving two auto facilities, two grain elevators, other bulk commodity facilities, and other customers in an 18-mile area.

Brooklyn Yard is the primary SP facility in Portland. It is a relatively minor classification yard with 15 classification tracks. It is, however, a major intermodal facility

that performed 97,000 lifts in 1994. Mechanical facilities include a fueling facility and a one-spot car repair facility.

Projected Operation - UP/SP will gradually shift its operations to Albina and Barnes yards. Albina will be expanded to absorb the intermodal traffic currently handled at Brooklyn, as well as projected growth. Considerable I-5 Corridor intermodal traffic will be able to bypass ramp facilities at Portland, as it will move on new through trains directly to UP/SP intermodal facilities in the Tacoma/Seattle area. A new mainline route will be constructed through Albina yard to improve the flow of north-south through trains, including the I-5 Corridor intermodal trains.

To provide adequate space for this expansion, much of the current manifest traffic at Albina and Brooklyn will be shifted to expanded facilities at Barnes, with Brooklyn serving as an industrial support yard. Additional yard tracks will also be constructed at Bonneville and Rivergate yards to handle some manifest traffic currently handled at Albina or Barnes.

These changes will result in a reduction of one yard engine assignment, plus five clerical, six yardmaster and two non-agreement positions. The consolidation of intermodal facilities will result in relocation of one non-agreement position to Seattle.

4.1.2 Eugene, Oregon

Present Operation - Eugene was a major hump classification yard, but its importance has dwindled in recent years with the reduction of Oregon lumber traffic and the sale or lease of many SP branch lines to shortlines. The yard has 32 classification tracks and 29 receiving/departure tracks, most of which are currently not in service. Nine

yard jobs switch approximately 850 cars per day, and three industry jobs serve local industries. Eugene also has a one-spot car repair facility and a locomotive servicing facility.

Projected Operation - UP/SP will undertake a major rehabilitation and improvement project at the SP yard at Roseville, significantly reducing the amount of traffic requiring classification at Eugene. One non-agreement position will be relocated to Portland. Six yard engine assignments and eleven yardmaster, one non-agreement, 17 trainmen (skate herder, hostler and retarder operator) and four clerical positions will be abolished. In addition, reduced mechanical work will result in the reduction of ten carmen, eleven laborer, five railway supervisor, one clerical, two sheetmetal worker, and three enginemen (inside hostler) positions. One boilermaker, one electrician, two laborer, and three machinist positions will be transferred to Albina. Two four-axle road switchers will be released for service elsewhere.

4.1.3 Roseville, California

Present Operation - Roseville is still a major classification facility on the SP, but it operates at a much lower activity level than in previous years due to declines in SP Oregon and Central Corridor traffic (Figure 13-5). It is a hump yard with 49 classification tracks, of which only 32 are in service. Of its 23 receiving and 22 departure tracks, 20 and 19 tracks, respectively, are in service. At its local yard, nine of twelve tracks are in service. Roseville currently classifies approximately 1200 cars per day.

A relatively small intermodal facility handled 40,000 lifts in 1994. A major locomotive repair and servicing facility, a three-track car repair facility and a major car cleaning facility are also located at Roseville.

Projected Operation - UP/SP will invest more than $33 million to upgrade and expand Roseville, making it the classification hub for Northern California, handling approximately 1800 cars per day. In addition, a second main line will be constructed around the yard to improve the flow of trains that do not work at the yard. Roseville will assume some of the classification work currently performed at other SP and UP locations, such as Stockton, Eugene, Klamath Falls, Tracy, Sacramento and other San Joaquin Valley and Bay Area facilities.

The upgrade project will include returning to service all tracks currently out of service, installing a new hump computer system and weigh-in-motion scale, installing new master and group retarders, adding Dowty retarders at the trim end of the bowl, and constructing a new crossover to allow better access to the bowl from the trim leads.

The present intermodal operation at Roseville will not change. Mechanical operations will increase due to increased traffic and transfer of car cleaning activities from Stockton.

Two yard engine assignments will be added. Twelve trainmen (skate herder and retarder operator) and one non-agreement positions will be abolished. In addition, 20 carmen, five railway supervisor, and five laborer positions will be transferred from Stockton to the car repair/cleaning operation. Locomotive repair changes will be discussed in the

Mechanical-Locomotive section of the Operating Plan. One additional switch locomotive will be needed at Roseville to handle the additional traffic.

4.1.4 Sacramento, California

Present Operation - UP uses a small, 10-track industrial support yard in South Sacramento to support local industries and to serve the Port of Sacramento, which UP and SP serve on an alternating basis every three years (Figure 13-6). UP operates one yard engine assignment and three industrial switching assignments.

SP's small, 12-track yard handles approximately 60 cars per day and is used primarily for industrial support. It also serves the Port of Sacramento during alternating three-year periods. Four yard and industry assignments work out of the SP yard.

Projected Operation - UP/SP will consolidate operations at the UP South Sacramento Yard. Most traffic will be handled out of the small yard at Haggin, the connection between UP and SP trackage in Sacramento, where six tracks will be upgraded. Two yard engine assignments and one local train will be abolished, as will one yardmaster and one non-agreement position. One switch engine and one six-axle road switcher will be made available for service elsewhere.

4.1.5 Stockton, California

Present Operation - Stockton is the major UP classification yard in Northern California (Figure 13-7). It is a flat-switch yard, switching approximately 600 cars per day. It supports local and industrial switching, as well as classifying traffic for through trains and handling interchange with connecting railroads. Switching is handled by seven yard engine assignments and five locals. Stockton has a cleaning track, a car repair facility and

a major locomotive shop. UP operates a recently-completed, major intermodal facility at Lathrop, California, approximately seven miles south of Stockton, which replaced a facility located at Stockton.

Industry and local area support are the primary functions of the SP yard at Stockton, since most major classification of through traffic is handled at Roseville and other locations. The small, 13-track yard located adjacent to the UP yard originates two locals and has five yard engine assignments. SP has only a "paper" intermodal ramp at Stockton, with the actual ramping taking place at Roseville. The yard also has a minor car repair facility.

Projected Operation - UP/SP will close the SP yard and downsize activities at the UP yard as Roseville Yard is upgraded. This will allow a reduction of nine yard engine assignments and one UP local, which operates over BN/Santa Fe between Stockton and Port Chicago. Five yardmaster and one non-agreement positions will be eliminated. The SP "paper" ramp will be closed, due to the close proximity of the UP Lathrop facility. Three switch engines will be released for duty elsewhere.

Mechanical facilities at Stockton will be significantly downsized, with a reduction of 29 carmen and two railway supervisor positions. In addition, 20 carmen, five railway supervisor and five laborer positions will be relocated to Roseville. Changes in locomotive repair and servicing will be discussed in the Mechanical-Locomotive section of the Operating Plan.

4.1.6 Warm Springs/Milpitas, California

Present Operation - The UP operation at Milpitas supports industrial operations in the area, but is primarily designed to serve the auto unloading operation at Milpitas and the automotive assembly plant at Warm Springs, where the switching is done by SP (Figure 13-8). UP has a small yard and a minor car repair facility, as well as a car prepping operation where empty auto rack cars are prepared for loading at the Warm Springs plant. Approximately six local trains and one yard engine assignment operate out of Milpitas daily.

SP operates a moderate size classification yard at Warm Springs with 16 classification tracks and four receiving/departure tracks. In addition to switching the auto plant at Warm Springs, it supports local and industry service in the Bay Area from south of Oakland through San Jose to the Watsonville Junction/Salinas area, as well as in San Francisco. Two daily through trains arrive and depart in each direction, as do 13 locals. Five yard engine assignments are based at the yard.

Projected Operation - While both yards will remain open following merger, UP/SP will consolidate and coordinate operations of the two facilities. Preblocking of San Jose area traffic by Roseville, plus the handling of all UP/SP industries in the San Jose area by industrial switch jobs working out of the former SP San Jose yard, will result in elimination of one yard engine assignment and the release of one switch engine for service elsewhere. Two carmen positions at San Jose will be eliminated due to the consolidation.

4.1.7 Oakland, California

Present Operation - The UP Oakland Yard has 16 classification and storage tracks for manifest traffic and three working tracks for the intermodal operation. In addition to serving local industries and an automotive facility located next to the yard, the yard also supports the major UP intermodal facility for the Bay Area, including the Port of Oakland. The facility handled 155,000 lifts in 1994. UP originates one manifest and three intermodal trains and operates nine yard engine assignments at the facility. A minor car repair facility is located at the yard.

SP's West Oakland Yard is adjacent to the UP facility and has 14 receiving/departure tracks and 14 classification tracks. It originates two manifest and four intermodal trains per day. The SP Bay Area intermodal facility is located adjacent to the yard and handled 149,000 lifts in 1994. The SP yard has 14 yard engine assignments, of which seven are switch jobs, six work industries, and one handles interchange traffic. A new car repair facility and a minor locomotive servicing facility are located at the yard. SP also operates Fifth Avenue Yard in East Oakland, which serves industries in that area.

Projected Operation - UP/SP will consolidate Oakland manifest operations at the Fifth Avenue and West Oakland yards. Most traffic will be transferred to Fifth Avenue Yard, which will support service to many of the UP-served industries. This will result in a reduction of one yard engine assignment, plus five yardmaster and six carmen positions. Both intermodal facilities will continue to be utilized. The UP auto facility will be closed and operations moved to the SP facility at Benicia, California, saving $0.1 million annually.

4.1.8 Los Angeles Basin

Present Operation - Due to the interrelationships among its various operations and facilities, the Los Angeles area must be analyzed as a whole (Figure 13-9). The major UP classification facility is located at Yermo, California. This facility has been expanded over time, as it has become necessary to convert more of UP's East Los Angeles Yard to handling of intermodal traffic. Yermo has eight receiving/departure tracks and 19 classification tracks, plus seven tracks in the Old Yard. It has a car repair facility and a major locomotive servicing facility. Six yard assignments and one local operate out of the yard.

The UP East Los Angeles Yard handles intermodal traffic and industrial support. It has 12 yard tracks, plus seven tracks for handling intermodal traffic, which totalled more than 330,000 lifts in 1994. East Los Angeles is the only UP intermodal facility in Southern California. The adjacent Weeds Yard has six tracks for industrial support. Twenty yard engine assignments work the East Los Angeles and Weeds facilities.

UP uses several other yards in the Southern California area. Its small City of Industry yard has nine tracks and is worked by four zone locals primarily serving local industries. The Mira Loma Yard has three tracks, with three more proposed for construction in 1996. It serves a growing industrial area, as well as a major automotive facility. Montclair is a seven-track yard with three zone locals providing support for industries in the area. Mead and Paramount are industrial support yards located in and

north of the port area, providing service to customers in the area, including an automotive facility.

SP has extensive industry coverage in the Los Angeles area. In addition, a large volume of traffic flows through the area between the Southern Corridor and the I-5 Corridor. Because of this, SP has many yards in the area. West Colton is the primary SP classification yard. This major hump yard has 23 receiving/departure tracks and 48 classification tracks. It operates 17 yard engine assignments, plus one road switcher, and it humps about 1500-1800 cars per day. Car repair and locomotive servicing facilities are also located at the yard.

City of Industry is a small hump yard with 15 tracks designed primarily for support of local area industries. The yard also has a major intermodal ramp, which handled 182,000 lifts in 1992. This ramp, closer to Los Angeles than to San Bernardino, is the closest SP facility to the Inland Empire area of the eastern Los Angeles Basin. Three road switchers and four intermodal yard jobs work the facility and industries in the area.

The Los Angeles Transportation Center (LATC) is located near downtown and is another major intermodal facility, with 227,000 lifts in 1994. It also has a small industry support yard. The other major SP intermodal facility is the ICTF, located north of the ports of Los Angeles/Long Beach. It primarily handles container traffic moving through the ports and is one of the largest intermodal facilities in the country, with 653,000 lifts in 1994. Other SP industry support yards are Kaiser, Aurant, J Yard, Los Nietos/Anaheim and Dolores.

Projected Operation - UP/SP will consolidate its operations in the Los Angeles Basin over a period of time as facility changes take place. West Colton will become the major classification facility for the merged system. Classification operations will be reduced substantially at Yermo, which will become a staging yard for bulk trains moving to the Ports of Los Angeles and Long Beach.

The SP City of Industry Yard will remain a major industry support yard but will initially also be a major intermodal facility. As intermodal traffic currently handled at East Los Angeles shifts to on-dock loading at the Ports of Long Beach and Los Angeles, the inefficient LATC facility will be closed and consolidated into East Los Angeles. With the opening of a new Inland Empire intermodal ramp in the Colton area, the City of Industry ramp will be closed and its traffic moved to the Inland Empire facility. City of Industry will then revert to its former role of industry support.

The SP J Yard will be closed and its switching activities handled by East Los Angeles. UP and SP operations at City of Industry will be consolidated, as will those at Dolores and Paramount. Industrial switching at Kaiser, Mira Loma, Riverside, Arlington and Montclair will similarly be consolidated. Consolidation of the various facilities and operations will result in a restructuring of "hauler" operations, which handle traffic among the various yards. Closure of a small automotive facility at Valla will provide an annual savings of $0.05 million.

Various connections, to be discussed in Section 7.1.5, will be constructed to facilitate the merged operation. To shorten routes and provide additional capacity and operational flexibility, connections between UP and SP lines will be constructed at Pomona

and Montclair. Also, by making operational an existing connection between the SP West Colton-Palmdale line and the UP-BN/Santa Fe Riverside-Barstow joint trackage on the west side of Cajon Pass at Keenbrook, congestion will be reduced on the joint trackage and additional operational flexibility provided

Consolidation of operations will result in a net reduction of 13 yard engine assignments, one road switcher, six zone locals and 12 haulers, plus ten clerical, three yardmaster, four trainmen (crest conductor) and two non-agreement positions. Consolidation of repair track facilities at West Colton will result in a reduction of 11 carmen positions. The projected operation will release for other use a total of 47 locomotives, including 34 four-axle and 13 six-axle units.

4.2 Intermountain Region

4.2.1 Salt Lake City/Ogden, Utah

Present Operation - UP operates approximately 40-45 trains per day through Salt Lake City. Its principal yard in the Salt Lake City area is North Yard, which consists of a flat yard and an adjoining intermodal facility (Figure 13-10). The classification yard consists of 17 class tracks and 12 receiving/departure tracks. It switches an average of 900 cars per day, originates three through trains per day and terminates four through trains per day. It also originates two five-day locals. Nineteen yard engine assignments work in the Salt Lake City terminal area daily. Car maintenance is performed at a one-spot repair facility in North Yard, with heavy car repair and locomotive servicing performed on four tracks.

The UP intermodal ramp is located at North Yard and handled 96,500 lifts in 1994. UP's automotive facility is at Clearfield, Utah, between Salt Lake City and Ogden.

SP operates approximately 12 trains a day in the Salt Lake City area. Its principal yard is Roper Yard, a flat switch yard with 37 classification tracks handling about 1000 cars per day. It works 18 five-day yard assignments and originates or terminates eight through trains per day, as well as three six-day or seven-day local trains. The SP intermodal and automotive facilities are located at Roper Yard. In 1994, the intermodal facility handled 31,000 lifts.

SP also operates two industry support yards in the Salt Lake City area. One is located at 4th South Street and consists of 12 tracks with a maximum capacity of 75 cars. The other is Midvale Yard, which consists of four tracks with a capacity of 120 cars. Locomotive servicing facilities and a one-spot car repair facility are located at Roper Yard.

Riverdale is UP's principal yard in Ogden. Its primary function is to service local industry and classify manifest traffic for the Intermountain region. It is a flat yard consisting of five receiving/departure tracks and 22 classification tracks. It operates eleven yard jobs, which perform yard and industry switching, plus five local jobs, including four working in the Clearfield, Utah, area. Car repair facilities are located at the yard, but locomotives are fueled by truck.

SP has two yards in Ogden. The former DRGW yard has five tracks with a capacity of 185 cars, while the former SP yard has nine tracks with a capacity of 535 cars. Two seven-day locals work out of the Ogden yards. SP has no mechanical facilities in Ogden.

Projected Operation - Roper Yard will absorb carload switching currently performed at North Yard, Ogden, Provo, and Elko, Nevada. UP North Yard will be retained as an industry support yard. Car repair will be consolidated at Roper Yard and five railway supervisor positions will be abolished. Riverdale Yard in Ogden will be retained for industry support and for block swaps between trains operating on the east/west corridor. Depending on BN/Santa Fe's needs, Roper Yard may also handle BN/Santa Fe traffic.

The consolidation of operations will result in the net reduction of 21 switch engine shifts per week and eight clerical positions at Salt Lake City, plus 44 switch engine shifts per week and one clerical position at Ogden. These changes will release three switch engines and eight four-axle general purpose locomotives.

UP/SP will consolidate intermodal operations at the UP North Yard facility, due to its greater capacity and its location on the mainline to Southern and Northern California. The SP ramp at Roper will be made available to BN/Santa Fe. Automotive operations will be consolidated at Roper Yard, and the high-maintenance UP facility at Clearfield will be closed. Consolidation of the intermodal and automotive facilities will result in annual non-labor savings of $0.2 million.

4.2.2 Provo, Utah

Present Operation - UP operates a nine-track flat yard plus two tracks for interchange (Figure 13-11). Three switch engine assignments switch about 400 cars per day. A major activity is handling unit coal trains received from SP and the Utah Railway.

SP has a ten-track flat yard and five interchange tracks. It switches approximately 250 cars per day. SP also has a small six-track yard at Ironton.

Projected Operation - Coal train operations will be consolidated into the UP yard, while local and industry support will be handled at the SP yard. This will result in a reduction of one switch engine assignment and the release of two six-axle locomotives.

4.2.3 Elko/Carlin, Nevada

Present Operation - These locations are on the UP-SP paired track across Northern Nevada, with Elko serving as a crew change location on UP and Carlin a crew change location on SP. The UP Elko facility has nine classification and three receiving/departure tracks. It handles about 350 cars per day with three switch engine assignments. Elko also has a three-track diesel shop, where one track is used for car repair and two are leased to an outside contractor. Elko also has a facility for fueling eastbound trains.

SP facilities at Carlin consist of four tracks and a small repair facility. It handles a triweekly local, as well as SP through traffic. No switch engines are assigned at Carlin.

Projected Operation - The SP Carlin facilities will be closed and the crew change and other work moved to Elko. This, plus transfer of most classification work currently performed at these locations to Roseville and Roper Yard in Salt Lake City, will result in reduction of two switch engine assignments and one non-agreement position at Elko, plus four clerical and two carmen positions at Carlin. One switch engine will be released for service elsewhere.

4.2.4 Reno/Sparks, Nevada

Present Operation - UP facilities in Reno are at the end of a 33-mile branch line from the UP mainline at Reno Jct (Figure 13-13). UP uses a four-track yard for industry support; two tracks are used to support intermodal/automotive operations. The UP ramp performed approximately 26,000 lifts in 1994. Two locals perform industry switching in the area and handle traffic between Reno and Reno Junction to connect with UP through trains. A small locomotive servicing facility is located at the yard.

The SP facility is located at Sparks. This 16-track yard handles about 375 cars per day. Four switch engines assignments work the yard. In addition to the through trains, Sparks also handles two local trains. The intermodal ramp performed approximately 14,000 lifts in 1994. There is a one-track car repair facility, with any locomotive fueling performed by a contractor.

Projected Operation - Due to physical constraints involving severe curvature and the need to operate in the streets, there are no movements between the UP and SP facilities. Following consolidation, the two facilities will continue to operate separately, with traffic for UP industries moving via Reno Junction and traffic for SP industries moving via the Ogden-Roseville line. Intermodal traffic will be consolidated at the SP Sparks facility. Closing the UP facility will provide an annual benefit of $0.3 million. The UP/SP intermodal ramp will be made available for use by BN/Santa Fe. These changes will result in the reduction of one of the two locals currently serving UP industries, as well as two clerical and two carmen positions. One four-axle road switcher will be made available for use elsewhere.

4.2.5 Denver, Colorado

Present Operation - UP operations are concentrated at its 20-track 36th Street Yard (Figure 13-14). Eight yard engine assignments handle approximately 450 cars per day. Four traveling switch engines serve local industries. A two-track car repair facility and a small locomotive servicing facility are also located at the yard. Just east of 36th Street Yard is the UP intermodal facility at 40th Street, which handled nearly 82,000 lifts in 1994. UP auto facilities are located approximately ten miles north on the Denver-Cheyenne line at Rolla.

North Yard is the primary SP facility in the Denver area. It has five receiving/departure tracks, 19 classification tracks, and nine storage tracks. Fourteen yard engine assignments handle approximately 550 cars per day. It has a one-spot car repair facility, as well as a locomotive servicing facility.

The SP intermodal facility is also located at North Yard. This facility handled approximately 38,000 lifts in 1994. SP has two automotive facilities in Denver, the larger one at North Yard and a smaller one along the SP Belt Line northeast of the yard.

Projected Operation - UP/SP will concentrate manifest operations at North Yard and intermodal operations at 36th/40th Street Yard. Automotive operations will be consolidated at Rolla. To improve the flow of traffic between the trackage of the two railroads, a new connection will be constructed at Utah Junction at the north end of North Yard. This will allow trains from points west of Denver on the SP to move to the UP without having to move into North Yard, runaround the train, and then operate to the UP trackage. This connection will be used primarily by coal trains originating or terminating

on SP lines in Colorado and Utah. To expedite these moves, as well as inter-yard transfers, without interfering with the considerable industry switching, UP/SP will upgrade and install a siding on the Belt Line, which connects SP and UP trackage.

The consolidation will result in a net reduction of six yard engine assignments, one clerk, and three non-agreement positions. One switch engine and one four-axle road switcher locomotive will be released for other duty. Consolidation of the intermodal and automotive facilities will result in an annual savings of $0.24 million.

4.2.6 Pueblo, Colorado

Present Operation - UP and SP have a joint terminal in Pueblo. UP operations have been reduced to only a triweekly local. SP operates over the UP Pueblo-Herington line on trackage rights as part of its Central Corridor mainline. The UP-SP yard has 27 tracks and switches approximately 550 cars per day. It handles SP east-west through trains, locals operating south of the Pueblo area, and coal and manifest trains operating between Pueblo and Denver. Pueblo has eight yard engine assignments, a one-spot car repair facility and a seven-track locomotive servicing facility.

Projected Operation - UP/SP operations at Pueblo will be significantly reduced due to the rerouting of the east-west traffic and abandonment of both the Sage-Cañon City and NA Jct-Towner, Colorado, lines. Remaining traffic will consist of local traffic, plus coal and other traffic between Denver and Pueblo, a portion of which will continue south to Texas via the Pueblo-Ft. Worth trackage rights SP acquired in the BN/Santa Fe case. These major reductions in traffic will result in the reduction of six yard engine assignments, plus one clerical, ten carmen, three laborer, two railway supervisor,

and three non-agreement positions. Four machinist positions will be transferred to Denver. Four four-axle road switcher locomotives will be released for service elsewhere.

4.2.7 Grand Junction, Colorado

Present Operation - Grand Junction is a major classification point for SP Central Corridor traffic. Eastbound traffic is classified for SP destinations or for connections or intermediate switching carriers at locations such as Denver, Kansas City, East St. Louis and Chicago. SP's East Yard at Grand Junction is a hump yard with 21 classification, six receiving and four departure tracks. It operates eight yard engine assignments and humps about 800 cars per day. A three-track car repair facility and a two-track locomotive servicing facility are also located at the yard. West Yard is a smaller yard with four tracks for staging unit coal trains.

Projected Operation - UP/SP will reroute most of the SP east-west Central Corridor traffic from the SP route through Grand Junction to the UP route east of Ogden, with much of the traffic being classified at the major UP classification facility at North Platte. This will significantly reduce the amount of traffic requiring classification at Grand Junction. Because of this, there will be a reduction of four yard engine assignments, plus six yardmaster, four clerical, and three retarder operator positions. Two switch engines will be made available for use elsewhere. Six machinist positions will be transferred to Denver.

4.3 Midwest Region

4.3.1 Kansas City, Kansas/Missouri

Present Operation - Neff Yard located in the northeast corner of the area, is the major UP yard in Kansas City (Figure 13-15). A hump yard with 22 receiving/departure tracks and 41 classification tracks, Neff humps approximately 1300 cars per day and primarily handles blocking for the north, south and east. Neff also delivers eastbound interchange traffic and serves a significant amount of industry in the Neff area, especially grain-related traffic. A new diesel shop is located at Neff, as is the intermodal facility, which handled approximately 80,000 lifts in 1994. Approximately 21 yard engine assignments work the Neff Yard area daily.

UP's 18th Street Yard is located at the west end of the Kansas City area and has 17 classification tracks and 16 receiving/departure tracks. Its primary function is to receive inbound traffic from the east, including interchange traffic from connecting lines, and to build westbound trains. Eighteenth Street handles approximately 800 cars per day. It has ten yard engine assignments, of which six classify traffic, two handle transfers to connecting lines, and two work industries. A car repair facility is located just east of 18th Street at Armstrong Yard.

UP serves the large Fairfax industrial complex in North Kansas City on the Kansas side of the Missouri River. Fairfax Yard operates ten industrial jobs and two transfer jobs daily.

Armourdale Yard, located adjacent to the UP 18th Street Yard, is SP's only yard in the Kansas City area. It consists of two distinct yards. The "West End" yard has nine receiving/departure tracks and 21 classification tracks and classifies approximately 450 cars per day. Traffic received from connecting lines and traffic from Chicago and St.

Louis that has not been blocked for through movement are handled in this yard. The "Trainyard" has 12 tracks and handles traffic destined to connecting lines at Kansas City, as well as traffic destined to Chicago or St. Louis that has not been blocked for through movement. Armourdale also inspects about five SP coal trains per day. The SP intermodal facility located at Armourdale handled approximately 56,000 lifts in 1994. Car repair and locomotive servicing facilities are also located at Armourdale.

Approximately 15 yard engine assignments work Armourdale daily, of which 11 perform train yard work, three handle transfers with connecting lines and one works industries. In addition, due to capacity constraints at Armourdale, SP utilizes Gateway Western as an intermediate switching carrier to handle some traffic destined to connections in the Kansas City area. Gateway Western receives unblocked trains from SP, switches them and makes deliveries to connecting carriers for an intermediate switching charge.

Projected Operation - Through the rerouting of some traffic and other changes in blocking and through train operations, UP/SP will consolidate classification operations in the Neff and 18th Street yards. Armourdale Yard will be converted to a new intermodal terminal for the UP/SP system, plus a yard with long tracks for the handling and staging of through trains, especially bulk commodity trains. These changes, plus other changes in the routing of traffic, will have a significant impact not only on UP and SP facilities, but on entire terminal area. UP/SP's operating plans will help relieve the congestion in Kansas City, which is often caused by not having a place to hold trains when they cannot immediately be dispatched from the terminal.

By operating additional run-through trains with connecting lines and by rerouting some traffic around Kansas City, sufficient capacity will be generated at Neff and 18th Street yards to absorb traffic from Armourdale Yard. Eliminating the intermodal ramp at Neff Yard will provide space for construction of two additional departure tracks that, with the addition of several daily yard engine assignments at Neff, will also help expedite traffic through the terminal.

These changes will result in a net reduction of 11 yard engine assignments, as well as a reduction of five yardmaster, eight enginemen (yard hostler), five clerical, five carmen, one laborer, two railway supervisor and five non-agreement positions. Shifting some classification work from Kansas City to Herington will result in the transfer of two enginemen, three trainmen and ten carmen positions to Herington. Six switch engines will be made available for service elsewhere.

4.3.2 Herington, Kansas

Present Operation - Herington is not a significant location on UP (Figure 13-16). It is at the east end of the UP Pueblo-Herington line, which is now dispatched and maintained by SP, the primary user of the line on trackage rights from UP. Local service is still provided by UP, which has exclusive access to local traffic on the line. Herington is also at the north end of the UP Ft. Worth-Herington line via Wichita. This line serves no customers in Herington, and only intermittent service is provided on the Wichita-Herington line north of Lost Springs, Kansas.

Herington is an important location for SP, at the junction of the Central Corridor line via Pueblo and the Tucumcari Line. From Herington, traffic flows to Kansas

City for delivery to shippers, interchange, or further movement to St. Louis and Chicago. An expansion project currently underway will provide 15 tracks to handle additional switching. This will allow most eastbound switching to be done at Herington, so that SP Armourdale Yard at Kansas City can concentrate on westbound switching. Three road switchers are assigned to Herington.

Projected Operation - The UP/SP merger will have a significant impact on Herington operations. While UP/SP will route additional traffic via the Tucumcari Line, some of this traffic will use the trackage rights over BN/Santa Fe between Kansas City and Hutchinson, thereby avoiding Herington. However, other traffic on the Tucumcari Line, as well as local area traffic and traffic off the Ft. Worth-Herington line, will be classified at Herington to reduce switching at Kansas City. Herington will also perform westbound blocking for points on the Tucumcari Line, Salina, Oklahoma City and Wichita. In addition, it will block automotive traffic moving through the Chicago, St. Louis and Kansas City gateways for Phoenix and Southern California automotive facilities.

Herington will also be affected by the new UP-Topeka-SP-Herington-UP route for unit grain trains and for unit coal trains moving from the Powder River Basin to destinations in Texas. This will reduce the mileage on these trains, as well as keep them out of Kansas City, which will further reduce congestion on the Topeka-Kansas City line and in the Kansas City terminal.

To handle the additional traffic, three additional classification tracks will be constructed and three run-through tracks will be extended. One yard engine assignment

will be added, ten carmen will be transferred to Herington from Kansas City, and one locomotive will be added.

4.3.3 Topeka, Kansas

Present Operation - UP operates a medium-size industry support yard at Topeka, which handles a significant amount of business to and from three large grain elevators and other industries. It builds three locals per day and handles pick ups and set outs for through trains. The UP facility consists of three yards totalling 29 tracks. One yard job and four industry jobs handle approximately 300 cars per day. Topeka also has a small car repair and car cleaning facility.

SP has a small yard at Topeka to support limited industry switching and interchange with UP and BN/Santa Fe. Much of the SP traffic is reciprocal switch traffic from the UP-served elevators and the SP-served Goodyear plant. SP has one five-day switch job at Topeka.

Projected Operation - UP/SP will close the SP yard and serve SP industries from UP facilities. Traffic to and from the Southwest will be transferred to the SP yard for pick up by Tucumcari Line trains. One yard engine assignment will be eliminated, and one switch engine will released for service elsewhere.

4.3.4 Chicago, Illinois

Present Operation: East-West - Chicago is the largest rail gateway in the country and is of critical importance to all major railroads (Figure 13-17). UP operations are directionally oriented, with a major east-west operation and a major north-south operation.

UP east-west carload operations are concentrated at Proviso Yard, a major hump yard with 28 receiving tracks, 35 departure tracks, and 66 bowl tracks. Proviso humps about 1500 cars per day. It operates 22 daily yard assignments, five industry assignments and 12 transfer jobs. UP also has a small yard at West Chicago, which does some classification and interchange work while supporting local industries. Other industry support yards are located at North Avenue, Elk Grove and Irondale.

Some traffic originating at outlying locations on UP and moving to Chicago for interchange with other carriers was recently shifted from Proviso to the BRC Clearing Yard. Clearing is a major, two-hump yard with 56 classification tracks in the east yard and 36 classification tracks in the west yard. BRC provides routes for its railroad owners, serves considerable industry, and also functions as an intermediate switching carrier. Approximately two trains per day of east-west UP interchange traffic are handled on a run-through-train basis with the BRC, bypassing UP terminals in Chicago.

In the east-west corridor, UP has three major intermodal facilities. Canal Street is located near the downtown area and is dedicated primarily to LTL shipments. Space is limited, with little opportunity to expand, but trailer turnover is rapid, reducing the space required for parking. Canal Street had 153,000 lifts in 1994. Global-1 is a doublestack facility west of downtown dedicated to APL traffic. It handled 322,000 lifts in 1994 and is also landlocked with little room for expansion. Global 2 is a doublestack terminal located within the Proviso Yard complex that handled 171,000 lifts in 1994. It has good highway access, but expansion requires reducing manifest switching operations at

Proviso. Global-2 operates five yard engine assignments to switch intermodal cars and make up trains.

SP has no manifest yard facilities in Chicago. BRC handles all of SP's classification work, as well as switching SP's intermodal facilities and handling its mechanical functions.

SP uses three Chicago intermodal facilities in its east- west operation. IMX is owned by IC, but leased to SP. It is located adjacent to the IC and BN/Santa Fe mainlines and had 99,000 lifts in 1994. SP must use trackage rights over the IC connection with the BN/Santa Fe at Joliet, Illinois, to access the facility. SP does not plan to exercise its option to purchase this facility when its option expires at the end of 1995, so IMX will not be a factor in merged operations.

The Forest Hill ramp consists of 41 acres owned by CSX and leased to SP through CSX Intermodal. It primarily handles doublestack traffic for NYK and Zim steamship lines. The lease expires at the end of 1997. SP handles Evergreen and CSX/SeaLand traffic via BN/Santa Fe trackage rights through the BRC and into Bedford Park. This major intermodal facility is owned by CSX.

Projected Operation: East-West - Rerouting and preblocking of UP/SP traffic at North Platte and elsewhere will reduce the amount of east-west traffic requiring classification in the Chicago area. Reducing the number of cars BRC handles for UP and SP will make available additional capacity at the BRC, which UP/SP will utilize by moving some classification work from Proviso to Clearing Yard. Since the total number of UP/SP cars handled by BRC will not increase, this will not cause congestion or require more

capacity. Reduced classification work at Proviso will result in a reduction of three yard engine assignments, plus three yardmaster and two trainmen (retarder operator) positions.

By reducing switching at Proviso, UP/SP will also be able to use additional portions of the yard to expand the Global-2 facility so that it can absorb the traffic currently handled at Forest Hill. The IMX traffic will be split between Global-2 and Canal Street. Closing the Forest Hill facility will result in an annual savings of $0.6 million. UP/SP will also save approximately $2.7 million annually in BRC switching costs for handling SP intermodal traffic. This will be partially offset by the need to add two yard engine assignments at Global-2 to handle the additional traffic.

Current Operation: North-South - The major UP facility for north-south carload traffic is Yard Center at Dolton, Illinois, approximately 18 miles south of downtown Chicago. Yard Center has nine receiving tracks and 24 classification tracks. Additional trackage is available for storage of intermodal equipment. Yard Center works five daily yard engine assignments, plus three jobs at the adjacent intermodal ramp, which handled approximately 215,000 lifts during 1994. Some UP traffic moves through Yard Center to BRC and IHB without requiring classification. An industry support yard is located eight miles south at Chicago Heights, where four additional yard engine assignments serve local industries.

As discussed previously, the BRC handles all SP classification work in the Chicago area. This is true for north-south traffic, as well as east-west traffic.

SP has an agreement with IC covering terminal and linehaul services for intermodal traffic between Chicago and the Southwest. IC provides terminal services in

Chicago at its Moyers Intermodal Terminal and hauls SP traffic between Chicago and a connection with the SP at Memphis. The IC handled approximately 32,000 units of traffic for SP under this agreement in 1994 at a total cost to SP of $9.8 million.

Projected Operation: North-South - Some north-south manifest traffic will remain on SP's Chicago-St. Louis route following merger, but most will be rerouted to the shorter UP route to the Southwest via Salem, Illinois. This additional traffic will either be handled at Yard Center or moved through for classification by BRC or IHB. The additional traffic will not require an increase in the resources at Yard Center.

Intermodal traffic will be consolidated at the Yard Center facility. After notice is given to the IC to cancel the haulage agreement, UP/SP will continue to use the agreement during the two-year period prior to the cancellation becoming effective. During this time, the Yard Center intermodal facility will be expanded to handle the additional traffic shifted from IC facilities. UP/SP will save the $9.8 million paid to IC, less the additional cost of handling the traffic.

4.3.5 East St. Louis, Illinois/St. Louis, Missouri

Present Operation - A&S Gateway Yard in East St. Louis is UP's and SP's primary classification and interchange yard in the St. Louis area (Figure 13-18). A&S is owned jointly by UP and SP, but is operated as a neutral switching carrier. Gateway Yard is a double-hump yard with 18 receiving tracks, 66 bowl tracks and six departure tracks. Approximately 2000 cars are humped daily.

Dupo, Illinois, six miles south of Gateway Yard, is UP's primary facility in the terminal area. Dupo consists of two yards: The "A" yard has 17 tracks used for intermodal

car storage, program bad order storage, storage-in-transit (SIT) cars, and miscellaneous carload switching. The "F" yard is used primarily to stage and inspect loaded coal trains en route to rail-barge facilities located south of Dupo along the Mississippi River. The UP intermodal facility, which performed approximately 133,000 lifts in 1994, is located at Dupo adjacent to the main line. A car repair facility is also located at the Dupo yard. Approximately five yard engine assignments work Dupo on a typical day.

UP also operates several support yards in the St. Louis area. The most important is Lesperance Street, located south of downtown St. Louis. It is a 35-track yard with a capacity of 1000 cars. Approximately nine yard engine assignments work out of Lesperance Street daily, including four industry jobs and one transfer job. Besides industry support, Lesperance Street originates three locals and two through trains and terminates one through train.

Other UP support yards include Twelfth Street Yard and Ivory Yard in St. Louis Valley Yard in East St. Louis. Also on the east side of the Mississippi River is the former CNW Madison Yard. It originates and terminates one through train daily. While much of the traffic is interchanged with the A&S, Madison performs a limited amount of interchange work and switches local industries. One yard engine assignment works at Madison daily.

While using Gateway Yard as its primary classification and interchange facility, SP also operates several other yards in the St. Louis terminal area. Valley Yard, located adjacent to Gateway Yard, is the most important. It has 23 tracks and originates and terminates two road trains per day, with two yard engine assignments daily. It is also

the site of the SP intermodal facility, which performed approximately 67,000 lifts in 1994. Valley Yard also functions as a holding yard, when necessary, for SP coal trains waiting to be unloaded at the Sauget rail-barge facility.

Wann Yard is located at Wood River, Illinois, on the SP Chicago-St. Louis main line. It serves the Alton-Wood River industrial area. SP switches these industries for its own account, and for Gateway Western, IC, NS and BN. Fifteen industry jobs per week work out of Wann.

The other SP support yard is at Lackland, Missouri, on the west side of St. Louis. This yard supports a large switching zone and is served by two five-day industry switch jobs. The yard also originates and terminates one local.

Projected Operation - Gateway Yard will continue to be the primary classification facility for the UP/SP system. while continuing to perform as a neutral switching carrier. Some former SP north-south traffic will be rerouted to connections with Conrail and CSX at Salem, Illinois, and some will be blocked for NS, reducing the traffic handled by the A&S. This will allow Gateway Yard to assume some of the support for local area switching now performed at UP and SP yards.

Most support for St. Louis industry operations will be transferred to Ivory Yard, and Lesperance Street Yard will be closed. On the east side of the Mississippi River, SP's Valley Yard will be made available for potential expansion by the A&S, should that become necessary, and it can also be used as a storage-in-transit yard. Intermodal operations will be consolidated at the Dupo facility, which will be expanded to handle the additional traffic. UP's Madison Yard will also be eliminated, with many of its functions

assumed by the A&S. Only minor changes will be made in the operations at the Twelfth Street, Lackland, Wann and UP Valley yards.

These changes will result in a reduction of ten yard engine assignments, plus four clerical, five yardmaster and one non-agreement positions. Six switch engines and two four-axle roadswitchers will be released for service elsewhere. Closing the SP Valley intermodal ramp will generate $25,000 annual savings in non-labor expenses.

4.3.6 Springfield, Illinois

Present Operation - UP does not serve Springfield. SP operates through Springfield on its Chicago-St. Louis line and maintains a small support yard, Ridgely Yard (Figure 13-19).

Projected Operation - UP/SP will abandon portions of the UP line between Barr, Illinois, approximately 14 miles northwest of Springfield, and East St. Louis. To maintain the efficient through route to St. Louis from Eastern Iowa and Western Illinois, UP/SP will acquire trackage rights over C&IM between Barr and Springfield, where a connection will be made with the SP line to St. Louis. The current C&IM-SP crossing/connection at Springfield will be upgraded and modified to improve efficiency. This will eliminate the interlocking tower and result in a reduction of four clerical positions responsible for operating the interlocking. Half of these benefits will accrue to the C&IM, which shares the costs of operating the tower.

4.4 South Central Region

4.4.1 Memphis, Tennessee

Present Operation - Sargent Yard, a combination carload and intermodal

yard, is UP's primary yard in the Memphis area (Figure 13-20). It operates approximately nine yard engine shifts per day. Most UP traffic through the Memphis gateway is handled in run-through trains with NS, CSX and IC and does not require handling at Sargent Yard. The intermodal facility performed approximately 90,000 lifts in 1994 and has no room to expand. Locomotive servicing and car repair facilities are also located at Sargent Yard. UP maintains an industry support yard at Leewood, which serves industries in the north Memphis area.

SP has limited operations of its own in Memphis. All of its non-run-through traffic is handled by the IC at its Johnston Yard under an agency agreement. SP owns its intermodal facility, which handled 123,000 lifts in 1994, but it is switched by IC. This facility is also at capacity. SP has a small industrial yard in West Memphis served by a local out of Memphis, which also handles traffic out of Johnston Yard for pick up by the run-through trains.

Projected Operation - UP already has plans to move its intermodal operation to a new facility on the UP line in the West Memphis area. The new facility will be jointly operated with SP, and possibly with NS. Since these plans were in place prior to the merger announcement and are not contingent on completion of the merger, the new facility is not considered to be merger-related. Therefore, the costs and savings associated with that facility are not included in this Operating Plan.

UP/SP will consolidate traffic with NS, CSX, BN/Santa Fe and IC on run-through trains operating between Memphis and North Little Rock and Pine Bluff. The SP agency contract with the IC will be terminated, with notice given adequately in advance

so that UP/SP will have the necessary labor agreements, computer system changes, and construction completed to integrate its operations through the Memphis gateway when the termination becomes effective.

Sargent Yard will be downsized and will support only local industry switching with two yard engine assignments. The West Memphis local will originate and terminate at Sargent Yard. These changes will result in a reduction of five yard engine assignments per day and two non-agreement positions. They will also result in elimination of payments to the IC under the agency agreement, with an estimated saving of $3.5 million per year.

4.4.2 North Little Rock, Arkansas

Present Operation - North Little Rock is the primary classification yard for UP in the Southwest-Northeast corridor (Figure 13-21). It is a major hump yard with 18 receiving/departure tracks and 64 classification tracks. It also has an eight-track local yard and a 14-track city yard. North Little Rock classifies traffic and builds trains for all major gateways, with a humping capacity approaching 2400 cars per day. It works 18 yard engine assignments and eight industry assignments per day. Car repair and locomotive servicing facilities are located at the yard. The intermodal ramp serving Little Rock and the surrounding area handled 15,000 lifts during 1994.

SP serves Little Rock over UP trackage rights and maintains a small yard for industry and interchange operations.

Projected Operation - UP/SP will significantly change the functions performed by North Little Rock Yard. Pine Bluff will assume the primary role of blocking southbound traffic received from the Chicago, Salem, St. Louis and Memphis gateways. This rerouting

of southbound traffic will allow North Little Rock to absorb the northbound SP traffic and perform additional blocking for locations north of Little Rock. Since this will represent only a change of function and the amount of work will not change significantly, no changes are anticipated in the level of resources at North Little Rock Yard.

4.4.3 Pine Bluff, Arkansas

Present Operation - UP has a small yard at Pine Bluff (Figure 13-22). The seven-track yard supports industry work and interchange with SP. One seven-day yard engine assignment works Pine Bluff. A small car repair facility and a car cleaning facility are also located there.

Pine Bluff is the primary classification location for SP in the Southwest-Northeast corridor. It is a major hump yard with 14 receiving/departure tracks and 42 classification tracks. It also has a twelve-track local yard. Pine Bluff classifies traffic and builds trains for all major gateways, with a humping capacity of about 1800 cars per day. It also supports block swapping between mainline trains. It works 15 yard engine assignments and three industry assignments per day. Car repair and locomotive servicing facilities are also located at the yard. A relatively small intermodal ramp at the yard handled 10,000 lifts during 1994.

Projected Operation - UP/SP will significantly change the functions performed by Pine Bluff, which will assume the primary role of blocking southbound traffic received from the Chicago, Salem, St. Louis and Memphis gateways. The rerouting of northbound traffic, which will be handled primarily at North Little Rock, will allow Pine Bluff to absorb

the southbound UP traffic and to perform additional blocking for locations south and west of Pine Bluff.

Seven clerical positions will be abolished due to automation of some currently manual functions. Consolidation of the Pine Bluff industry switching operations will result in a reduction of one seven-day switch engine assignment, and the consolidation of switching operations in the Little Rock area will result in elimination of the SP Pine Bluff-Little Rock local.

The SP intermodal facility will close, with the UP facility in North Little Rock becoming the regional hub for the area. Two clerical positions will be eliminated. One switch engine will be released for service elsewhere. Consolidation of car cleaning at Pine Bluff will also result in a reduction of one carman position at Stuttgart, Arkansas, two carmen positions at Baldwin, Arkansas, and one carman position at Texarkana.

4.4.4 Camden, Arkansas

Present Operation - Camden is located on the SP Pine Bluff-Texarkana mainline and on the UP Gurdon-El Dorado branch line (Figure 13-23). UP has only a small yard for SP interchange traffic and local industry support. Camden is served by a UP local train operating from Gurdon to El Dorado and back.

SP's six-track yard at Camden supports local switching and interchange with UP. A five-day road switcher works out of the yard serving local industries.

Projected Operation - UP/SP will abandon the UP line between Camden and Gurdon. Connections will be constructed at Camden between UP and SP trackage so that the Gurdon-El Dorado turn can be replaced by a daily El Dorado-Camden turn connecting

with mainline trains at Camden. One non-agreement position at Gurdon will be abolished. The new operation will require the assignment of four four-axle road switcher locomotives to the El Dorado-Camden local.

4.4.5 Texarkana, Arkansas/Texas

Present Operation - The UP North Little Rock-Texas mainline crosses the SP Pine Bluff-Texas mainline at Texarkana (Figure 13-24). UP has a 23-track classification and industrial support yard handling block swaps between mainline trains, switching of through and local traffic, and interchange with SP, KCS and a Texas shortline. Five yard engine assignments work the yard. A car repair facility and a cleaning track are also located at Texarkana.

SP's 10-track yard supports local industry and interchange traffic. One five-day yard engine assignment works the facility. SP also has five clerks and one carman at Texarkana.

Projected Operation - UP/SP will consolidate Texarkana operations at the UP yard. Some of the current work will be transferred to either Pine Bluff or North Little Rock, resulting in the reduction of two switch engine assignments and three clerical positions. Car cleaning by an outside contractor at Texarkana will be moved to Pine Bluff, with a reduction of one carman position. Two switch engines will be released for service elsewhere.

New connections will be constructed to facilitate the movement of through trains over either the UP or the SP lines. In addition, a new intermodal ramp will be constructed to replace two facilities at Shreveport, Louisiana, and Marshall, Texas.

4.4.6 Shreveport, Louisiana

Present Operation - UP has two major facilities in the Shreveport area (Figure 13-25). Hollywood Yard is primarily an industry support yard, which also handles interchange with SP and KCS. Four yard engine assignments work out of Hollywood Yard. Part of the yard is used as a storage-in-transit "SIT" facility. A c repair facility is also located there.

Reisor Yard is a newer yard constructed primarily to support an automotive assembly plant and a vehicle unloading terminal. Seven yard engine assignments and four carmen work out of Reisor.

SP's 13-track classification and industry support yard at Shreveport supports industry and interchange operations, as well as three locals operating out of Shreveport. Three yard engine assignments work the yard daily. SP uses a small intermodal facility south of Shreveport that is owned by the port. It handled approximately 5000 lifts in 1994.

Projected Operation - UP/SP yard operations will be consolidated in the UP facilities. This will result in reduction of two seven-day yard engine assignments, plus five yardmaster and three clerical positions. In addition, the Shreveport-Tenaha local will be eliminated. Three low-horsepower locomotives will be released for service elsewhere. UP/SP Shreveport intermodal traffic will be handled by the new intermodal ramp at Texarkana.

4.4.7 Marshall, Texas

Present Operation - Marshall is located at the junction of the UP Texarkana-Longview and Longview-Shreveport lines. While not a major classification

location, it has an intermodal ramp that handled approximately 10,000 lifts in 1994. This ramp serves the East Texas and Shreveport areas.

Projected Operation - With the proposed directional running for north-south traffic, the Marshall-Texarkana line will primarily see northbound trains moving toward North Little Rock for further classification. Since this would cause service problems if the intermodal facility were to remain at Marshall, UP/SP will construct a new intermodal facility at Texarkana, where it can be served by trains operating both northbound over the UP line and southbound over the SP line.

4.4.8 Dallas, Texas

Present Operation - UP's several facilities in the Dallas area primarily support local industry (Figure 13-26). Browder is a seven-track industry support yard located west of downtown Dallas on the UP mainline. It operates four yard engine assignments and one local. Mockingbird Yard is a nine-track industry support yard located northwest of downtown Dallas on former OKT trackage. It operates eight yard engine assignments plus one local. Smaller industry support yards with no assigned switch engines include Cadiz and CJ, near downtown Dallas.

Mesquite, on the east side of Dallas, is the major UP intermodal ramp, which handled more than 190,000 lifts in 1994. A relatively small automotive facility is also located at the yard. Mesquite has four intermodal tracks, two automotive tracks, and five classification tracks. Four yard engine assignments work the Mesquite facilities.

Miller Yard is the primary SP facility in the Dallas area. It has 23 tracks for manifest operations plus a six-track intermodal facility that handled 183,000 lifts in 1994.

Approximately seven yard jobs per day work the facility, which also originates four locals. Car repair and locomotive servicing facilities are located at the yard. SP also has a small yard at Carrollton, Texas, on the north side of Dallas, with four yard engine assignments to serve industries in that area.

Projected Operation - UP/SP will consolidate manifest operations at Miller Yard, which will improve service on industry traffic and reduce congestion on the east-west mainline in the downtown area. Service to local UP customers will be improved by having Miller receive a daily block of Dallas traffic from Pine Bluff and build a block for direct movement to North Little Rock. This traffic will avoid the current time-consuming procedure in which Dallas traffic is moved through Ft. Worth. Industries on the north end of the UP Denton branch will be switched from Carrollton yard, rather than Mockingbird.

Both intermodal facilities will be used, with Mesquite dedicated to traffic to and from the northeast and Miller used for West Coast and north-south traffic, such as Kansas City-Dallas-Houston service. The automotive operation at Mesquite will be closed and the traffic shifted to the SP-served automotive facility at Midlothian, Texas. The net result of these consolidations will be a reduction of one yard engine assignment and one local, as well as two clerical and three non-agreement positions.

4.4.9 Ft. Worth, Texas

Present Operation - Centennial Yard is the major UP facility in the Ft. Worth area (Figure 13-27). It is a major hump yard with 21 receiving/departure tracks and 44 classification tracks. Centennial is located on the Ft. Worth-El Paso mainline approximately five miles west of downtown Ft. Worth. It currently humps about 1650 cars

per day and originates 14 manifest trains. Sixteen yard jobs work the yard, which also has car repair and locomotive servicing facilities.

Ney Yard is the other primary UP facility and is located just south of the downtown area on the Ft. Worth-Waco line. It has seven receiving/departure tracks and 12 classification tracks. Ney is used primarily for staging traffic for Mexico and for industry support. Mexico traffic often requires considerable time for completion of necessary documentation, and Ney is used to hold that traffic until the documentation is complete and the traffic is ready to be moved to the border. Even traffic from the Northeast moving via North Little Rock is moved out of route to Ft. Worth to await documentation due to lack of available yard space at other locations between North Little Rock and Laredo. Eleven yard engines work at or out of Ney. Smaller UP yards located near the downtown area and used primarily for industry support include Peach Yard, East Yard and Ginney Yard.

Ft. Worth is at the end of the SP line from Ennis, Texas. It handles an average of one manifest train per day in each direction plus locals and coal trains. SP operations are concentrated at Broadway Yard, just south of downtown near Ney Yard. This small, ten-track yard handles manifest and local traffic. One yard engine assignment and one local operate from the facility. SP also has a small yard at Hodge in northwest Ft. Worth to support limited industry switching in that area and on portions of the SP line between Ft. Worth and Plano, Texas.

Projected Operation - UP/SP will consolidate operations at the UP facilities. Changes in terminal operations in the San Antonio area will allow the Mexico traffic from Little Rock currently staged at Ney Yard to be moved to San Antonio, allowing Ney Yard

to assume additional classification work currently performed at Centennial. Broadway Yard will be closed and its functions moved to either Centennial or Ney. These changes will result in reduction of three yard engine assignments, one local train, and one non-agreement position. Three high-horsepower road switcher locomotives will be made available for service elsewhere.

4.4.10 Midlothian, Texas

Present Operation - Midlothian, on the SP Ennis-Ft. Worth line, is the site of an automotive unloading facility.

Projected Operation - UP/SP will close the UP automotive facility at Mesquite, Texas, and move this work to the automotive facility at Midlothian. This facility will be able to handle the additional traffic without expansion.

4.4.11 San Antonio, Texas

Present Operation - SoSan is the primary UP facility in the San Antonio area, with ten receiving/departure tracks and 14 classification tracks (Figure 13-28). Its two-track intermodal facility handled approximately 15,000 lifts in 1994. SoSan's primary function is handling traffic for the local area and traffic to and from the Mexican Border at Laredo. It switches approximately 600 cars per day. Six yard engine assignments and two industry jobs work out of SoSan.

SP has two major facilities in San Antonio. East Yard has 22 tracks and switches approximately 325 cars per day. It also has an intermodal ramp that handled approximately 62,000 lifts in 1994, some of which were Laredo shipments drayed to and from San Antonio. East Yard handles two locals and works 14 yard engine assignments.

Kirby Yard is located on the east side of San Antonio on the SP Houston-San Antonio mainline. It has a mainline fueling facility, and its six tracks are used primarily for staging through and rock trains. SP's Yoakum Bend and UP's San Fernando yards are used for industry support.

Projected Operation - UP/SP will consolidate local industry switching support at the SP East Yard facility. East Yard will also handle BN/Santa Fe San Antonio traffic, including BN/Santa Fe intermodal traffic, which will be handled at the former SP ramp.

SoSan will be site of the UP/SP intermodal facility and the primary staging yard for Mexico traffic, consolidating work currently performed not only at SoSan, but also at Ney Yard in Ft. Worth, Eureka Yard in Houston, and various other UP and SP locations. This will significantly improve the handling of this traffic and free space in other terminals for more effective use.

These changes in yard functions, plus the rerouting of Memphis and Dallas/Ft. Worth traffic to and from the West Coast via an upgraded UP Ft. Worth-El Paso line, will allow reduction of two switch engine assignments and one local, as well as five yardmaster and one non-agreement positions. Two railway supervisor positions at Kirby Yard will also be abolished. One four-axle locomotive will be released for service elsewhere. Three clerical positions will be eliminated with the closing of the SP intermodal ramp. In addition, there will an annual non-labor saving of $1.6 million associated with closing the SP intermodal facility and avoiding the drayage expense on Laredo traffic currently moved over the highway between San Antonio and Laredo.

4.4.12 Laredo, Texas

Present Operation - Laredo is the primary Mexican border crossing for UP, which recently constructed a major classification yard and intermodal facility at Port Laredo. UP also retains older facilities in Laredo.

SP does not directly serve Laredo, but maintains a "paper ramp" for intermodal shipments. These shipments are drayed over the highway between Laredo and San Antonio, where they are handled through the SP intermodal ramp at East Yard.

Projected Operation - UP/SP will close the SP "paper ramp" at Laredo and handle this traffic via rail between San Antonio and Laredo. To handle the additional traffic at the Port Laredo facility, UP/SP will add one track, 500 trailer parking places and one crane. Two non-agreement intermodal positions will be relocated to Houston.

4.4.13 El Paso, Texas

Present Operation - UP reaches El Paso via trackage rights over SP from Sierra Blanca, Texas (Figure 13-29). In El Paso, UP's 16-track yard handles one through train in each direction, a local, and industry and interchange support. Two yard engine assignments work the terminal area and one local works the area east of El Paso, including industries that UP has the right to serve on the Sierra Blanca-El Paso trackage rights.

El Paso is the strategic junction of SP's Tucumcari Line, which handles Chicago, St. Louis and Kansas City gateway traffic, with its lines east of El Paso serving Texas, Arkansas, and Louisiana, including the Memphis and New Orleans gateways. SP's primary facility is Alfalfa Yard on the east side of El Paso. This facility has 32 tracks, plus

an intermodal facility that handled 59,000 lifts in 1994. SP has additional facilities near the downtown area where the Tucumcari and San Antonio lines connect. These include a mainline fueling facility and other trackage at the site of Dallas Yard, which is no longer extensively utilized. SP operates approximately 18 yard engine assignments per day in the El Paso terminal, as well as originating and terminating three locals.

Projected Operation - UP/SP will consolidate its operations at the former SP facilities and close the UP yard. The consolidation of through train, industry and interchange operations will result in reductions of three yard engine assignments and three non-agreement positions. In addition, the UP east local will be eliminated and its work handled by existing SP trains. These changes will release two high-horsepower and one low-horsepower units for use elsewhere.

4.4.14 Waco, Texas

Present Operation - Waco is on the UP mainline south of Ft. Worth and is the junction of the lines to San Antonio and Houston (Figure 13-30). UP operates a six-track industry support yard at Waco and three traveling switch engine assignments to handle local area switching.

SP has a ten-track switching yard at Waco and operates one yard engine assignment to handle local industry switching. SP reaches Waco over trackage rights on UP from Hearne, Texas, and moves Waco traffic on a triweekly local between Hearne and Waco.

Projected Operation - UP/SP will consolidate operations at the UP facilities and close the SP yard. One yard engine assignment and the Hearne-Waco local will be

eliminated. One four-axle locomotive will be released for use elsewhere. A new connection between the UP and SP lines will be constructed, and an additional track will be constructed in the UP yard to provide added capacity.

4.4.15 Hearne/Valley Junction, Texas

Present Operation - Hearne is on the UP Longview-San Antonio mainline, but is not a major location (Figure 13-31). UP operations are centered around Valley Junction, four miles south, where the Ft. Worth-Houston line crosses the Longview-San Antonio line. Hearne is served by a local operating out of Valley Junction.

Hearne is a more important point for SP. It is the junction of the SP Houston-Dallas/Ft. Worth line with the SP line to Pine Bluff via Corsicana and Tyler and the lines to San Antonio and the Rio Grande Valley. Hearne is a crew change point on all of these routes. It also classifies traffic and builds trains, especially for the Rio Grande Valley. Hearne has two yard engine assignments and handles two locals, including the Hearne-Waco triweekly local. Hearne has an eight-track yard, plus car repair and locomotive servicing facilities.

Projected Operation - The UP/SP Operating Plan includes directional operation of trains on both the Ft. Worth-Houston and Texarkana-Hearne-San Antonio routes. This will increase the number of train movements through Hearne, which will also become a more important crew change location. Local area switching will be consolidated out of the SP Hearne yard, resulting in a reduction of one UP local out of Valley Junction, as well as the SP Hearne-Waco local. One high-horsepower and two low-horsepower locomotives will be made available for service elsewhere.

4.4.16 Tyler/Troup, Texas

Present Operation - Tyler is located on the UP branch between Troup and Swan, Texas. It is served by locals operating out of Troup, where UP has a small industry support yard.

Tyler is on the SP mainline between Texarkana and Corsicana and is a crew change point for all trains. SP has an 11-track switching yard at Tyler, which has two yard engine assignments and also handles a Tyler-Corsicana local.

Projected Operation - UP/SP will abandon the UP Troup-Swan line between Troup and Whitehouse. Industries on this line between Whitehouse and Swan will be served out of Tyler. A local train will be eliminated, and the Tyler-Corsicana local will be reduced to a twice-weekly Tyler-Eustace-Tyler turn. Two high-horsepower locomotives will be released for service elsewhere.

4.5 Gulf Coast Region

4.5.1 Victoria, Texas

Present Operation - Victoria is at the end of a UP branch line from Bloomington, Texas, and is served by a local train (Figure 13-32).

Victoria serves an important function for SP by consolidating traffic received from San Antonio, Houston and Hearne and building trains for Corpus Christi and the Rio Grande Valley. The nine-track yard at Victoria also supports a limited amount of local area switching. Two yard engine assignments work Victoria daily.

Projected Operation - The role of Victoria in a UP/SP system will decline due to rerouting of traffic. Traffic to and from Corpus Christi and the Rio Grande Valley out of

San Antonio and Houston will take advantage of shorter UP routes. With reduced classification and train yard work required, one yard engine assignment will reduced at Victoria. One non-agreement position will be abolished.

4.5.2 Brownsville, Texas

Present Operation - UP operates an 11-track yard at Brownsville to support local industry switching and the interchange with Mexico (Figure 13-33). Two yard engine assignments work the area.

SP has a small, six-track yard which also supports local industry work and interchange with Mexico. The local for Harlingen originates at the yard.

Projected Operation - Operations will be consolidated into the UP yard. One local will be eliminated, and two high-horsepower locomotives will be released for service elsewhere.

4.5.3 Harlingen, Texas

Present Operation - Both UP and SP stage their Rio Grande Valley operations out of Harlingen (Figure 13-34). UP has a 12 track yard at Harlingen, plus two tracks serving a small, circus-style intermodal facility that handled approximately 4500 lifts in 1994. One traveling switch engine is assigned to Harlingen.

SP has a four-track yard at Harlingen served by a local and a daily yard engine assignment.

Projected Operation - UP/SP operations at Harlingen will be consolidated into the UP facilities. One yard engine assignment and one local will be eliminated. One carman position will also be eliminated. Three high-horsepower locomotives will be

released for service elsewhere. A new intermodal facility capable of handling 15,000 lifts per year will be constructed.

4.5.4 Houston, Texas

Present Operation - The Houston area is a major traffic source for both UP and SP, including traffic originating or terminating in the port area on the Port Terminal Railroad Association (PTRA) (Figure 13-35). For both carriers, it is also an important intermediate switching location. The UP yard at Spring, Texas, and the SP yard at Strang, Texas, are integral to the Houston operation.

Settegast Yard, located in the northeast portion of the area, is the major UP facility in Houston. It has six receiving and six departure tracks, as well as 38 classification tracks, a local yard, and eight tracks to support intermodal service. Settegast handles approximately 43 through trains per day, as well as six local trains. It switches approximately 1750 cars per day and has 23 yard engine assignments, plus five jobs for transfer work to connecting lines including SP, PTRA and HBT. The UP intermodal facility handled more than 117,000 lifts in 1994. Locomotive servicing, car repair and cleaning track operations are also located at Settegast.

Lloyd Yard is located at Spring, Texas, approximately 20 miles north of Settegast Yard at the junction of the Ft. Worth-Houston and Palestine-Houston lines. It primarily handles local traffic and traffic from locations south of Houston that classification at Settegast. Spring has seven receiving/departure tracks and 16 classification tracks. It handles approximately 750 cars per day and has eight yard engine assignments. A

major SIT facility is also located at Spring. The UP automotive terminal is located south of Spring at Westfield on the UP mainline.

Englewood Yard, located just south of Settegast Yard, is the primary SP yard in the Houston area. Englewood is a hump yard with 23 receiving tracks, 13 departure tracks, 64 classification tracks, an 11-track local yard, a six-track intermodal yard, and a nine-track intermodal support yard. It currently humps about 1500 cars per day. Approximately 18 yard engine assignments work in the yard, six work the intermodal and local yards, and 19 handle transfer and industry work. The SP intermodal facility handled nearly 200,000 lifts in 1994. Car repair and cleaning facilities are located at Englewood, but the locomotive servicing facility is located 3.2 miles west of Englewood at Hardy Street, resulting in significant delays in moving power to and from trains. SP has an automotive facility at Galena Park.

Strang Yard is located southeast of Houston. It primarily serves the chemical producers along the Houston Ship Channel and the port intermodal facility at Barbour's Cut. It also handles traffic to and from the Texas City and Galveston areas. It is a mini-hump yard with twelve classification tracks, humping an average of about 900 cars per day. Cars for movement over the Chicago, St. Louis, Memphis and New Orleans gateways, plus cars for West Coast locations, are classified at Englewood to reduce further handling at downstream locations. Eleven road switchers work industries in the Strang area. In addition, two road switcher hump jobs and two trim jobs work twelve hours each to perform classification work. Six road switchers transfer cars between Englewood

and Strang, and three jobs handle interchange and miscellaneous work. The Galveston Hauler also works out of Strang with cars for Texas City and Galveston.

Projected Operation - UP/SP will continue to use both Settegast and Englewood yards. Settegast will be the primary yard for north-south traffic, interchange traffic, and local area traffic. Settegast will make additional blocks, including two blocks for delivery to Conrail at Salem, Illinois, allowing this traffic to avoid a currently required classification at either North Little Rock or the A&S in East St. Louis. In addition, the HBT will build a train of PTRA and HBT traffic for North Little Rock. This traffic will also avoid an intermediate classification. The functions of UP's Lloyd Yard at Spring will not change significantly.

Englewood will become primarily an east-west yard. This will reduce Englewood's workload and also reduce the need for detailed blocking in the local yard. Three jobs currently based at Galena Park and seven based at Hardy Street will go on duty at Settegast, eliminating the yard jobs currently hauling traffic between Englewood and these locations. New connections will be constructed in the Houston area to increase flexibility and improve the efficiency of the projected operation.

Preblocking of cars at outlying locations will reduce the need to classify cars at Strang. Galveston/Texas City traffic will be consolidated at Settegast, removing additional cars from Strang. Capacity at Strang will be increased by extending two tracks approximately 50 car lengths. This will enable inbound trains to be yarded for humping without having to be held out of the yard, saving up to 24 hours for many cars going to industry. The additional capacity will also be used to preblock some traffic for the

Northeast. Two blocks will be made for delivery to Conrail at Salem, Illinois. This will eliminate the need to classify this traffic prior to delivery to Conrail, saving one classification compared to the current operation.

Intermodal operations in the Houston area will be restructured similarly to the manifest operations. The intermodal ramp at Settegast will handle north-south traffic, while the Englewood facility will serve east-west traffic. Operations at Barbour's Cut will be largely unaffected. The Galena Park auto facility will be closed and consolidated into the UP Westfield facility.

The net impact of these changes at Houston will be to eliminate 15 yard engine assignments, plus 17 yardmaster and eight non-agreement positions. Three non-agreement positions will be transferred to Longview, Texas. In addition, consolidation of Galveston traffic at Settegast will allow the SP job handling traffic between Strang and Galveston/Texas City to be eliminated, along with one job working at those locations. Consolidation of repair track facilities will allow 45 carmen and five railway supervisor positions at Houston, plus one carman position at Beaumont and one railway supervisor position at Lufkin, to be abolished. Eight four-axle units will be released for service elsewhere.

4.5.5 Dayton/Baytown, Texas

Present Operation - UP serves Baytown out of Settegast Yard via its Baytown branch. SP has a more substantial operation: its Baytown branch south of Dayton is served by seven road switchers, and its traffic is moved between Dayton and Englewood by a daily Houston-Dayton train. Dayton Yard has two long tracks and two short tracks.

It makes seven blocks for destinations, such as Pine Bluff, Chicago, East St. Louis, and West Colton. Four additional tracks are located at Mt. Belvieu for industry support. A major SIT facility is located at Dayton, with a smaller facility at East Baytown. Approximately 100 cars per day move into and out of storage.

Projected Operation - UP/SP Baytown area traffic will be consolidated at the SP facilities. To reduce congestion currently resulting from moving this traffic through the Houston area, Baytown traffic for the Northeast will move via Alexandria and Monroe, Louisiana, to North Little Rock for further classification. Traffic for the New Orleans gateway will be preblocked at Dayton and moved directly to Livonia, Louisiana, for further classification into detailed blocks for connecting carriers at New Orleans. Two tracks at Dayton will be extended to improve the efficiency of picking up and setting out traffic. No change in resources is anticipated in the Dayton/Baytown area.

4.5.6 Beaumont/Orange, Texas

Present Operation - UP has an 18-track yard at Amelia, just west of Beaumont, to support operations in the Beaumont area (Figure 13-36). UP also operates a small industry support yard at Orange, where UP and SP alternate switching the industries (Figure 13-37). UP Beaumont operations are handled by a traveling switch engine whose work consists primarily of industry work and interchanges with KCS and SP. UP's Amelia Yard supports Beaumont operations and with four traveling switch engines.

SP has a small, 12-track hump yard at Beaumont which humps approximately 650 cars per day. Beaumont originates daily Houston and Pine Bluff trains. Eleven yard

engines are assigned to Beaumont. These include four yard jobs, three industry jobs, one interchange job, and three locals, two operating to Orange and one to Port Arthur.

Projected Operation - UP/SP will consolidate operations in the SP Beaumont Yard, using UP yard to stage traffic for the Port of Beaumont and for pickups by through trains. This will allow cars to move more quickly and will provide the capacity at the SP yard to handle the combined UP and SP volumes. Beaumont and Orange traffic for the Northeast will be moved by the train out of Dayton to North Little Rock for further classification.

UP's Amelia Yard will be converted to a SIT facility. Empty private cars held for long periods of time at the SP Beaumont facility will also be moved to Amelia, thereby providing additional capacity. Beaumont will originate one daily train for Settegast Yard in Houston with traffic for the Houston, Strang and Galveston areas. West Colton and City of Industry traffic will be blocked and added to a through train. East traffic will move in a Livonia block for further classification.

These changes will result in elimination of the UP Mauriceville-Orange local, two yard engine assignments at Orange and three traveling switch engines at Amelia. Three yardmaster positions at Beaumont will also be abolished. One low-horsepower locomotive will be released for service elsewhere.

4.5.7 Lake Charles, Louisiana

Present Operation - Lake Charles is at the end of a UP branch line. UP has only a small, four-track yard plus two interchange tracks (Figure 13-38). Two yard engine

assignments handle industry and interchange work. Traffic to or from Lake Charles is handled on an Alexandria-Lake Charles triweekly local.

SP's yard supports the West Lake and Rosebluff petrochemical industries, handling approximately 500 cars per day. Additional support trackage is maintained at Lockmoor and Rosebluff, both of which are in the immediate Lake Charles vicinity. SP works nine yard engine assignments daily, one of which primarily handles interchange work with UP and KCS.

Projected Operation - UP/SP operations will be consolidated at the SP facilities. North traffic will be preblocked for pickup by the Dayton-North Little Rock train operating via Alexandria and Monroe. East traffic will be forwarded to Livonia for further classification.

Classification work at the SP Lake Charles yard is hampered by the main track, which runs through the yard. Switching leads for both sides of the yard branch off the main track, so switching must cease when through trains are passing. With the expected increase in through trains, Lake Charles must have the ability to continue switching while trains are operating on the mainline. To allow this, a tail track will be constructed south of the main track at the west end of the yard. The consolidation yard and these physical changes will permit reduction of four yard engine assignments.

4.5.8 Lafayette, Louisiana

Present Operation - The SP yard in Lafayette has only five tracks in service. The remainder are out of service due either to deteriorated track conditions or derailment damage. Lafayette works one yard engine assignment daily and also handles two locals.

Projected Operation - UP/SP will sell Lafayette Yard to BN/Santa Fe. SP activities, consisting of one daily yard engine assignment, two yardmaster and two carmen positions, will be eliminated.

4.5.9 Livonia, Louisiana

Present Operation - Livonia is the newest hump yard on the UP system. It has ten receiving/departure tracks and 25 classification tracks and humps approximately 1350 cars per day. Its primary role is to combine local area traffic with traffic moving in the Houston-New Orleans and Ft. Worth-New Orleans corridors and to preblock it for connections through the New Orleans gateway. It also receives preblocked trains from connections and distributes those cars to various destinations.

Projected Operation - UP/SP will increase the amount of traffic handled through Livonia. SP New Orleans gateway manifest traffic will move via Livonia to take advantage of its classification capabilities. The merged system will make more detailed blocks for, and operate more run-through trains with, connecting carriers, primarily CSX and NS. To handle this traffic efficiently, Livonia will be expanded, with one additional receiving track, two classification tracks, completion of a pullback track, and construction or upgrade of two connecting tracks to increase flexibility. Two additional yard engine assignments will be added to handle the increased volumes of traffic.

4.5.10 Avondale, Louisiana

Present Operation - UP's Avondale Yard has 30 tracks and is primarily used to support local industry and interchange traffic (Figure 13-39). Its role declined with the opening of Livonia Yard, which assumed a greater role in classifying of interchange traffic.

Nine yard jobs are assigned at Avondale. The UP intermodal facility, located several miles southeast of the yard at Westwego, handled approximately 25,000 lifts in 1994.

SP's Avondale yard is located adjacent to the UP facility and is made up of two yards, the New Yard and the Old Yard. It handles approximately 650 cars per day and builds many classifications for SP Gulf Coast locations, as well as West Coast destinations. Ten yard engine assignments handle classification, industry, transfer and interchange duties. The SP intermodal facility at the yard handled approximately 66,000 lifts during 1994.

Projected Operation - UP/SP will consolidate operations primarily in the UP Avondale Yard. UP/SP operations in the Avondale area will be reduced as Livonia assumes some of the classification work currently performed at the SP Avondale facility. SP's New Yard will be sold to BN/Santa Fe. UP/SP intermodal operations will be located at the SP facility, while the UP facility will be sold to BN/Santa Fe.

A new connection between the UP and SP mainlines will be constructed approximately four miles west of the Avondale yards to improve access to the yards and to provide a better route to the Huey P. Long Bridge over the Mississippi River.

The changes at Avondale will result in reduction of 56 yard engine shifts per week, one five-day road switcher assignment and eight yardmaster positions. Six four-axle locomotives will be released for service elsewhere. Consolidation of car repair and locomotive servicing facilities will result in reductions of one railway supervisor and 20 carmen positions.

5.0 YARD AND TERMINAL ACTIVITY CHANGES

Attachment 13-4 indicates projected changes in average daily car volumes originating, terminating and moving through major UP and SP terminals as a result of a UP/SP consolidation. The impact of these changes on terminal activities is discussed in the previous section.

6.0 IMPACTS ON TRAFFIC DENSITIES

6.1 Impacts on Train Volumes

Attachments 13-5 and 13-6 indicate the net effect of the proposed train operations changes on the average number of trains per day over UP and SP segments.

6.2 Impacts on Gross Ton-Miles

Actual 1994 gross ton-mile density data are shown in the density charts included as Exhibit 14 at the end of this Volume 1. Attachments 13-7 and 13-8 show the tonnages on UP and SP lines for the base period, taking into account the estimated impacts of the UP/CNW merger, the BN/Santa Fe merger, and the conditions granted in settlement agreements between the applicants in the BN/Santa Fe case and SP, KCS and UP. Tonnages are expressed in gross tons. The attachments also show the estimated density for these line segments for the year following full implementation of the UP/SP consolidation.

7.0 TRACK UPGRADES, NEW CONSTRUCTION, AND AVOIDED TRACK INVESTMENTS

7.1 Upgrades and New Construction

UP/SP expects to spend approximately $1.3 billion on construction and upgrade projects related to the merger.

7.1.1 Corridor Upgrades

Topeka, Kansas - El Paso, Texas

To permit increased use of the Tucumcari Line for service-sensitive traffic, UP/SP will upgrade this line and construct additional capacity. Approximately 210 miles of lighter rail will be replaced with secondhand 133-lb. welded rail. Bridges will be strengthened to allow movement of unit trains of 286,000-lb. equipment. To provide increased capacity, CTC will be installed on the entire line between Herington and El Paso. Approximately 4.4 miles of new double track will be constructed just north of El Paso. Six new 9000-foot or 9700-foot sidings will be constructed at McPherson, Kansas, and at Tularosa, Oscura, Robsart, Leoncito and Arabella, New Mexico. Sidings will be lengthened at Pratt and Bucklin, Kansas, and at Palomas, New Mexico. Total estimated cost of the Tucumcari Line work is $145.8 million.

Big Sandy - El Paso, Texas

This project will facilitate the rerouting of Memphis gateway-West Coast traffic via this UP line, rather than the longer SP route via San Antonio. The line is in excellent physical condition between Big Sandy and Ft. Worth. To increase capacity, new sidings will be constructed at Big Sandy and Mineola. Existing sidings will be extended

at Big Sandy, Mineola, Grand Saline, Wills Point, and Lawrence. Double track will be extended for approximately one mile at Miller, and new universal crossovers will be constructed at Miller and Grand Prairie. Estimated cost of these projects is $26.9 million.

West of Ft. Worth, track will be upgraded with new ties and secondhand welded rail at a cost of $74.3 million. Bridge work required to allow unit trains of 286,000 lb. equipment will cost approximately $1.0 million. Three new sidings will be constructed at Loraine, Pecos and San Martine. Fourteen sidings will be extended at Iona, Preble, Brazos, Strawn, Tiffin, Jayell, Merker, Sweetwater, Iatan, Morita, Pegasus, Monahans, Toyah, and Wild Horse. Double track will be extended approximately two miles east of the El Paso Alfalfa Yard, and CTC will be extended east to the current end of CTC east of El Paso. Estimated cost of the Ft. Worth-El Paso projects is $125.4 million.

El Paso, Texas - Los Angeles, California

Most SP Southern California traffic to and from Chicago, St. Louis, Kansas City, Memphis, Dallas, New Orleans, Houston and San Antonio flows across this line, which is already heavily congested. To handle the additional expected traffic, as well as to improve the handling of existing traffic, UP/SP plans the following:

1) Double track will be extended 23 miles between Pomona and Colton.

2) A total of 71 miles of double track will be constructed at various locations on the line east of Los Angeles, concentrated on the heavy-grade portion west of Yuma, Arizona.

3) Existing sidings at nine locations, primarily east of Tucson, will be extended to double-length sidings to handle fleets of trains more effectively. These extensio s will effectively add 19 miles of double track.

4) Existing sidings between Beaumont and Indio, California, will be rehabilitated.

The total cost of the projects in this corridor is $221.4 million.

Nelson - Buda, Illinois

Much of the UP/SP traffic out of the Chicago Gateway that will utilize the trackage rights over BN/Santa Fe to Kansas City will get on or off those rights at Buda, Illinois. Trains out of Canal Street, Global-1, Global-2 or Proviso will operate west over the UP line to Nelson, Illinois, and then south on the Nelson-East St. Louis line to a crossing with the BN/Santa Fe at Buda, where a new connection with the BN/Santa Fe line will be constructed. To expedite the flow of traffic on this route, the Nelson-Buda line will be upgraded and signaling will be installed. A new siding will be constructed north of Buda on the UP line. Another new siding and a new crossover will be constructed on the BN/Santa Fe line just west of Buda at UP/SP's expense. These capacity increases will allow for better integration of the UP/SP and BN/Santa Fe flows. Total estimated cost of these projects is $21.7 million.

Herington, Kansas - Ft. Worth, Texas

This line, otherwise known as the OKT, will be upgraded primarily to handle Powder River Basin to Texas coal trains. Other traffic will also benefit from this upgrade. Track will be upgraded for the heavier volumes, and bridges will be improved to handle

unit trains of 286,000-lb. equipment at a cost of approximately $30 million. Six new sidings will be constructed at Boyd, Texas; Marlow and Jefferson, Oklahoma; and Caldwell, Furley and Peabody, Kansas. Thirteen sidings will be extended at Chico and Stoneburg, Texas; Waurika, Sunray, Chickasha, Concho, Jacks, Enid, North Enid, and Jefferson, Oklahoma; and Midland, Cline and Whitewater, Kansas. Sidings at Minco, Oklahoma, and Lost Springs, Kansas, will be upgraded. Total cost of the OKT project, including the track upgrade, is $91.5 million.

Denver, Colorado - Topeka, Kansas

This line, known as the KP, will be upgraded primarily to handle Colorado and Utah coal to Midwestern locations. With the upgrade in place, however, other traffic will also benefit. Track will be upgraded for the heavier volumes and bridges will be improved to handle unit trains of 286,000-lb. equipment at a cost of approximately $50 million. Eleven new 9300-foot sidings will be constructed at Mesa, Strasburg and First View, Colorado, and at Page City, Grainfield, Wakeeny, Toulon, Dorrance, Brookville, Salina, and Solomon, Kansas. Existing sidings will be extended at Cedar Point and Clifford, Colorado, and Weskan and Oakley, Kansas. Total cost of the projects, including the track upgrade, is $86.6 million.

Iowa Junction - Kinder - Livonia - Avondale, Louisiana

This upgrade and capacity improvement project is associated with the routing of manifest traffic off the SP line at Iowa Junction so that it can move north to Kinder and then east to Livonia for classification for the New Orleans gateway. Upgrading the trackage and bridges between Iowa Junction and Livonia will cost $25.1 million. New

sidings will be constructed at Edna and Elton, Louisiana, and CTC installed between Iowa Junction and Kinder. On the Livonia-Avondale line, the White Castle siding will be extended and an additional main track will be constructed at Taft. Total cost of projects in the Iowa Junction-Avondale corridor is $44.3 million.

Kinder, Louisiana - Alexandria, Louisiana

UP/SP plans to operate additional traffic over this line, including chemical traffic from the Beaumont, Orange and Lake Charles areas moving to North Little Rock for classification. To handle this additional traffic, trackage in this area will be upgraded at an estimated cost of $9.4 million.

Pine Bluff, Arkansas - North Little Rock, Arkansas

Additional trains will operate between the Pine Bluff and North Little Rock yards. To handle this traffic efficiently, signal spacing will be changed on portions of this line and switches on one additional siding will be power-operated at a cost of $1.7 million.

Tracy, California - Martinez, California

This segment is known as the Mococo Line, and parts of it have been out of service for several years. At one time, however, it was an important SP line serving as the primary route to the Bay Area from the San Joaquin Valley. In 1977, for example, the line handled 8.1 million gross tons and, as late as 1987, 5.3 million tons.

Reopening this line will provide significant additional operational flexibility in the area. This is especially important as traffic increases on other lines and as governmental agencies work with the railroads on potential commuter and intercity passenger operations in the Bay Area. Projects planned for the Mococo Line include a

track upgrade costing $14.7 million and construction of two sidings, one at Newlove and the other at Janney. Total cost of the Mococo Line projects is $21 million.

Alazon, Utah - Weso, Nevada

This trackage is referred to as the "Paired Track," because UP owns one line between these locations and SP owns the other line. The two railroads are operated as one, with westbound trains operating on the SP track and eastbound trains operating on the UP track. The lines are signalled only for movements in the direction of traffic, making it very difficult for a faster train to pass a preceding slower train..

To increase operational flexibility, UP/SP will signal the lines for movement in both directions. It will also install universal crossovers at six locations and upgrade power-operated switches at Elko and Carlin, Nevada. These projects have an estimated cost of $20.6 million.

Peninsula Jct - Troutdale, Oregon (Portland)

This UP line, known as the Kenton Line, forms a bypass route around Portland terminal activities for Seattle trains that do not have to work at Albina Yard in Portland. Due to a steep grade, most eastbound trains out of Albina also use this route to reach Troutdale on the line to Hinkle, rather than the Graham Line, which is used west of Troutdale primarily by westbound trains going to Albina Yard.

UP/SP will increase the number of movements through the Portland terminal area as traffic on the I-5 Corridor increases. Eugene-Hinkle traffic will also operate via Portland. Because of physical track limitations, a train moving north from the SP toward Hinkle cannot turn east at East Portland and operate to Hinkle on the Graham Line.

Instead, it must operate north to Peninsula Junction, and then use the Kenton Line. To improve the flow of traffic on this line, UP/SP will install CTC and extend two sidings at Champ and Hemlock for an estimated $6.1 million.

7.1.2 Major Terminal Upgrades

Roseville

As indicated in the discussion of the transportation plan, Roseville will play a key role in UP/SP operations (Figure 13-40). To fulfill this role, UP/SP will rehabilitate the yard, placing back in service those tracks that are currently out of service. Some changes will also be made to the configuration of the yard to improve efficiency. New master and group retarders, a new hump computer, and a new weigh-in-motion scale will also be installed. A second main line will be constructed along the north side of the yard to reduce potential congestion associated with trains bypassing the yard. Rehabilitation, construction and other improvements at Roseville are estimated to cost $38.2 million.

Livonia

Livonia will play a key role in UP/SP's operations along the Gulf Coast. Although it is a new hump yard, it will be expanded to handle the additional traffic. The expansion will include one receiving and two classification tracks, completion of the pullback track, and rehabilitation of one wye and construction of another wye at the junction of the Houston-Baton Rouge and New Orleans-Shreveport lines. Estimated cost of these various projects is $7.7 million.

Portland

Closing the SP intermodal operations at Brooklyn Yard and expanding intermodal facilities at the UP Albina Yard will require shifting some manifest traffic classification to other facilities. Some of the expansion will occur at Rivergate and Bonneville yards, where two tracks will be added to each of these support yards. The larger expansion will occur at the UP Barnes Yard, which serves many industries, as well as the Port of Portland. To improve the flow of traffic through Albina, a new mainline and a running track will be constructed through the yard. These projects will cost an estimated $22.8 million.

Kansas City

UP/SP will convert most of the SP Armourdale Yard into an intermodal facility. Other trackage will be converted into long staging tracks for use by bulk or other through trains. These tracks should significantly reduce congestion by providing space to hold trains, other than on the mainline. With some manifest traffic shifted to Neff Yard, two additional departure tracks will be constructed to improve operations. The cost of these various projects, not including the intermodal facility, is $4.8 million.

Other

Smaller projects associated with terminal consolidations will be constructed at Denver, Colorado; Salem, Illinois; and Carrollton, Waco, and San Antonio, Texas. These projects have a combined cost of $11.6 million. In addition, $5.6 million will be spent to increase track capacity in the Dexter Jct., Missouri, area to facilitate crew changes.

7.1.3 Intermodal Terminals

UP/SP will expand current or construct new intermodal facilities at various locations. These projects will allow UP/SP to absorb increases in traffic or obtain the efficiencies associated with consolidating currently separate facilities. UP/SP plans for intermodal facilities include:

	Est. Cost (Millions)
• Construct a new Inland Empire facility in the Colton-Fontana area	$ 67.5
• Expand the SP ICTF facility serving the Ports of Los Angeles and Long Beach	27.2
• Expand the SP Oakland facility and reconfigure the UP facility	3.7
• Expand the Albina Yard facility at Portland	29.3
• Expand the UP facility at Seattle	3.8
• Expand the UP North Yard facility at Salt Lake City	7.7
• Expand the UP Denver facility	8.2
• Expand the UP Global-2 facility in Chicago	12.2
• Expand the UP Dolton facility in Chicago	9.8
• Construct a new facility at Armourdale Yard in Kansas City	16.7
• Expand the UP Dupo, Illinois, facility serving the St. Louis area	38.1
• Construct a new intermodal facility at Texarkana, Arkansas, serving the Texarkana, Shreveport, Marshall and Longview areas	2.5
• Expand the UP facility at South San Antonio	6.1
• Construct a new facility at Harlingen, Texas, serving the Rio Grande Valley	2.0
• Expand the UP Port Laredo, Texas, facility	7.3
Total	$242.1

7.1.4 Special Projects

As part of its plan to increase efficiency and improve intermodal service, UP/SP will undertake two major clearance improvement projects. UP/SP will remove snow sheds on one track, improve clearances in tunnels, modify signaling and otherwise make

changes to improve clearances on the SP Donner Pass route so that it can handle stacked high-cube containers. This project has an estimated cost of $18.3 million.

UP/SP will also increase clearances in 22 tunnels and four bridges in Oregon and Northern California to allow operation of stacked high-cube containers on the I-5 Corridor. This project will cost $8.6 million.

7.1.5 New Connections

Consolidation of UP and SP operations will require construction of more than 40 connections or other track changes at common terminals and other locations. These projects, summarized below, will cost an estimated $88.2 million.

New Connections

Location	Comments	Est. Cost (Millions)
Camden, AR	Connect SP and UP to allow Gurdon-Camden abandonment.	$ 1.5
Fair Oaks, AR	Upgrade existing connection to allow westbound trains on UP to move south to Pine Bluff on SP.	1.7
Pine Bluff, AR	Two connections to allow southbound trains off UP to move south onto SP and northbound trains off UP to move north onto SP.	3.9
Texarkana, AR/TX	Two connections to allow UP trains to move west on SP trackage and SP trains to move east on UP.	2.1
West Memphis, AK	Upgrade existing connection to allow UP trains to use BN/Santa Fe track to reach SP line to Brinkley.	1.5

Location	Comments	Est. Cost (Millions)
Colton, CA	Two connections, one to allow trains off UP from Los Angeles to operate east on SP towards Yuma, and one to allow eastbound trains off SP from West Colton to operate west on UP.	5.9
Keenbrook, CA	Activate signaling on existing connection between SP track and BN/Santa Fe track on which UP has rights.	0.1
Lathrop, CA	Connect SP and UP trackage to allow northbound trains on SP from Fresno to access UP track to Oakland via Altamont Pass.	2.7
Marysville, CA	Upgrade existing connection to allow trains to and from Roseville, CA, to access UP line to Portola.	1.4
Montclair, CA & Pomona, CA	Connect UP and SP mainlines to increase operating flexibility in the area between Colton and Los Angeles.	7.9
Riverside Junction, CA	Connect SP branch and UP mainline to allow industries on both lines to be served from West Colton.	1.0
Stockton, CA	Connect UP and SP mainlines north and south of Stockton to allow consolidation of UP and SP yards.	10.4
Warm Springs, CA	Upgrade existing connection from UP yard to SP mainline and connect staging tracks to the UP San Jose branch to allow consolidation of local operations.	2.3
Denver, CO	Connect SP mainline and Belt Line at Utah Junction to allow eastbound trains on SP to enter Belt Line.	4.0
Barr, IL	Upgrade existing connection between UP and C&IM to allow implementation of UP trackage rights over C&IM to Springfield, IL, for through trains.	0.6
Girard, IL	Connect UP and SP lines to allow northbound trains on UP to access SP line for movement north to Chicago.	1.4

Location	Comments	Est. Cost (Millions)
Salem, IL	Connect UP and CSX lines to allow northbound run-through trains on UP to operate east on CSX.	2.4
Springfield, IL	Upgrade and simplify existing C&IM-SP crossing and connection.	2.0
Hope, KS	Connect UP and BN/Santa Fe line over which UP has trackage rights to allow direct movements between Herington and Salina.	1.4
Topeka, KS	Upgrade existing connection for through movements between Marysville and Herington, KS. Construct new UP-SP connection to allow continued access to SP-served industry while eliminating current UP-SP crossing.	1.8
Avondale, LA	Connect UP and SP mainlines west of Avondale Yard to increase operational flexibility and provide better through route to Huey P. Long Bridge.	3.0
Iowa Jct., LA	Connect SP and UP to allow eastbound trains on SP to operate north on UP to Kinder.	1.6
Kinder, LA	Connect UP trackage to allow northbound trains from Iowa Junction to operate east to Livonia.	1.8
Shreveport, LA	Connect UP and SP trackage to allow southbound trains from Hollywood Yard on UP to access SP for operation to Houston.	2.7
Bryan, TX	Realign existing UP and SP trackage at rail crossing to eliminate the crossing.	0.9
Dallas Jct., TX	Connect the UP Denton branch with SP trackage to allow consolidated handling of local traffic in the area.	0.3
Ft. Worth, TX	Two connections at the crossing of UP Ft. Worth-Waco and SP Ft. Worth-Ennis lines to increase operational flexibility between the crossing and downtown Ft. Worth area.	2.3
Hearne, TX	Upgrade existing connection to allow northbound trains on UP to operate towards Ft. Worth on SP.	1.3

Location	Comments	Est. Cost (Millions)
Houston, TX	Connect UP and SP trackage at Tower 26 to allow east-west UP-SP moves to bypass Englewood Yard.	1.9
Houston, TX	Connect SP and HBT trackage at Tower 87 to facilitate movement of motive power between Englewood and Settegast yards.	1.4
Houston, TX	Connect SP and HBT trackage at Tower 76 for use by trains operating between the SP Houston-Shreveport line and Settegast Yard.	2.5
Saginaw, TX	Connect UP and BN/Santa Fe trackage over which UP has trackage rights. Allow southbound UP trains on OKT to operate over BN/Santa Fe to UP trackage at Tower 55 in Ft. Worth.	1.1
San Antonio, TX	Connect UP and SP trackage in the SoSan Yard area to increase operating flexibity. Connect UP trackage to SP at SP East Yard to allow trains off UP to access East Yard.	2.9
Tatsie-Mumford, TX	Connect UP and SP lines and realign trackage to allow operational flexibility for trains operating between Hearne/Valley Jct. and Houston/Flatonia.	3.5
Valley Junction, TX	Upgrade UP connection to allow northbound trains on UP from Tatsie-Mumford to operate on UP to Hearne.	1.3
Waco, TX	Connect UP Bass siding and SP Gatesville Branch to allow consolidation of local operations.	0.4
Westpoint, TX	Connect UP and SP track to allow southbound trains on SP to operate east on UP to LCRA power plant.	1.6
	TOTAL	86.5

7.1.6 Fueling/Servicing Facilities

The ability to service and fuel locomotives quickly can have a significant impact on service quality and operational efficiency. Locomotive servicing facilities will be improved

at Ft. Worth, El Paso, Houston, San Antonio, Salt Lake City, Roseville and Hinkle at a cost of $13.0 million. Fixed fueling facilities will be improved at Elko, Yuma, Tucson and North Platte at a cost of $13.0 million.

"Mobile supertankers" will be acquired at a cost of $5.0 million to handle fueling at smaller locations, including El Reno, Oklahoma; Vaughn, New Mexico; Provo, Utah; and an undetermined location on the east-west main line in Iowa. New service trucks will be acquired at a cost of $0.4 million for Liberal, Kansas, and for Dolores Yard in the Los Angeles area. In addition, safer and more efficient fuel arms will be acquired for use at former SP facilities at a cost of $4.5 million.

7.1.7 Mechanical Facilities

Locomotive facilities will be improved to support merged operations. The largest locomotive facility expenditure resulting from the merger is construction of new $24 million running repair facility at SP's West Colton, California, yard. Other, smaller projects with a combined cost of $41.6 million will be completed in Denver, Kansas City, Houston, North Little Rock, El Paso, Albina (Portland), Salt Lake City and San Antonio.

7.2 Deferred Capital Expenditures

The abandonment, sale and downgrading of various lines due to the UP/SP merger will allow UP/SP to avoid planned maintenance and capital expenditures on a number of lines. Avoided capital expenditures on just the Sage-Malta-Cañon City, Colorado and Pueblo-Herington, Kansas, line segments total more than $47.7 million. Avoided capital expenditures on other lines to be abandoned or on which UP will no longer have maintenance responsibility total at least $23.8 million.

These figures do not include the potentially significant reductions in capital requirements for capacity resulting from the ability to utilize existing routes more efficiently. For example, the proposed directional operations over the UP and SP lines in Arkansas and Texas will significantly reduce the need for line capacity expenditures in this area. With recent and projected growth in UP traffic between the Midwest and Texas, particularly for movements into Mexico, major expenditures had been planned on UP lines between North Little Rock and San Antonio. These expenditures can be deferred and the capital can be shifted to other areas, such as the Powder River Basin to Kansas City coal corridor, where growth has outstripped capacity and where no alternative routes exist.

8.0 IMPACTS ON PASSENGER AND COMMUTER SERVICE

8.1 Amtrak Operations

8.1.1 UP Line Segments. Amtrak operates service over UP lines between:

- Denver and Portland via Cheyenne and Ogden, three trains per week in each direction.
- Salt Lake City and Barstow, California, three trains per week in each direction.
- Salt Lake City and Weso, Nevada, four trains per week in each direction.
- St. Louis and Kansas City, twice daily in each direction.
- St. Louis and Ft. Worth, three trains per week in each direction.
- Temple, Texas, and San Antonio, three trains per week in each direction.
- Barstow and Riverside Junction, California, daily in each direction and three trains per week in each direction (BN/Santa Fe track).

- Portland and Tacoma, four trains daily in each direction (BN/Santa Fe track).

8.1.2 SP Line Segments. Amtrak operates service over SP lines between:

- Los Angeles and Portland via San Luis Obispo, Oakland, Roseville and Eugene, daily in each direction.
- Portland and Eugene, Oregon, daily in each direction.
- Los Angeles and San Luis Obispo, California, daily in each direction.
- Los Angeles and Santa Barbara, California, three trains daily in each direction.
- Denver and Salt Lake City, daily in each direction.
- Weso, Nevada, and Oakland, four trains per week in each direction.
- San Jose, Oakland and Port Chicago, California, four trains daily in each direction.
- San Jose, Oakland and Sacramento/Auburn, California, three trains daily in each direction.
- New Orleans and Los Angeles, three trains per week in each direction.
- Chicago to Joliet, Illinois, three trains daily in each direction.
- Chicago-Galesburg, Illinois, two trains daily in each direction. (BN/Santa Fe track).
- Galesburg-Quincy, Illinois, daily in each direction. (BN/Santa Fe track).
- Chicago-Joliet, Illinois, three trains daily in each direction (IC ownership).

UP/SP merger will have no significant impact on Amtrak train operations as they currently exist on UP and SP lines. First-class passenger trains receive operating

priority from both railroads under the operating rules and practices, as well as under terms of operating contracts, and UP/SP will continue that policy.

Many lines over which Amtrak operates will see little or no change in traffic, with some experiencing decreases. While some lines will have increases in freight traffic, the increases are generally relatively slight. Where the increases are large, for example between El Paso, Texas, and Colton, California, UP/SP plans a construction program that will significantly increase capacity. The consolidated UP/SP operation will also provide greater flexibility to reroute traffic over parallel routes when necessary to reduce congestion or to avoid line closures.

8.2 Commuter Operations

8.2.1 Chicago Area. Metra operates over the following UP line segments:

1. Chicago to Elmhurst, West Chicago or Geneva, Illinois. Metra operates 59 weekday trains, 20 Saturday trains, and 15 Sunday and holiday trains.

2. Chicago to Barrington, Crystal Lake, McHenry or Harvard, Illinois. Metra operates 63 weekday trains, 27 Saturday trains, and 15 Sunday and holiday trains.

3. Winnetka, Highland Park, and Waukegan, Illinois, or Kenosha, Wisconsin. Metra operates 62 weekday trains, 22 Saturday trains, and 16 Sunday and holiday trains.

Metra shares track with SP on the following line segments:

1. Chicago to Joliet, Illinois. Metra operates four trains on weekdays only. SP has trackage rights over portions of this line, which is owned by IC.

2. Chicago to Aurora, Illinois. Metra operates 86 weekday trains, 26 Saturday trains and 18 Sunday and holiday trains. SP has trackage rights over portions of this line, which is owned by BN/Santa Fe.

In the Chicago area, the UP/SP merger will have no impact on the UP Northwest Line to Crystal Lake and Harvard or the UP North Line to Kenosha. Little impact is expected between Chicago and Joliet or Aurora, where train volumes will decline due to the shift of some SP north-south and east-west traffic using the trackage rights to other UP routes.

While increased volumes are expected on UP's east-west Geneva Line to West Chicago and Geneva, virtually all of this growth is related to an increase in intermodal trains. Other growth results from the rerouting of some SP traffic in the Chicago terminal area, primarily from either the BN Chicago-Aurora line or the IC Chicago-Joliet line, both of which have Metra commuter operations.

Even with the relatively large increase in trains on the Geneva Line, there should be no significant impact on Metra operations. Metra commuter trains are already given priority and that policy will not change. A review of the computer-generated projected train sizes also indicates the possibility of consolidating some trains on lighter days to reduce train frequency. In addition, many of the additional intermodal trains are scheduled at times when commuter operations are infrequent, especially late at night.

8.2.2 Southern California Area. METROLINK operates over the following UP and SP line segments:

1. Los Angeles to Riverside, California. METROLINK operates six trains in each direction on weekdays only.

2. Los Angeles to Oxnard, California. METROLINK operates six trains in each direction on weekdays only.

3. Los Angeles to Lancaster, California. METROLINK operates nine trains in each direction on weekdays only.

4. Los Angeles to Burbank, California. METROLINK operates three westbound and two eastbound trains on weekdays only, in addition to the Oxnard and Lancaster services.

In the Southern California area, additional trains are expected on the UP and SP mainlines between the Colton area and Los Angeles, resulting partly from the need to operate to the downtown area to make connection with the Alameda Corridor to the Ports of Los Angeles and Long Beach. Service provided to METROLINK commuter trains should not be impacted, however, since the proposed changes in crew districts and the connections proposed for Colton, Pomona and Montclair will increase capacity and provide operational flexibility.

The merged route structure will significantly enhance the ability of the carriers to handle current traffic and potential future growth. METROLINK will benefit on some lines where UP and SP do not even operate commuter service. For example, the ability of UP/SP trains between Barstow and Los Angeles to enter and exit SP trackage at Keenbrook on the west side of Cajon Pass means that some UP/SP trains will not necessarily have to operate over BN/Santa Fe trackage used by METROLINK trains east of San Bernardino.

8.2.3 San Francisco Bay Area. CalTrain operates over SP between San Francisco and San Jose or Gilroy, California. CalTrain operates 60 weekday trains, 25 Saturdays, and 19 Sundays and holidays. There should be little impact on CalTrain

commuter operations. Little change in train frequency is projected on the SP Coast Line between Gilroy and Santa Clara, with no change on the Santa Clara-San Francisco line.

9.0 EQUIPMENT REQUIREMENTS AND UTILIZATION

9.1 Equipment Utilization

A merged UP/SP system will have significant opportunities to improve equipment utilization, including greater utilization of combined fleet capacity to meet seasonal demand and efficiencies resulting from consolidated operation. This improved productivity can be measured by the locomotives and freight cars that a consolidated system would not have required to handle actual 1994 volumes.

With consolidation, 210 fewer high-horsepower through freight locomotives, having a replacement value of approximately $410 million, and 80 local and yard locomotives would be required to handle the 1994 traffic of the two systems. Improved utilization of road locomotives would result from use of shorter, more efficient routes, a better ability to match locomotive capabilities with particular service requirements, reduced helper locomotive requirements, greater ability to triangulate locomotive movements, reduced terminal times due to greater service frequency, and improved locomotive maintenance and servicing facilities. The reductions in locomotives used in yard and local service result from the consolidations described in Section 4.0.

More efficient use of the existing car fleets would allow the merged system to meet seasonal demands more efficiently. An analysis, employing the same methodology used in consolidation applications since the UP-MP-WP application in 1980, indicated that the same traffic could have been handled by the consolidated system with

at least 2401 fewer cars. These cars would have a replacement value of approximately $138 million.

Summary of Freight Car Savings Due to
Improved Ability to Meet Seasonal Demand

Car Type	Reduction in Cars Required
Plain Boxcar	155
Plain Gondola	105
Equipped Gondola	388
Small Covered Hopper	32
Open Hopper General Service	1341
Open Hopper Special Service	186
Flat General Service	15
Flat Other	155
Ore Jenny	24
Total	2401

Rerouting of traffic to more efficient routes would also improve freight car utilization and reduce costs. The reroutes resulting from the consolidation of mainline operations described in Section 3.2 would result in a reduction of more than 298 million car miles annually with an associated fuel consumption reduction of 25.6 million gallons annually.

Linear programming techniques were used to explore the potential for eliminating empty movements not required to support a combined traffic base. The estimated minimum movement of empties on the consolidated system operating was subtracted from the estimated minimum movement of empties by UP and SP operating on

an independent basis. The resulting estimates of reduced empty cross-hauls were adjusted downward for factors such as pool assignments, commodity incompatibility, loading fluctuations and physical variations within car types. The result was an estimated annual reduction of 30 million empty car miles.

The UP Ft. Worth-Houston route currently is not capable of handling 286,000-lb. (143-ton) equipment. The SP Dallas-Hearne line is already capable of handling the heavier equipment. By using this SP line and by moving forward approximately $2.86 million in bridge work on the UP Valley Junction-Spring and Houston-Galveston lines, UP/SP will be able to offer shippers the ability to load to the heavier limits. For the consolidated system, this will result in reduced train miles, car miles, and gross ton miles. Based on 1994 UP grain traffic from selected locations in Colorado and Kansas to Beaumont, Houston and Galveston, this capability would have resulted in a reduction of nearly three million car miles.

9.2 Equipment Requirements

A UP-SP consolidation would result in the need for the equivalent of approximately 239 additional high-horsepower locomotives, primarily due to traffic resulting from the new marketing opportunities. However, the units that would become available as a result of the utilization improvements described in Section 9.1 and the consolidations described in Section 4 should be sufficient to meet this need. Nevertheless, the costs of leasing the additional locomotives were included in developing net revenues from new traffic.

For traffic diverted from other carriers or developed through new marketing opportunities, UP/SP would require an estimated 2172 additional freight cars (Table 13-18). The costs of providing cars to handle this traffic were included in developing the net revenues from this new traffic.

In the case of intermodal diversions, car requirements are already being met by TTX equipment and, therefore, no additional intermodal equipment would be required. No additional trailers or containers would be required, as the diverted traffic would continue to move in equipment available during the base period.

As described in the Equipment Utilization section, more efficient use of the combined UP and SP car fleets would make available more than enough cars to meet the additional car requirements, with the exception of plain wide-door boxcars and insulated boxcars. UP/SP anticipates that many, if not all, of these additional cars will be made available either through reduced crosshauls or improved cycle times resulting from the shorter and faster routes and schedules in the UP/SP transportation plan, elimination of UP-SP interchange times, and the general upgrading of SP's service level. In any event, UP/SP would have sufficient resources to acquire additional cars if any were needed.

Summary of Freight Cars Required Due to
Diversed Traffic and New Marketing Opportunities

Car Type	Number of Cars Required
Plain Boxcar	806
Insulated Boxcar	1153
Large Covered Hopper	51

Open Hopper Special Service	20
Flat Other	142
Total	2172

9.3 Company Service Equipment

SP leases 114 ballast cars. The UP ballast car fleet of 2000 cars, plus the SP ballast car fleet of 316 cars, will be able to absorb the demand currently met by the leased cars. This will result in an annual saving of $646,000.

10.0 CUSTOMER SERVICE

10.1 Customer Service Centers

UP operates a National Customer Service Center in St. Louis and an International Customer Service Center in Laredo, Texas. SP has a National Customer Service Center in Denver, Regional Offices in Los Angeles and Houston, and staff support in San Francisco. SP's Customer Service organization includes Operating Timekeeping in Los Angeles, a "help desk" and file control function in San Francisco, and Damage Prevention and Freight Claims in Denver. While the UP National Customer Service Center handles train and interchange reportings, these functions on SP are still performed in field offices.

UP/SP will consolidate customer service functions in a single location to take maximum advantage of training, technology and process streamlining opportunities, although the location has not been determined. For the purpose of preparing the Application, it was assumed that consolidation will take place at St. Louis. The one exception to this is that Mexican border customer service functions will be headquartered

at Laredo, Texas. To implement the consolidated operation, TCS, the UP operating data system, will be installed on the SP. In addition, the UP ATCS system, which permits real-time communication of work instructions to train and yard crews, or an alternative automated work order system, will also be installed. When fully completed, these consolidations will result in a reduction of 454 clerical and 66 non-agreement positions and the relocation of 266 clerical and 85 non-agreement positions.

10.2 Car Management

UP Car Management is located in Omaha and meets customer needs for all car types except intermodal equipment and multilevels, which are handled by Intermodal & Auto Operations, and mechanical refrigerator cars, which are handled by UPFE. Car Management has little involvement with the distribution of the coal fleet, which is handled by the Unit Train Operations group.

SP Fleet Management is located in Denver and San Francisco, although primarily in Denver. It handles all car types except intermodal equipment, and has significant involvement in the distribution of SP's coal fleet.

UP/SP will consolidate car management functions, with the assumed location for purposes of the application being Omaha. The organization will use TCS car distribution software to route empty cars to shipping locations. SP's equipment distribution decision-support computer system will be used to evaluate distribution strategies. SP's shortline inventory management process will also be implemented on the combined system. These consolidations will result in elimination of 17 non-agreement positions and relocation of 45 non-agreement positions. Use of the SP computerized decision-support

system will also eliminate the need for a portion of the software UP had planned to develop as part of UP's Equipment Distribution Management System.

11.0 CENTRALIZED FUNCTIONS

11.1 Train Dispatching

UP train dispatching functions are centralized at the Harriman Dispatching Center in Omaha. SP train dispatching functions are centralized at the Transportation Service Center in Denver. For purposes of the Application, it was assumed that UP/SP will consolidate dispatching in Omaha, eliminating 140 dispatcher, one clerical and 32 non-agreement positions, although the actual location has not been determined. A total of 187 dispatcher and 15 non-agreement positions would be relocated to Omaha. This relocation will be implemented in phases, with locomotive management and crew balancing being consolidated in the early phases, and the dispatchers being the last to be relocated.

11.2 Crew Management

The UP crew management function is located in the Harriman Dispatching Center in Omaha. It is centralized for the system and employs a computerized crew calling system (Crew Management System - CMS) which interacts with the TCS. The SP crew management operation is centralized in Denver at the SP Transportation Service Center. It utilizes a less sophisticated computerized calling system to assign crews.

For purposes of the Application, it was assumed that UP/SP will consolidate crew calling in Omaha and will use the CMS computerized crew calling system. This will be done shortly after merger, since CMS is a stand-alone system and does not require

prior installation of TCS. This consolidation will result in elimination of 62 clerical and 10 non-agreement positions, plus relocation of 90 clerical and 14 non-agreement positions.

11.3 Timekeeping

UP timekeeping functions are centralized in Omaha and cover not only train and engine employees, but also non-operating employees. Timekeeping for train and engine employees uses data from the TCS operating data system. Various computerized timekeeping information systems provide data for non-operating employees, including maintenance-of-way, mechanical, and clerical personnel.

The SP timekeeping operation relies on employees in Monterey Park, California, San Francisco and Denver, with Monterey Park being the largest facility. The operating timekeeping function is currently implementing field entry tie-up for train and engine crews.

For purposes of the Application, it was assumed that UP/SP will consolidate timekeeping at Omaha. TCS will be used to provide the data required for operating timekeeping, and the other UP systems will be used to provide data for non-operating employees. The consolidation will initially result in elimination of 53 clerical and six non-agreement positions and relocation of 79 clerical and 7 non-agreement positions to Omaha. Following consolidation, the SP field entry timekeeping system will be implemented on UP. When completed, this will result in elimination of 50 more clerical positions.

12.0 COORDINATION OF EQUIPMENT MAINTENANCE

12.1 Common Point Repair Facilities

The impact of the UP/SP consolidation on repair facilities at common points is indicated in Section 4.0, which addresses consolidation at the affected terminals.

12.2 Locomotive Heavy Repair Facilities

SP has its heavy locomotive repair shop at Denver. Running repair facilities are located at Los Angeles, Kansas City, Houston, Pine Bluff, El Paso, and Roseville. UP has its major locomotive heavy repair facility at North Little Rock, with running repair facilities at Kansas City, Ft. Worth, Pocatello, Los Angeles, Houston, Portland, Hinkle, Proviso, Salt Lake City, Stockton and North Platte. UP plans to construct a new shop at Hinkle, Oregon, that will assume some of the work currently performed at Salt Lake City and smaller facilities at Albina and Pocatello. Since this project is already planned, it is not considered to be related to the merger.

Following merger, the SP Burnham Shop in Denver will be designated as the system facility to perform overhauls on GE locomotives. The SP support shop at Los Angeles will be closed and its work and personnel transferred to Denver. The traction motor and wheel work currently performed at Sacramento will also be transferred to Denver, where it will support the west end of the merged system, including North Platte, the largest user of traction motors.

Jenks Shop in North Little Rock will be designated as the major facility to perform overhauls on EMD locomotives. Splitting the overhaul process by builder provides

for the most productive utilization of labor. Some Denver personnel from the engine rebuild operation will be relocated to North Little Rock to support the EMD overhaul line.

The Kansas City EMD Power-by-the-Mile repair facility for SP locomotives involves EMD managers supervising SP employees who maintain EMD units. Following merger, this facility will be closed and the work shifted to the SP El Paso shop. Also at Kansas City, the SP locomotive shop at Armourdale Yard will be closed and the work, including that associated with locomotive servicing, will be moved to the UP shop at Neff Yard in Kansas City.

The SP Houston locomotive shop will be closed. The work will be transferred to shops at El Paso, North Little Rock and the UP Houston shop at Settegast Yard. The Pine Bluff shop will not be impacted significantly, as it and North Little Rock will handle a common pool of assigned units. The UP running repair and servicing facility at Stockton will be closed, and its personnel transferred to Roseville.

To improve maintenance on the combined fleet and to improve efficiency, UP/SP will construct a major new running repair facility at West Colton, which will replace the current SP Los Angeles facility at Taylor Yard. This will provide the merged system with efficient, strategically located facilities in the Northern Corridor (Hinkle), Central Corridor (Roseville), and Southern Corridor (West Colton). The West Colton and Roseville facilities also are located on the north-south I-5 Corridor.

12.3 Car Heavy Repair Facilities

SP has heavy repair facilities for cars at Denver and Pine Bluff, while UP facilities are located at Pocatello, Idaho; DeSoto, Missouri; and Palestine, Texas. The SP

Denver shop also has an associated wheel shop, which produces locomotive and freight car wheel sets. Following merger, UP/SP will close the Denver shop and transfer the work to Pocatello. The Pine Bluff shop will also be closed and its work transferred to DeSoto. UP/SP will offer the shop for sale or lease to a third party and will aggressively pursue finding an appropriate tenant for the facility. The wheel shop at Pine Bluff is currently leased to an outside party, and no change in that relationship is anticipated.

13.0 COORDINATION OF MAINTENANCE OF WAY

13.1 Maintenance of Way Equipment Repair Shops

SP operates a new, centralized repair facility at Denver. UP has facilities at Pocatello and Ft. Worth. Following merger, UP/SP will close the Pocatello facility. The Denver facility will become the primary heavy repair facility for the system, while the Ft. Worth facility will be used mainly for running repairs.

13.2 System Gang Operations

As separate railroads, SP and UP maintain their tracks with entirely separate maintenance, track and bridge personnel. To maintain UP/SP rail lines in an efficient manner, it will be necessary to reorganize maintenance responsibilities. The verified statement of Michael A. Hartman and Appendix A to the Operating Plan discusses the necessary types of changes in labor agreements.

Consolidated agreements should enable UP/SP to eliminate approximately two 58-man tie gangs and four 32-man curve gangs without unfavorably reducing work levels. In addition to labor savings, roadway machinery requirements will be reduced, with a reduction of six consists of equipment for system gangs and miscellaneous equipment

of maintenance gangs. This equipment has a replacement value of $11.5 million, or an annualized value of $1.6 million. In addition, annual equipment maintenance costs will be reduced by $1.0 million.

13.3 Ballast Procurement

Ballast costs will be lower due to the use of significantly lower cost ballast from quarries used by UP. UP/SP will obtain 50 percent of its ballast requirements for SP's existing lines from UP quarries. Prices from SP quarries are expected to be reduced once existing ballast agreements are renegotiated. An annual savings of nearly $3.3 million is expected.

13.4 Rail Grinding

SP currently spends $5 million for one full time grinder. UP/SP will bring the SP work under the current UP contract. Annual savings of $450,000 in lower pass and track-mile costs will be offset by approximately $100,000 in additional supervision requirements, resulting in a net annual savings of $350,000.

13.5 Rail Testing

SP currently contracts its rail testing to companies which operate eleven detector cars on SP. UP leases ten detector cars to test rail and operates them with its own employees. UP/SP will eliminate contract operations and lease ten additional detector cars. An additional 27 personnel will be required to operate the cars, but the additional labor and operating-related costs will be more than offset by the eliminated contract costs, with a net annual benefit of $500,000.

13.6 Rail Welding

SP currently buys rail welding service from three separate vendors. UP operates two welding facilities at Denison, Texas, and Laramie, Wyoming. UP/SP will weld all rail at its Denison and Laramie plants. It will be necessary to add nine employees for a second shift at these plants and spend approximately $100,000 in capital improvements to facilitate the additional work. The additional costs will be more than offset by reduced welding costs from rail suppliers, economies of scale, and reduced transportation costs, with estimated annual savings of $300,000.

13.7 Track Geometry Testing

SP currently uses an outside contractor to provide its geometry testing for $500,000 per year. UP operates two geometry cars. UP/SP will perform all testing with company-owned equipment. One of the two UP test cars, which was to be retired at the end of 1996, will be retained. The other test car will be retired and replaced with a new car, which will be upgraded at a cost of $750,000. Two additional operators will also be required to absorb the work, but annual benefits of $300,000 are anticipated.

13.8 Panel Track Operations

SP currently contracts for both prefabricated turnouts and track panels, while UP operates two panel plants at North Little Rock, Arkansas, and Laramie, Wyoming. UP/SP will incur one-time capital costs of $150,000 and add 20 people to allow all panel requirements to be filled at either North Little Rock or Laramie, with a net annual benefit of $800,000.

13.9 Signal Shops

SP has small signal shops in Sacramento and Houston, while UP has a centralized shop in Sedalia, Missouri. UP/SP will consolidate operations at the Sedalia shop. Nine positions at the SP shops will be eliminated, and 13 positions will be transferred to Sedalia. Estimated annual benefits resulting from the consolidation are $0.6 million.

13.10 Additional Maintenance Costs

Combining the UP and SP systems will require increased expenditures in some areas:

- An estimated 50 maintenance people will be added on those lines where traffic will increase significantly.
- An estimated $11 million will be spent on additional training in such areas as rules, safety certification, quality, personnel skills, and computer usage.
- To implement UP safety programs on SP will cost $1.5 million. In addition, UP/SP will spend $400,000 for a van to administer physical examinations to SP maintenance personnel.
- At an estimated cost of $4.5 million, UP/SP will upgrade unloading devices on SP-owned ballast cars for safety and environmental reasons.
- Annual vehicle lease costs will increase by $2.0 million due to upgrading the current SP fleet of leased vehicles.
- Upgrading SP engineering systems, including additional equipment, and developing and computerizing the necessary data, will cost an estimated $11 million.

14.0 OPERATING ORGANIZATION

14.1 General

The SP transportation organization consists of three regional General

Managers, two located in Denver and one in Los Angeles, with eight operating divisions reporting to them. The mechanical and engineering forces responsible for day-to-day maintenance of facilities and equipment report to the division superintendents. Construction, system track maintenance, and equipment maintenance are the responsibility of the Chief Engineer and Chief Mechanical Officer.

UP has five regional General Managers located in Omaha who are responsible for 18 Service Unit Superintendents and a General Manager of Commuter Operations, located in Chicago. Personnel responsible for day-to-day facility and equipment maintenance report to the Vice President-Engineering Services and Vice President-Maintenance Operations.

Following merger, UP/SP will consolidate the existing SP divisions and UP service units into a total of 21 service units. The 21 Service Unit Superintendents will report to six Regional General Managers located in Omaha. One of these service units will be responsible for UP/SP trackage rights operations on BN/Santa Fe lines. A General Manager of Commuter Operations will continue to be located in Chicago. Personnel responsible for day-to-day facility and equipment maintenance will report to the Vice President-Engineering Services and Vice President-Maintenance Operations.

14.2 Crew District Changes

Changes in operating crew districts will be required to integrate operations and to realize the service improvements and other benefits described by this Operating Plan. A summary of the new districts assumed by the Plan is attached as Appendix A and reviewed in the Verified Statement of Michael A. Hartman.

15.0 MANAGEMENT INFORMATION SYSTEMS/COMMUNICATIONS

15.1 Management Information Systems

In 1994, SP outsourced all of its program development and data center activities. A "help desk", a bulk print shop for computer-generated reports, and a hardware/software inventory group remain in San Francisco. A total of 40 personnel are involved in these activities.

Those UP computer applications associated with the movement of freight cars are developed and maintained by UPT, a subsidiary of Union Pacific Corporation. These include the Transportation Control System (TCS) and associated systems involving car ordering, car billing, car and train movement, work order reporting, accounts receivables, car accounting, crew management, locomotive management and timekeeping. The remaining applications are developed and maintained by a UP programming staff in Omaha, which includes 297 personnel. UP computer systems are operated in two data centers located in St. Louis and Omaha by 190 personnel.

To unify and standardize operations, all locations on the consolidated railroads will have to work with and have access to the same computer systems for data entry, processing and retrieval. For functional and economic reasons, the UP/SP will use UP systems. Following merger, the SP outsourcing contract will be cancelled. Program development work will be performed by UP staff in Omaha and the UPT staff in St. Louis. Data Center work, including the "help desk", will also be performed by the UP Omaha and St. Louis data centers, and the SP San Francisco operations will be eliminated.

UP's Transportation Control System (TCS) will be implemented on SP. TCS is UP's computer system which supports rail operations and is the primary source of information for revenue accounting, car accounting, and statistical reporting. It also includes a car scheduling function which provides assistance in planning and controlling operations, as well as keeping customers informed on the movements of their shipments. Due to the size and complexity of the effort, TCS will not be completely installed on SP until one year following consummation of the UP/SP merger. Required "bridge" systems will be developed to ensure operational capabilities prior to the cutover of TCS.

15.2 Telecommunications

SP telecommunications activities are a part of the Engineering Department and are headquartered in San Francisco, with people dispersed across the system to maintain the voice and data communications systems. A total of 195 people are involved in this work.

Telecommunications on UP is part of the Information Technologies Department. It is headquartered in Omaha, but also has personnel dispersed across the system to maintain voice and data systems. A total of 436 people perform this work.

Following merger, telecommunication functions will be consolidated into Omaha. Field location support will be modified as required by changes in operations.

15.3 Costs/Benefits

A total of $73 million in one-time capital costs will be required to develop the necessary information/communications structure to support operations on the SP. In

addition, annual capital requirements will increase by $23.4 million because of the consolidation, mainly for acquisition of computer equipment.

A one-time expense of $43.4 million will be required to program and implement the necessary computer applications. This expense includes TCS implementation training and cutover support and buyout of various contracts. These investments will result in annual benefits of $14.3 million due to elimination of duplicate system development and maintenance costs.

16.0 SUPPLY

The merged system will reduce costs by combining and managing the separate carriers' purchases of goods and services. In a number of instances, the increased volume of purchases and the ability to make longer term commitments to key suppliers will qualify UP/SP for discounts not available to either carrier alone. Examples include discounts available under arrangements for purchases of locomotives from a major builder, locomotive fuel from suppliers, air travel from a major airline, lodging for company personnel from a travel consolidator, and vehicle leasing from a leasing company. In addition, UP manages its purchases of goods much more intensively and systematically than SP. As a result, UP is able to negotiate consistently lower prices for goods, allowing a merged system to make the purchases SP now makes at lower cost. The combined system will store inventory in fewer places, yielding a reduction of inventory costs.

UP also manages purchases of contract services through a Contract Service group, which has achieved savings averaging 10 percent on purchases of services for UP compared to prior arrangements. These management practices will be applied to SP

contract purchases, which have not been centrally coordinated. Finally, UP/SP, using UP procurement practices, will require fewer personnel to manage purchases and stores. Together, these efficiencies will result in $115 million in annual savings during a normal year.

APPENDIX A

Projected Seniority, Agreement and Territory Changes Required for the Operating Plan

The Operating Plan shows how a UP/SP system will take advantage of complementary UP and SP routes to provide new and improved rail services and to make more efficient use of rail capacity and investment. The Operating Plan requires not only repositioning and modification of clerical and mechanical positions, as indicated in the Operating Plan and the Labor Impact Exhibit, but also a significant reorganization of train crew districts and terminals, maintenance of way and signal districts, system track gangs, and other forces. These changes are needed so that the deployment of labor will correspond with new and more efficient operating patterns, rather than today's corporate alignments. This operating strategy will provide the employees with expanded work opportunities, while assuring UP/SP greater manpower availability and the flexibility to use employees efficiently to meet customer demands. Some examples of the types of changes necessitated by the Operating Plan are set forth below:

Train and Engine Crew Changes

A UP/SP system will place great emphasis on using and integrating complementary UP and SP routes and facilities, without regard to prior ownership, to achieve significant improvements in customer service. UP/SP will use rail capacity more efficiently by employing concepts such as directional routing of trains; segregating types of traffic on paralleled routes; creating large, consolidated terminal "hubs"; establishing

efficient and productive crew districts; and situating manpower to achieve maximum operational flexibility.

The new train services and operating efficiencies identified in the Operating Plan can be achieved only by reorganizing train crew operating districts and terminals to take advantage of new and alternative routings. For example, UP/SP will have several lines through the Los Angeles Basin which it must be able to use interchangeably in order to handle traffic more smoothly. In Northern California, UP/SP will have three lines between Sacramento and Oakland that must be used flexibly and in coordination with BN/Santa Fe operations. Further east, the directional operation planned for UP and SP routes from St. Louis and Memphis to and among Houston, San Antonio and Dallas/Ft. Worth, and the division of traffic by type on parallel routes between Houston and San Antonio and between Houston and New Orleans will require train crews to operate in one direction over tracks that now belong to UP and in the other direction over tracks that now belong to SP. Today's collective bargaining agreements would preclude all of these greatly improved operations.

In using train and engine employees, UP functions as a "hub and spoke" railroad. UP/SP must use that basic operating strategy to integrate UP and SP operations in order to achieve the efficiencies and service improvements envisioned in the Operating Plan. Operations into and out of central hubs provide the spokes for the long, through freight service operations identified in the Operating Plan. It is essential that all operating employees within the hub, as well as all road operations into and out of the hub, be subject to one common collective bargaining agreement with common seniority.

This type of consolidation is a win-win situation for employees, UP/SP and customers. It expands work opportunities for the affected employees and mitigates the adverse effects that historically have befallen employees on smaller, isolated seniority districts when business or operations shifted to a different route due to shipper routing changes, maintenance programs, disasters, etc. It also will allow UP/SP to provide enhanced service to its customers because of improved manpower availability and flexible utilization of its workforce.

This strategy for train and engine crew consolidations is predicated upon certain changes in crew districts. These efficient, productive crew districts and crew change points are essential elements of the UP/SP service improvement strategy as reflected in the Operating Plan. The new or modified crew districts assumed to exist for purposes of the Operating Plan are:

CORRIDOR	TERMINAL	TERMINAL
Chicago to Kansas City	Chicago	Belvidere/Rockford
	Chicago	Butler
	Chicago	Clinton
	Chicago	Ft. Madison
	Chicago	Janesville
	Chicago	Nelson
	Chicago	Quincy
	Chicago	South Pekin
	Ft. Madison	Kansas City
	Quincy	Kansas City

CORRIDOR	TERMINAL	TERMINAL
St. Louis South	Salem	Dexter
	St. Louis	Dexter
	Dexter	North Little Rock/Pine Bluff
	Big Sandy/Longview	North Little Rock/Pine Bluff
	Big Sandy/Longview	Hearne
	Hearne	San Antonio
	Big Sandy/Longview	San Antonio
	Big Sandy/Longview	Dallas/Ft. Worth
	Big Sandy/Longview	Shreveport
	Dallas/Ft. Worth	Shreveport
	North Little Rock/Pine Bluff	Marshall/Shreveport
	Marshall/Shreveport	Houston
	Dallas/Ft. Worth	Hearne
	Hearne	Houston
	Dallas/Ft. Worth	Houston
Louisiana	North Little Rock/Pine Bluff	Monroe
	Houston	Lafayette/Livonia
	Lafayette/Livonia	New Orleans
St. Louis to Kansas City	St. Louis	Jefferson City
	Jefferson City	Kansas City
Kansas City South	Marysville	Kansas City
	Kansas City	Coffeyville/Parsons
	McAlester	Dallas/Ft. Worth
	Marysville	Herington
	Kansas City	Herington
	Herington	Enid
	Enid	Sunray/Duncan
	Sunray/Duncan	Dallas/Ft. Worth
	Salina	Enid
	Salina	Herington
	Herington	Wichita
Kansas City West	Kansas City	Pratt
	Herington	Pratt
	Pratt	Dalhart
	Dalhart	Vaughn
	Vaughn	El Paso

CORRIDOR	TERMINAL	TERMINAL
Ft. Worth West	Dallas/Ft. Worth	Sweetwater
	Sweetwater	Toyah
	Toyah	El Paso
Ft. Worth North	Dallas/Ft. Worth	Childress
South Texas	Houston	San Antonio
Ogden/Salt Lake City West	Ogden/Salt Lake City	Pocatello
	Ogden/Salt Lake City	Milford
	Ogden/Salt Lake City	Green River
	Ogden/Salt Lake City	Elko
Utah Mines	Provo	Utah Mines
Northern California/ Nevada	Elko	Sparks
	Portola	Stockton/Roseville/Lathrop
	Sparks	Stockton/Roseville/Lathrop
	Bakersfield	Stockton/Roseville/Lathrop
	Dunsmuir	Stockton/Roseville/Lathrop
	Oakland	Stockton/Roseville/Lathrop
	Salinas	Stockton/Roseville/Lathrop
	Bakersfield	Oakland
	Oakland	Salinas
	San Luis Obsipo	Salinas
	Roseville	Stockton/Lathrop
Oregon	Portland	Crescent Lake
	Dunsmuir	Crescent Lake
	Portland	Seattle
	Portland	Hinkle
	Bend	Klamath Falls

CORRIDOR	TERMINAL	TERMINAL
Southern California	Los Angeles Area[1]	Bakersfield
	Los Angeles Area[1]	San Luis Obispo
	Los Angeles Area[1]	Yermo
	Los Angeles Area[1]	West Colton
	Los Angeles Area[1]	Los Angeles Area[1]
	Las Vegas	West Colton
	Tucson	Glamis/Clyde
	Glamis/Clyde	Los Angeles Area[1]

Maintenance of Way Organization

As a glance at a rail map confirms, UP and SP rail lines serve many of the same geographical areas in parallel, crossing or complementary configurations. As separate railroads, UP and SP maintain these tracks with entirely separate maintenance, track and bridge forces, even where this is obviously inefficient. For example, in Northern Nevada, UP and SP main lines are paired for more than 150 miles, sometimes on the same roadbed, but collective bargaining restrictions require the two tracks to be maintained by separate forces. In order to maintain rail lines in an efficient manner, UP/SP must transform this balkanized and inefficient pattern of maintenance responsibilities into a rational and logically unified maintenance capability.

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[1] The "Los Angeles Area" includes:
Los Angeles and Long Beach Harbors
East Los Angeles, Mira Loma and Montclair Yards
Taylor and West Colton Yards
City of Industry
ICTF/Dolores
LAXT Coal Terminal
Alameda Corridor

1. Maintenance of Way Districts. To operate as planned, UP/SP must reorganize track maintenance seniority districts so that employees can work on all UP/SP tracks in a common geographical area. The following modifications are required:

a. The SP Western Lines seniority divisions and collective bargaining agreement will encompass all UP operations west of Daggett, California; the UP(WP) territory; and UP operations in El Paso.

b. DRGW employees will be placed under the UP collective bargaining agreement, with the territory from Grand Junction to Ogden merged into the Utah Seniority Division, the territory from Grand Junction to Denver merged into the Wyoming Seniority Division, and employees on the Hoisington Subdivision merged into the UP Kansas Seniority Division.

c. The following operations will be placed under the UP(MP) collective bargaining agreement:

* SPCSL, merged into the Illinois Seniority Division.

* SSW from St. Louis to Owensville, Missouri merged into the Old Eastern Seniority Division.

* SSW operations in the St. Louis terminal, merged into Consolidated Seniority District No. 1.

* SP operations in the Kansas City terminal, merged into the Kansas City Terminal Seniority Division.

* SSW Seniority District #1, merged into the Arkansas Seniority Division along with the UP Louisiana Seniority Division from Paragould to Helena Jct.

* SSW territories from Texarkana to Ft. Worth, Mt. Pleasant to Big Sandy, and Ft. Worth and Denison to Ennis, merged into the Red River B Seniority Division, along with the UP(MKT) territory from the Red River to Alvarado and Dallas.

* SSW territories from Big Sandy to Corsicana, Ennis to Hockley and Flatonia, and Glidden to and including San Antonio, merged into the Palestine Seniority Division, along with UP(MKT) territory south of Alvarado.

* SP's Corpus Christi and Brownsville Branches and the SP lines from Flatonia to Victoria, Coleto Creek to Victoria, Victoria to Port Lavada, Victoria to West Junction (including the New Gulf Branch), West Junction to Glidden and Bellaire Junction to Eagle Lake (including the Arenal Lead), merged into the Kingsville Seniority Division.

* All operations in Houston will be consolidated into a new separate seniority division.

2. System Track Gangs. UP uses large, efficient mechanized track gangs that work over the entire UP system. UP/SP will create two large territories, one of which will comprise roughly the eastern half of the combined system and the other the western half. Each of these territories will include tracks in southern parts of the country where work can continue during winter months, which helps avoid furloughing employees part of the year.

The eastern territory, which will operate under the MPRR Brotherhood of Maintenance of Way Employees ("BMWE") collective bargaining agreement, will consist of SP Eastern Lines, UP(MP), UP(MKT), UP(OKT), UP(CNW) and SSW territories. The

western territory will consist of UP, SP Western Lines (SPWL), UP(WP) and DRGW territories, operating under the UP BMWE collective bargaining agreement.

3. Work Equipment Mechanics. UP and SP have nine different collective bargaining agreements covering the job classification of Work Equipment Mechanic. This work must be realigned in a merged system. All work on UP(MP, MKT, OKT, CNW), SSW and SP Eastern Lines will be consolidated under the UP(MP) collective bargaining agreement with BMWE. All work on UP, UP(WP), SPWL and DRGW will be consolidated and assigned to mechanics represented by the International Association of Machinists.

4. Bridge and Building. Bridge & Building ("B&B") forces construct and maintain bridges, culverts, tunnels and other facilities over large geographical areas. As a merged system, UP/SP must consolidate B&B operations to reduce travel time and increase efficiency. The following changes are needed:

* SSW Seniority Districts 1, 3 and 4, as well as the SPCSL, will be merged into UP(MP) System Gangs North and placed under the UP(MP) collective bargaining agreement.

* SP Eastern Lines and SSW Seniority District 2 will be merged into UP(MP) System Gangs South and placed under the UP(MP) collective bargaining agreement.

* UP(WP) employees will be consolidated into SPWL seniority districts and become subject to the SPWL BMWE agreement.

* DRGW territory from Grand Junction to Ogden will be placed under the UP BMWE agreement and merged into the Utah Seniority Division and South Central Seniority Division.

* DRGW territory from Grand Junction to Denver will be placed under the UP BMWE agreement and merged into the Wyoming Seniority Division and Eastern District Seniority Division.

* UP territory west of Daggett, California, will be consolidated into appropriate SPWL seniority districts and become subject to the SPWL BMWE agreement.

* DRGW employees from Pueblo to Herington will be placed under the UP BMWE agreement and merged into the Kansas Seniority Division.

* SSW operations at Kansas City will be placed under the UP(MP) BMWE agreement and merged into the Kansas City Terminal Seniority Division.

* SSW operations in the St. Louis terminal and between St. Louis and Owensville, Missouri, will be placed under the UP(MP) BMWE agreement and merged into consolidated Seniority Division #1.

* SSW territory from Illmo, Missouri, to Texarkana and Shreveport and the UP(MP) Arkansas Seniority Division will be consolidated under the UP(MP) BMWE agreement and merged into the Louisiana Seniority Division.

* SPCSL territory will be placed under the UP(MP) BMWE agreement and merged into the Illinois Seniority Division.

* The SP Houston terminal and lines from Houston to Shreveport, Houston to Galveston, and New Orleans to a point east of Greens Bayou, Louisiana, will be placed under the UP(MP) agreement and merged into the DeQuincy Seniority Division, along with the UP(MKT) territory from Sealy, Texas, to Galveston. All other portions of the SP Houston Seniority Division will be merged into the Kingsville Seniority Division.

* SSW territory south of Texarkana, including the territory from Corsicana to Denison and Ft. Worth, will be placed under the UP(MP) BMWE agreement and merged into the UP (Old TP) Seniority Division.

* The remaining portions of the SP Houston Seniority Division not consolidated into the UP(MP) DeQuincy Seniority Division will be placed under the UP(MP) BMWE agreement and merged into the Kingsville Seniority Division.

* The SP Dallas Austin Seniority territory from Corsicana, TX, to Denison, TX, and to Ft. Worth will be placed under the UP(MP) BMWE agreement and merged into the old UP (Old TP) Seniority District. The remaining portions of the SP Dallas Austin Seniority Division will be placed under the UP(MP) BMWE agreement and merged into the UP(MP) Palestine Division Seniority District.

5. Signal. The signal operation is similarly divided among multiple labor contracts that would restrict the merged company from realizing the benefits of the merger. Signal operations will be consolidated as follows:

* The Roseville, California and Houston, Texas signal shops will be closed and the work transferred to the signal shop in Sedalia, Missouri.

* The territories comprising the SP Eastern Lines and the Cotton Belt would be consolidated with the UP(MP) and placed under the UP(MP) collective bargaining agreement. This is dictated by the number of parallel lines in these three territories, and the opportunity to consolidate operations and coverage. This will result in better response time for crossing failures, which will reduce train delays and provide greater safety for the public.

* The territories in the Los Angeles Basin area would be placed under the SP collective bargaining agreement.

* The territory of the former WP would be placed under the SP collective bargaining agreement.

* In order to maximize the efficiency of our construction gang, it is contemplated that the territory of the combined system be divided along the same lines as the system maintenance operations. The territory of the SP Western Lines, DRGW, and UP would comprise one construction

territory. The second territory would encompass the SP Eastern Lines, the UP(MP), Cotton Belt and CNW territory. These gangs are primarily involved in crossing installation, new line construction, and signal upgrade programs. They necessarily must cover large territories to be cost effective and to provide constant work opportunity for the employees.

Conclusion

These are among the presently foreseeable changes for train crews, maintenance and signal employees resulting from the Operating Plan. Additional changes in labor assignments for mechanical, clerical and other crafts are also described in the Operating Plan and the Labor Impact Exhibit. These kinds of changes will enhance the combined UP/SP system's competitive posture and will permit it to provide unprecedented service benefits to its customers. If the merger is approved, UP/SP is likely to identify additional or modified opportunities to improve service, resulting in additional changes of these types.

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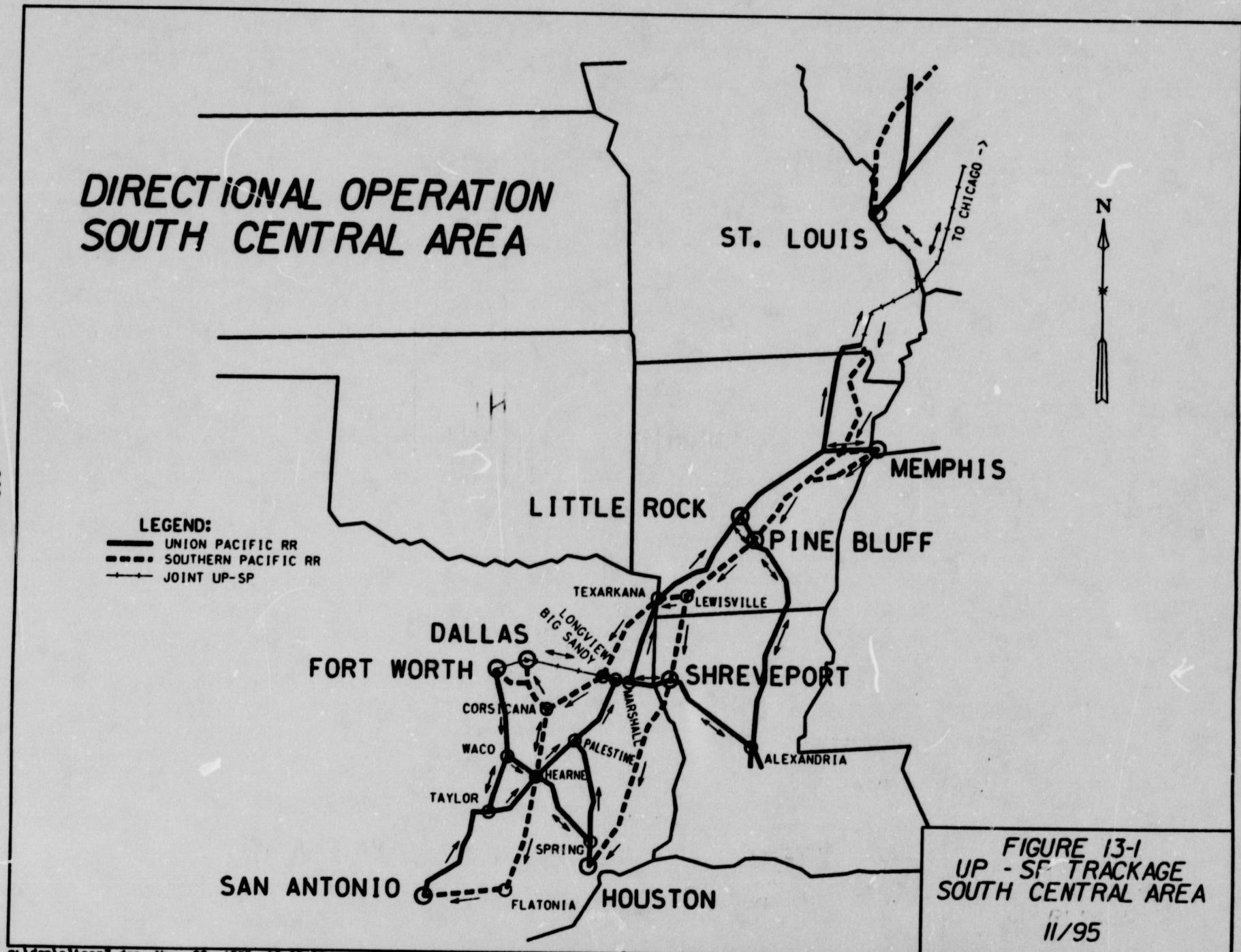


FIGURE 13-1
UP - SP TRACKAGE
SOUTH CENTRAL AREA
11/95

n:\dgn\slteam7.dgn Nov. 22, 1995 08:26:20

OPERATING PLAN

FIGURES

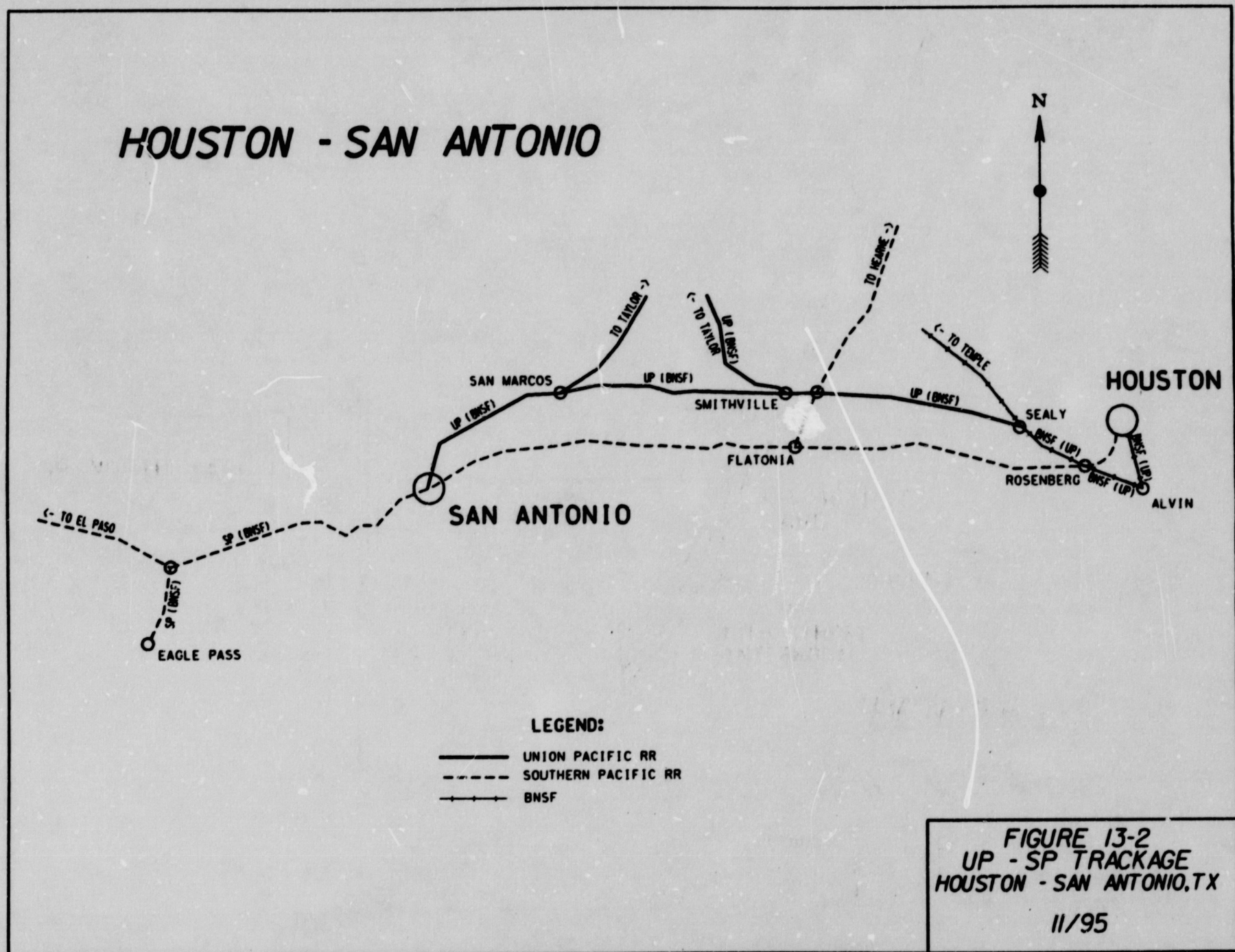


FIGURE 13-2
UP - SP TRACKAGE
HOUSTON - SAN ANTONIO, TX

11/95

n:\dgn\sltea6.dgn Nov. 22, 1995 08:10:40

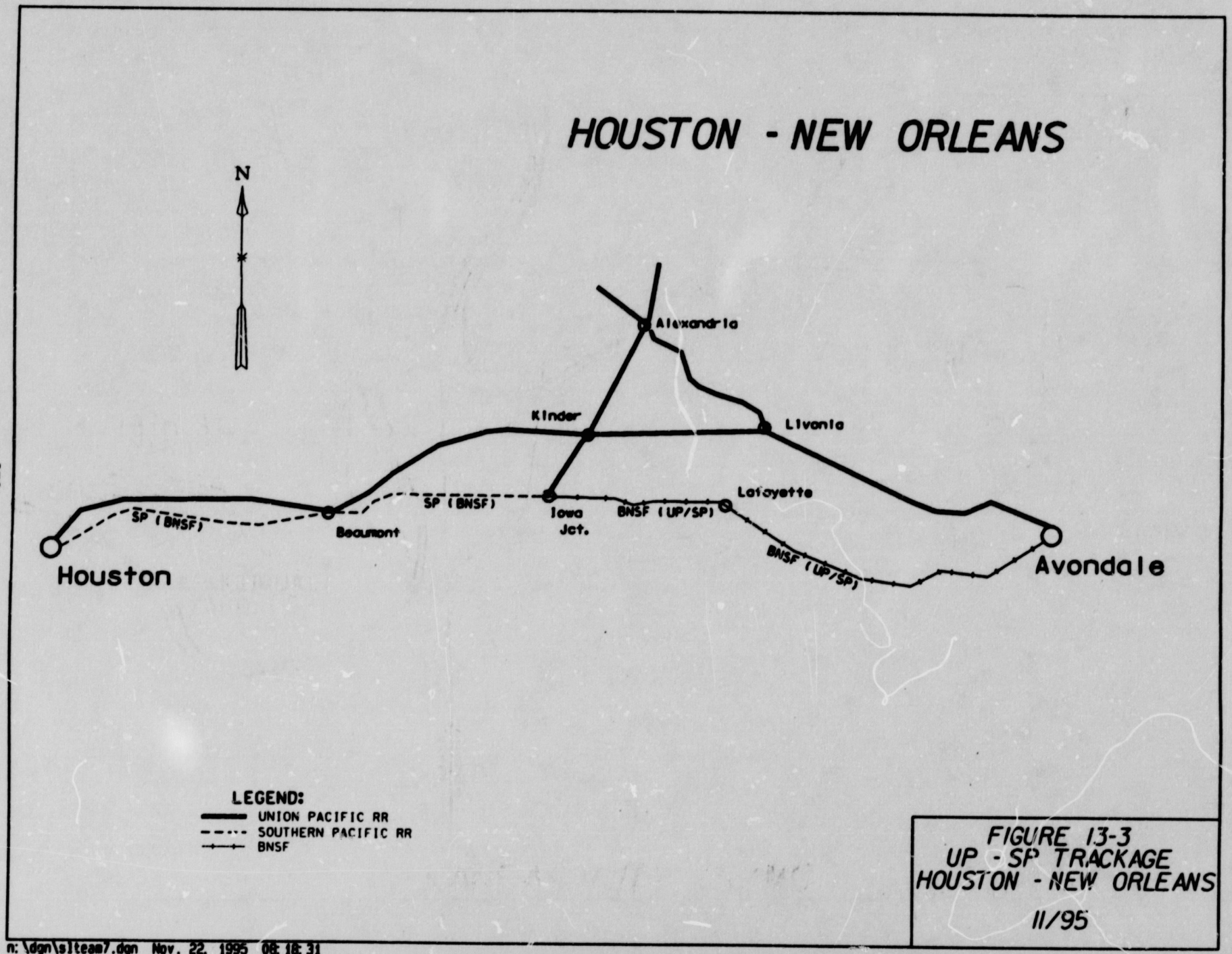


FIGURE 13-3
UP - SP TRACKAGE
HOUSTON - NEW ORLEANS
11/95

270

n:\dgn\slteam7.dgn Nov. 22, 1995 08:18:31

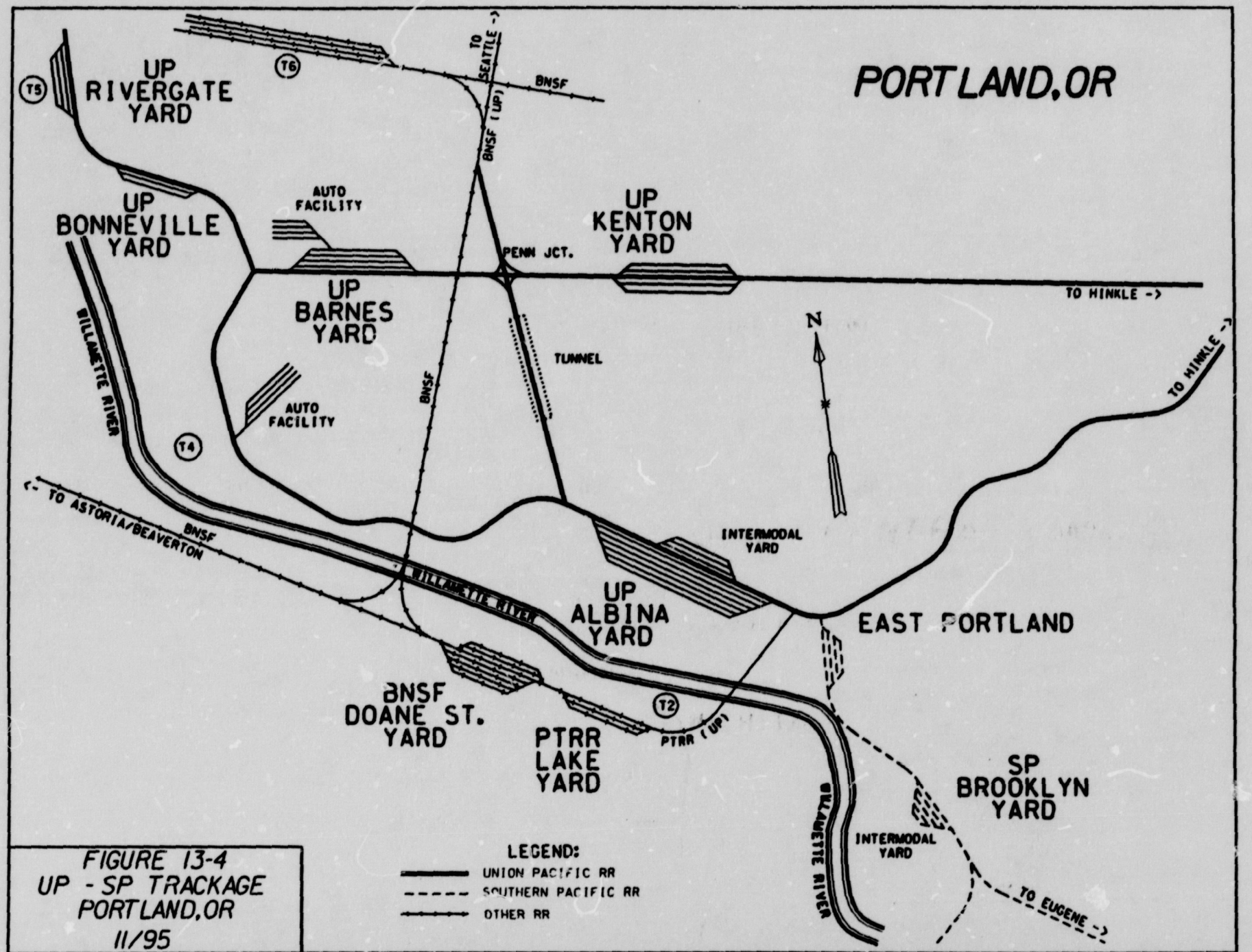


FIGURE 13-4
UP - SP TRACKAGE
PORTLAND,OR
11/95

n:\dgn\sltsam2.dgn Nov. 22, 1995 07:30:23

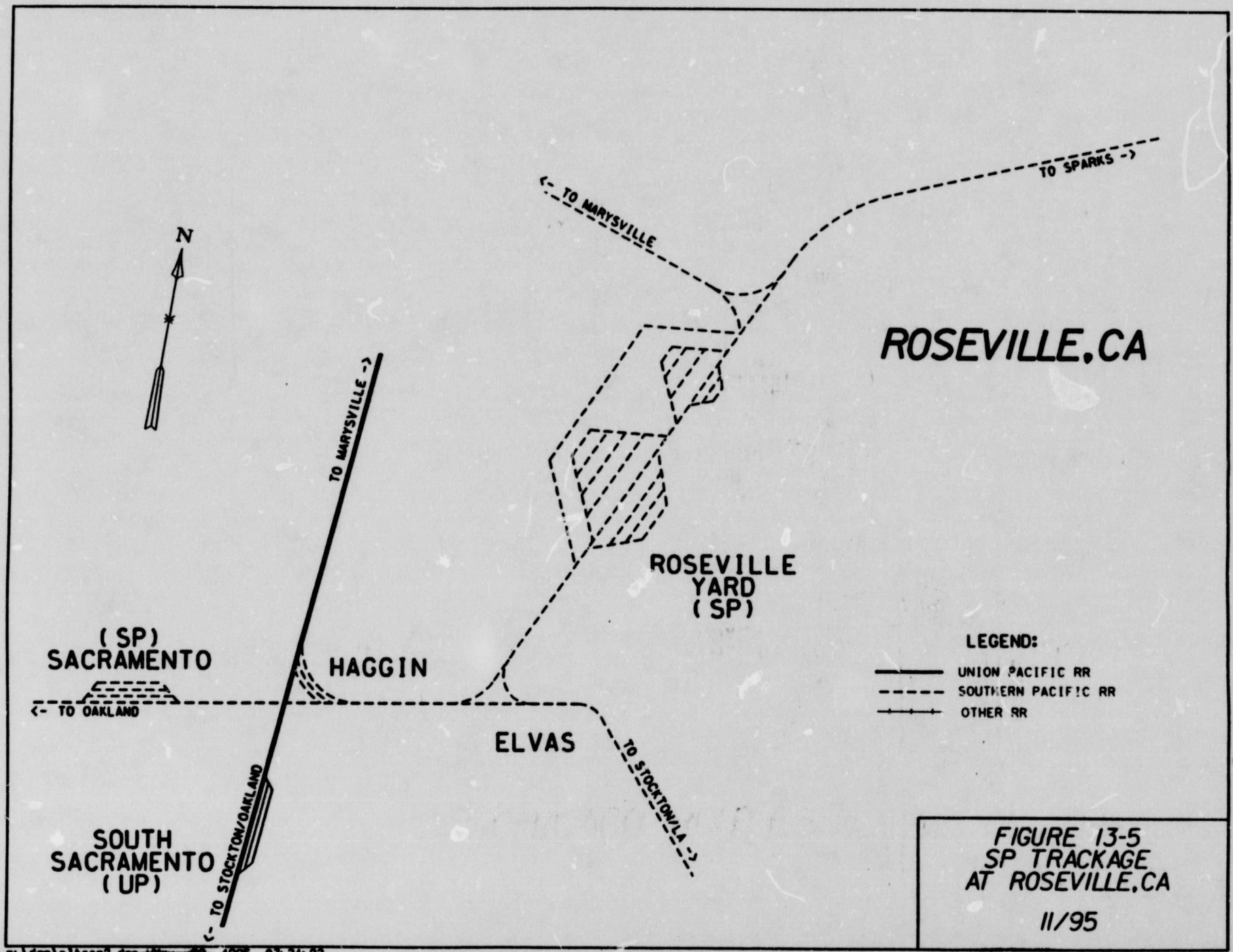
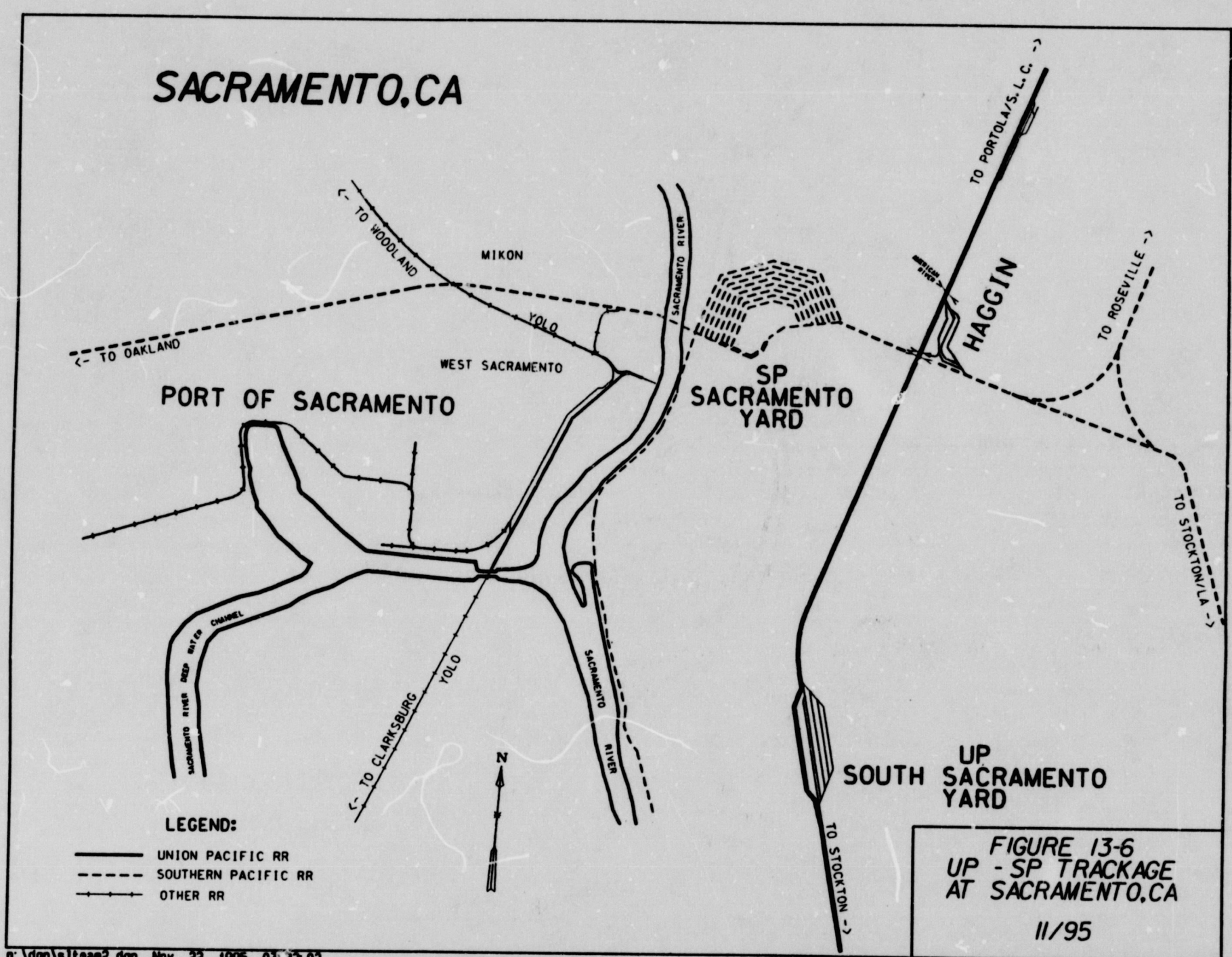


FIGURE 13-5
SP TRACKAGE
AT ROSEVILLE,CA

11/95

n:\dgn\slteam2.dgn Nov. 22, 1995 07:31:23



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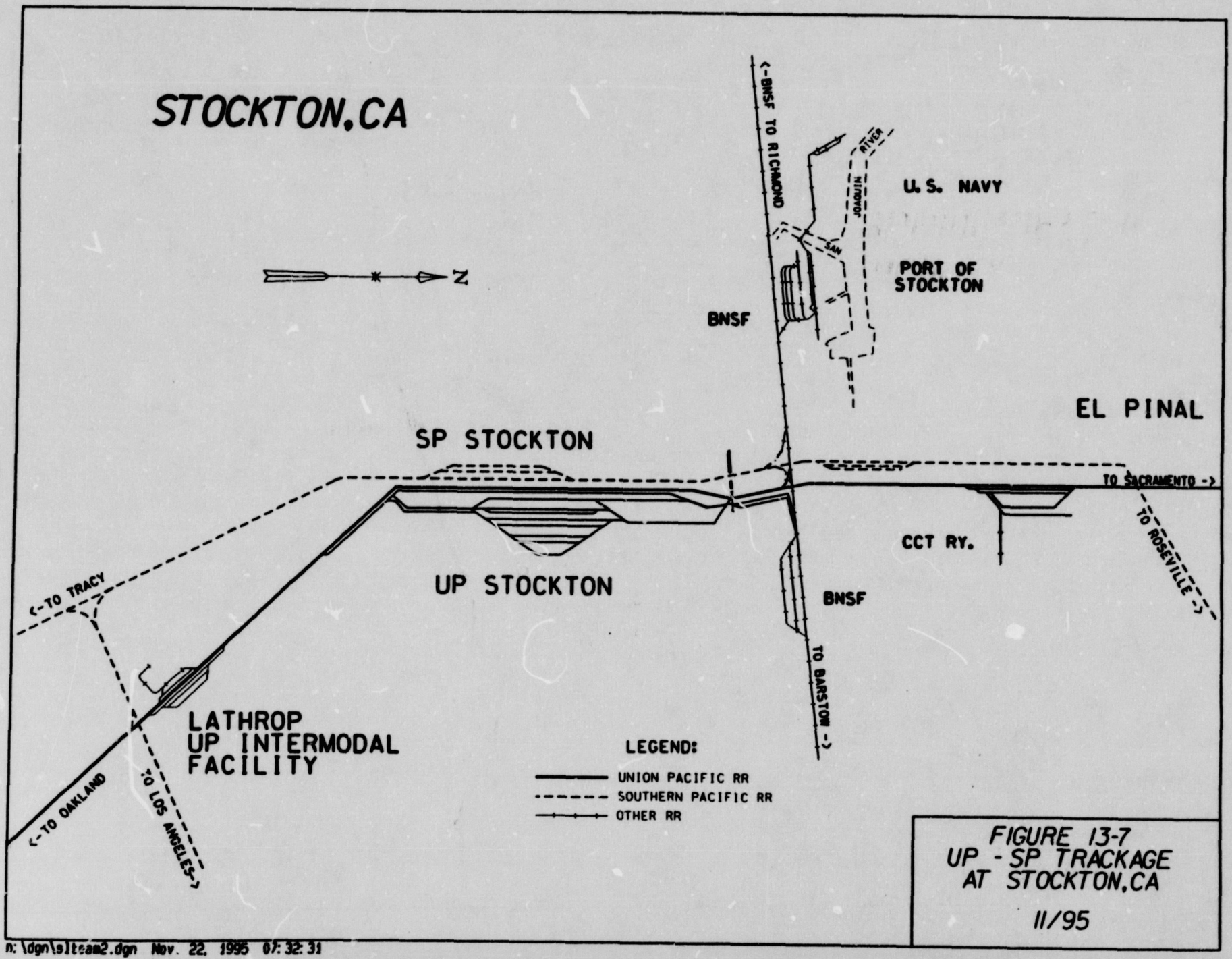

FIGURE 13-7
UP - SP TRACKAGE
AT STOCKTON, CA
11/95

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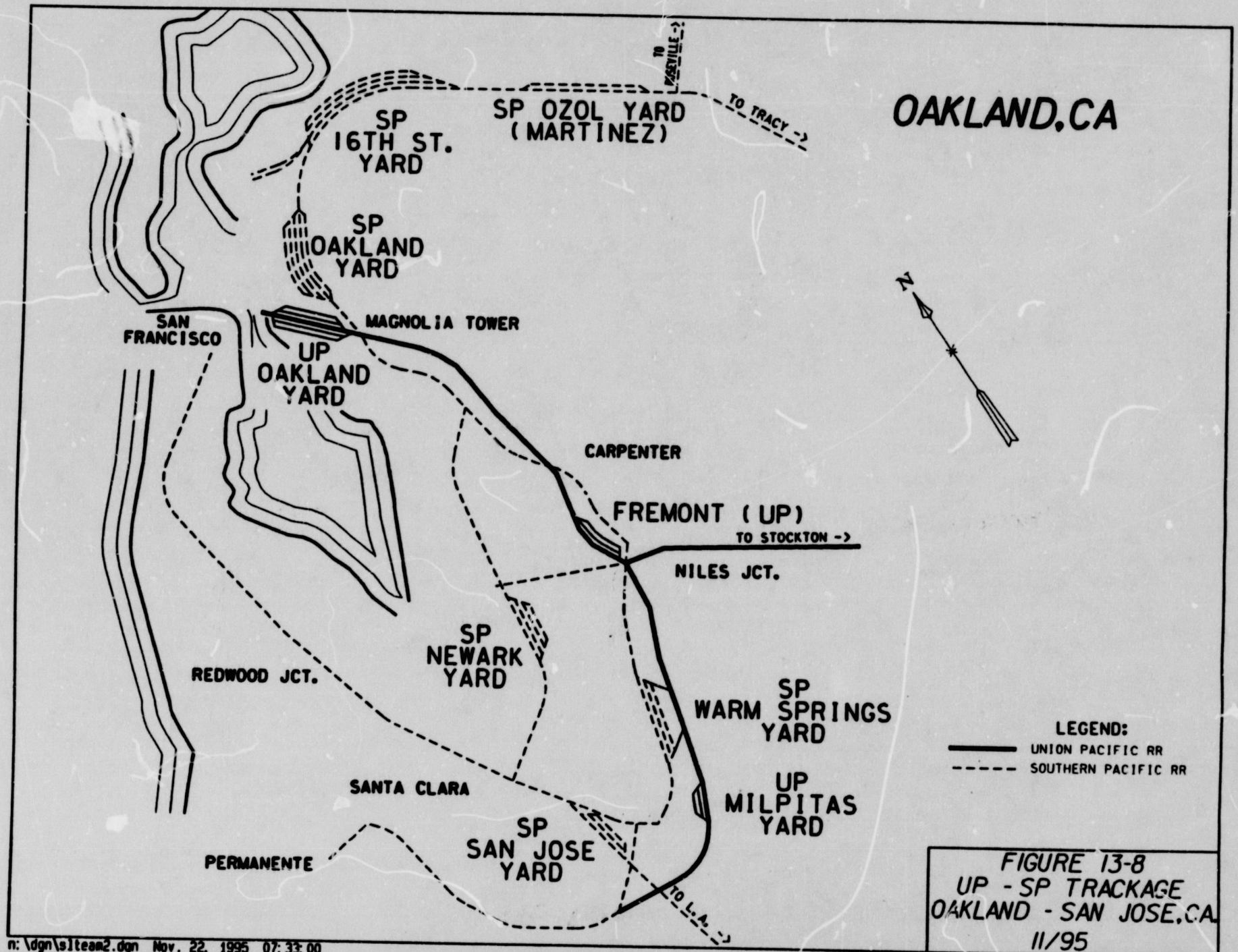

FIGURE 13-8
UP - SP TRACKAGE
OAKLAND - SAN JOSE, CA
11/95

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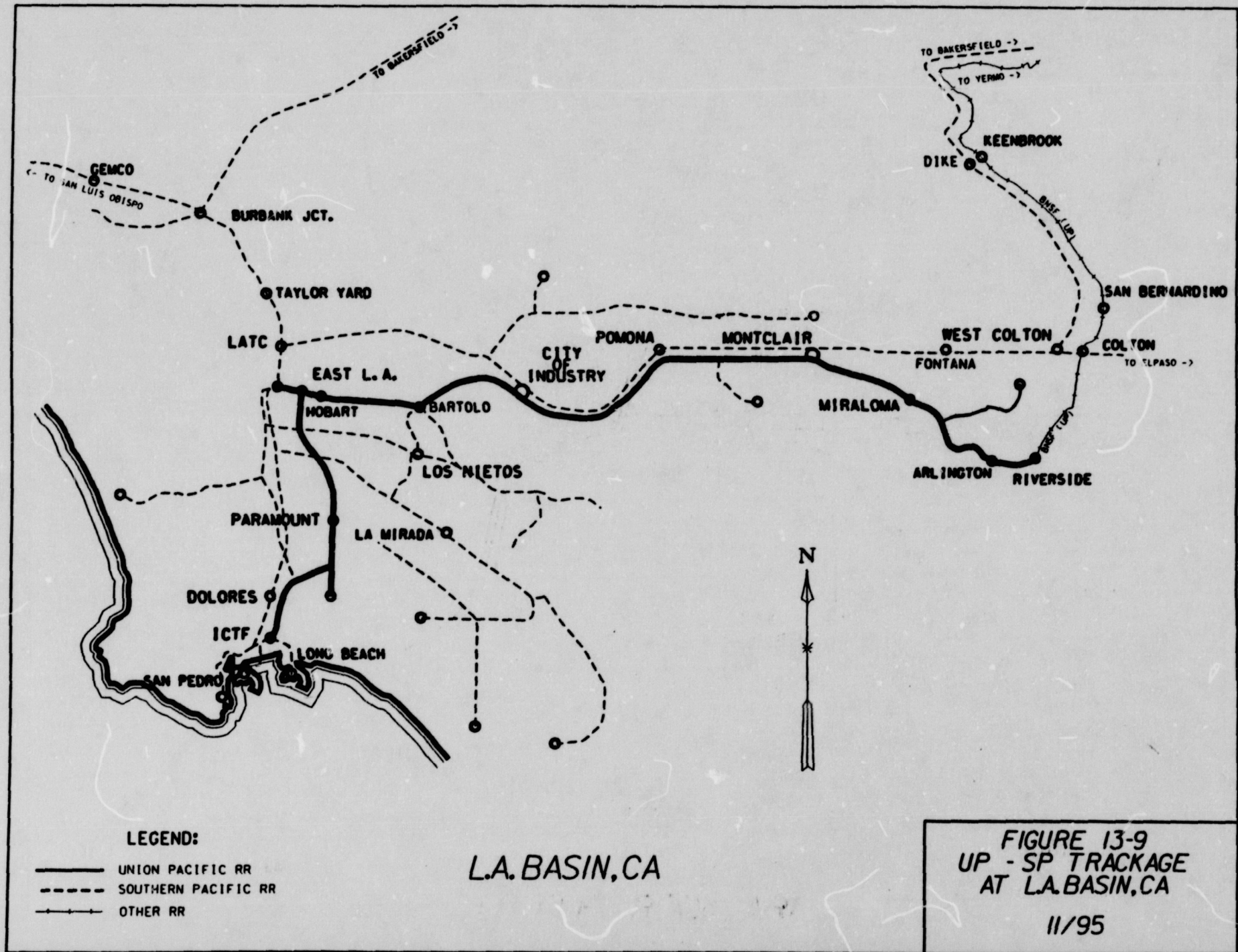


FIGURE 13-9
UP - SP TRACKAGE
AT L.A. BASIN, CA

11/95

n:\dgn\slteam1.dgn Nov. 22, 1995 07:26:29

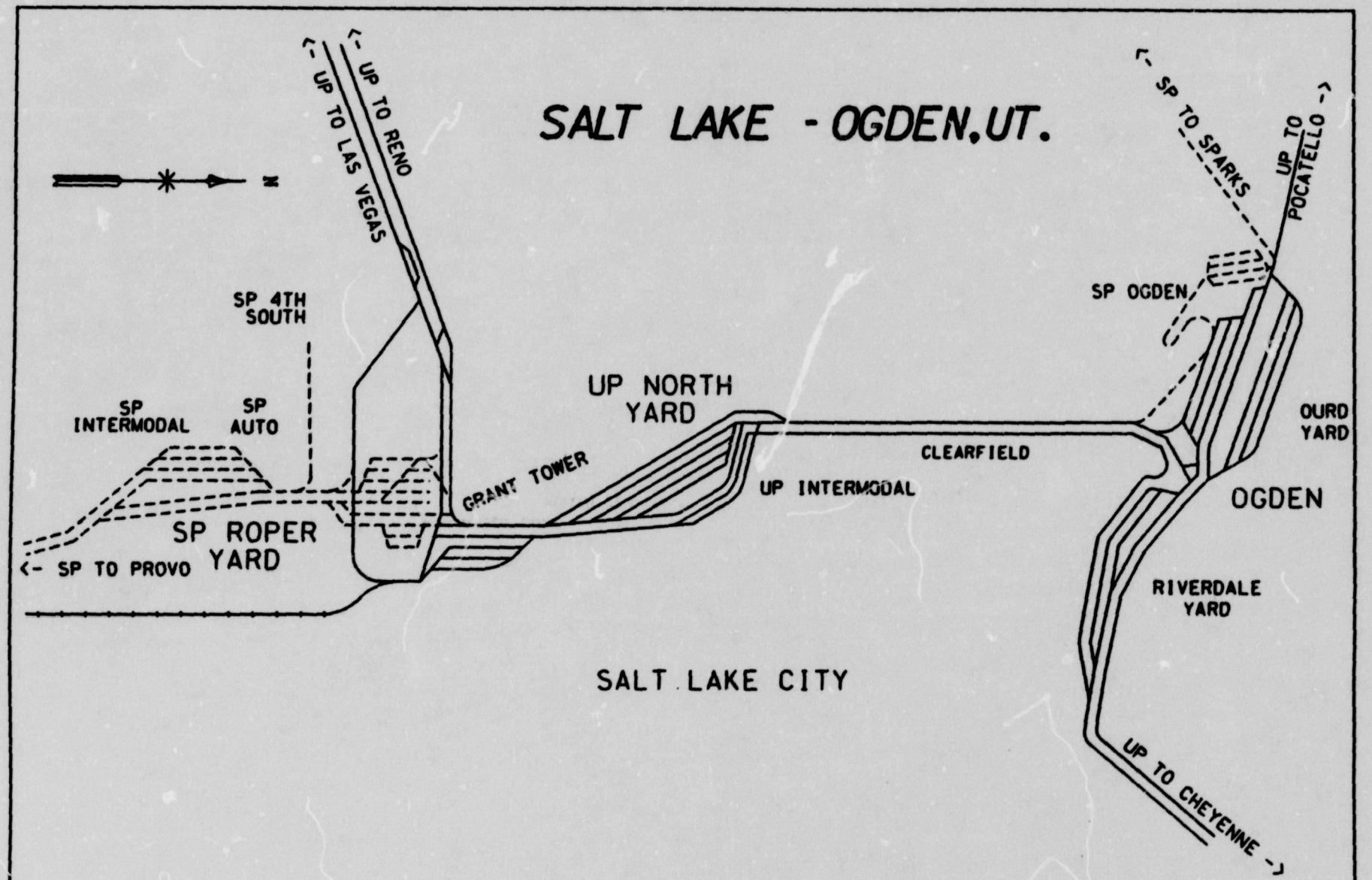


FIGURE 13-10
UP - SP TRACKAGE
SALT LAKE CITY
TO OGDEN, UT.
11/95

n:\dgn\slteas3.dgn Nov. 22, 1995 07:36:27

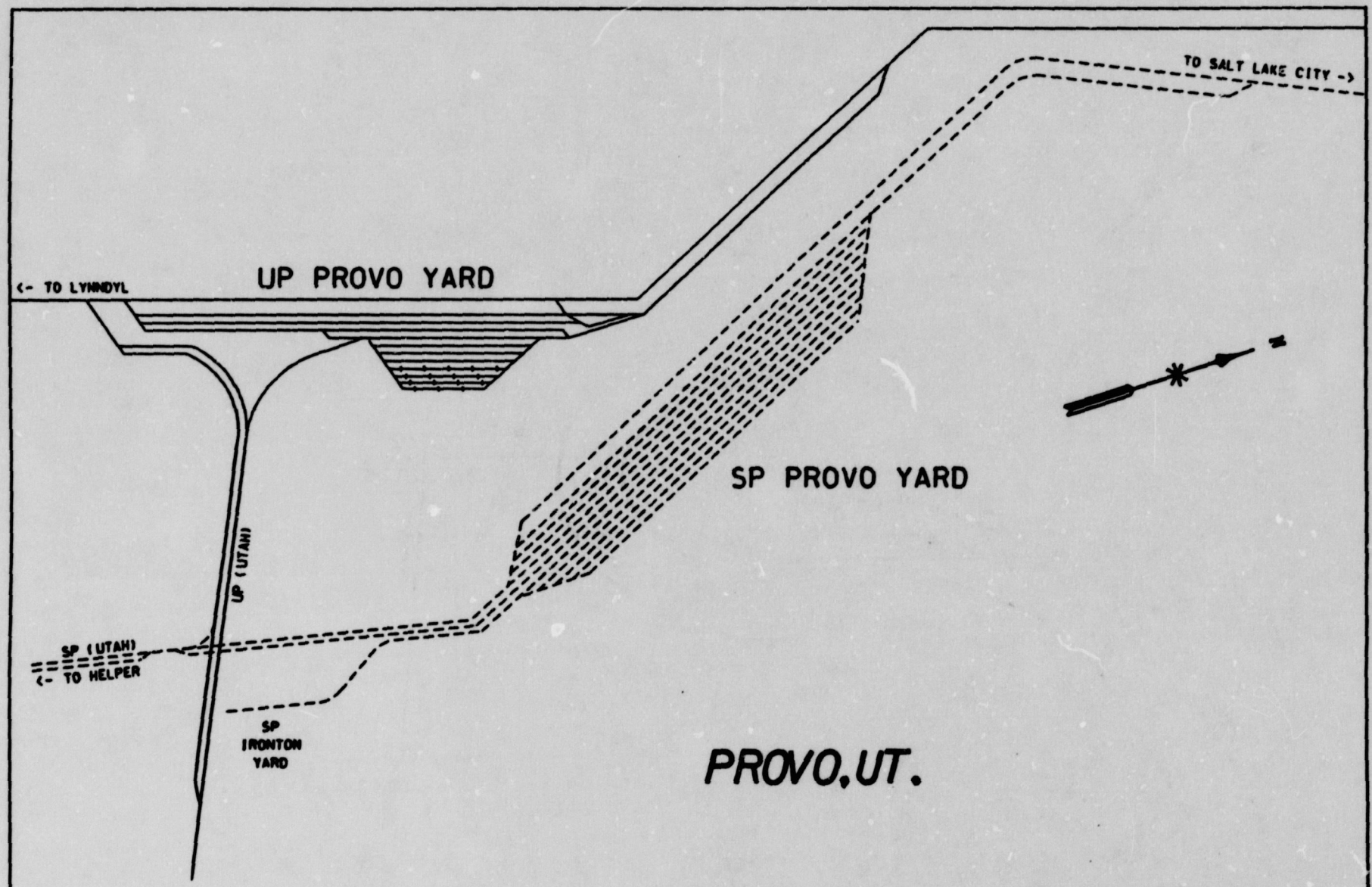


FIGURE 13-11
UP - SP TRACKAGE
AT PROVO,UT.
11/95

n:\dgn\slteam3.dgn Nov. 22, 1995 08:50:36

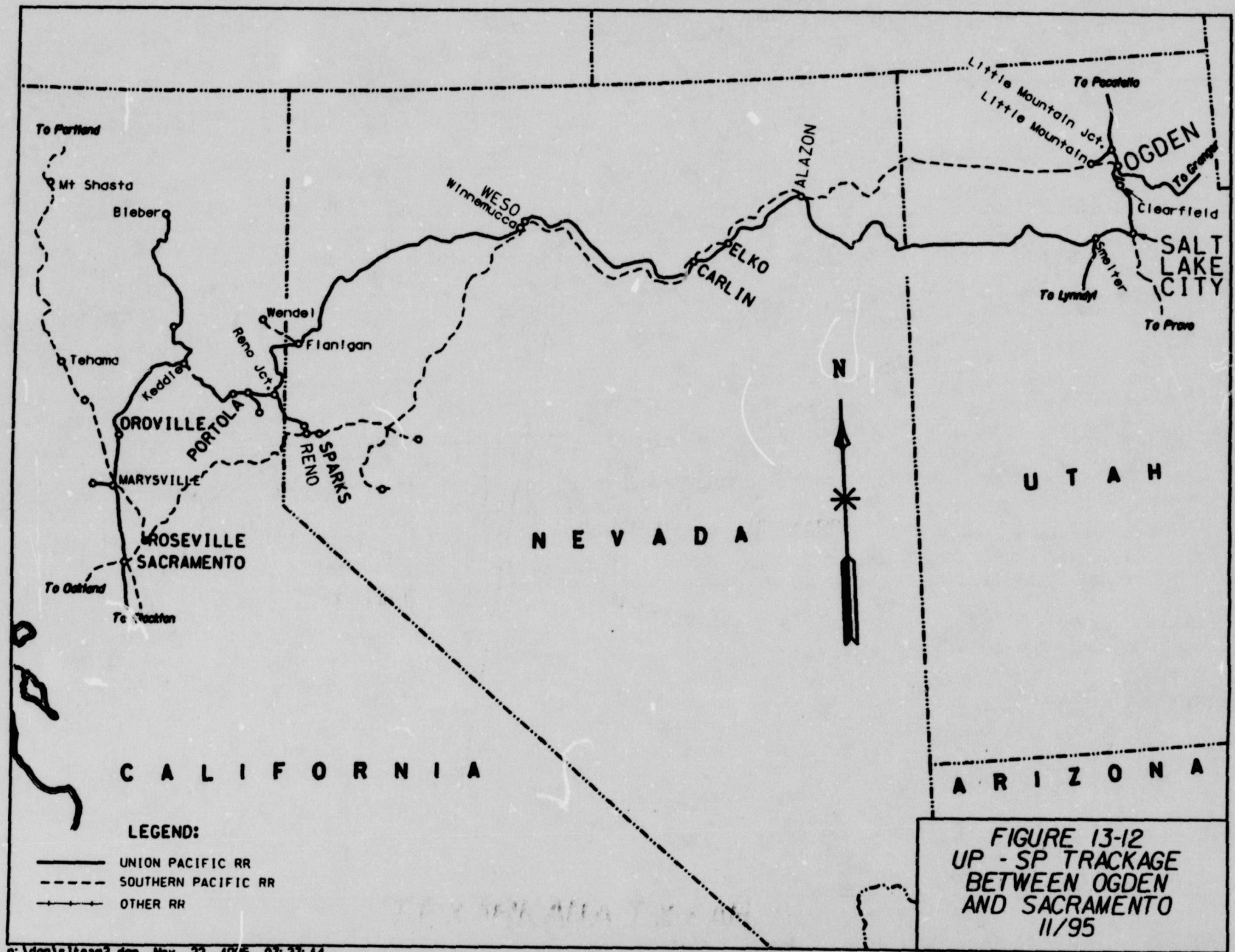
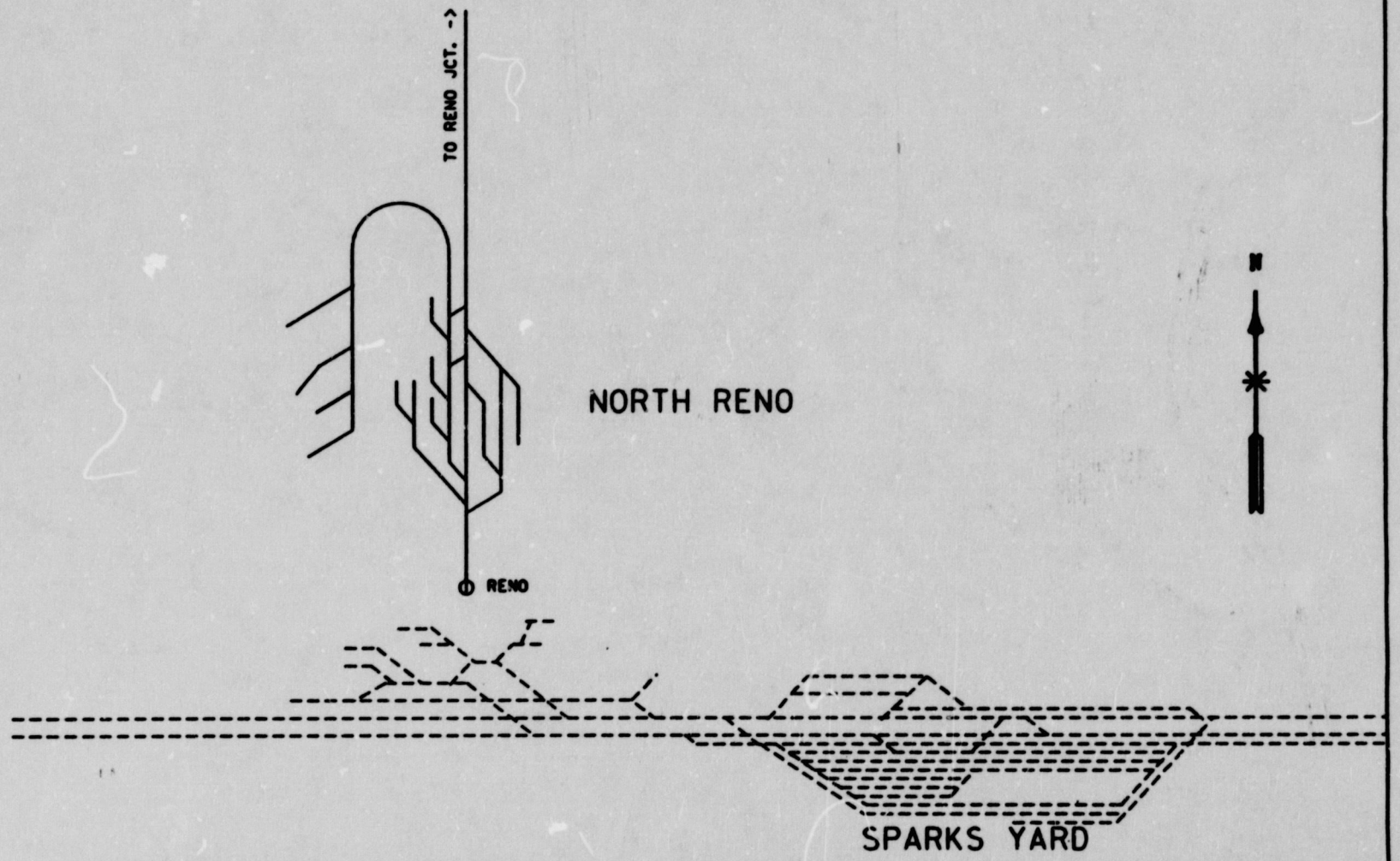


FIGURE 13-12
UP - SP TRACKAGE
BETWEEN OGDEN
AND SACRAMENTO
11/95

n:\dgn\s]team3.dgn Nov. 22, 1995 07:37:14



RENO, NV

LEGEND:

- UNION PACIFIC RR
- SOUTHERN PACIFIC RR
- OTHER RR

FIGURE 13-13
UP - SP TRACKAGE
AT RENO, NV.
11/95

n:\dgn\s1tea03.dgn Nov 22, 1995 07:37:38

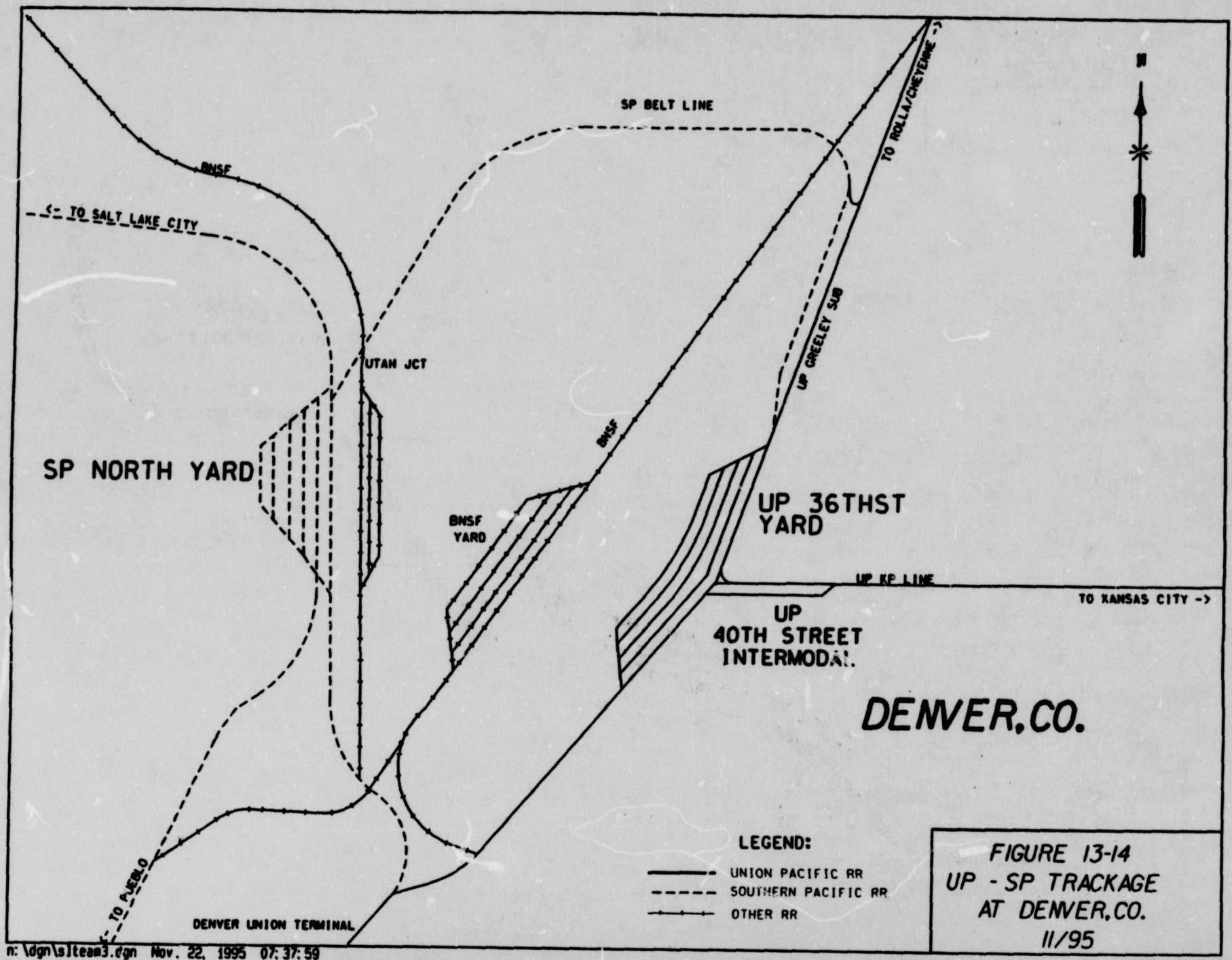
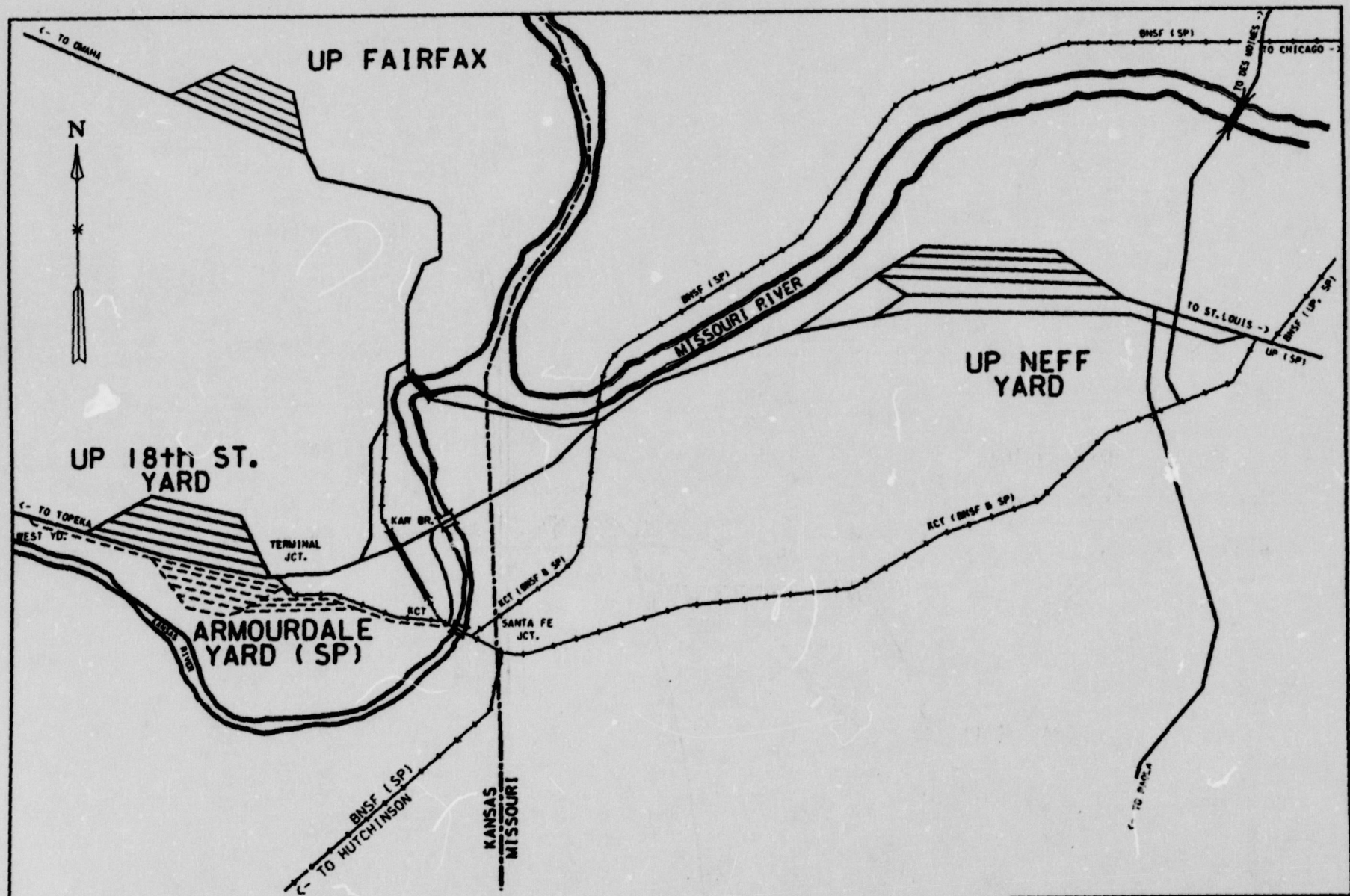


FIGURE 13-14
UP - SP TRACKAGE
AT DENVER, CO.
11/95

n: \dgn\s1tea3.dgn Nov. 22, 1995 07:37:59



KANSAS CITY.KS/MO

FIGURE 13-15
UP - SP TRACKAGE
AT KANSAS CITY.KS/MO
11/95

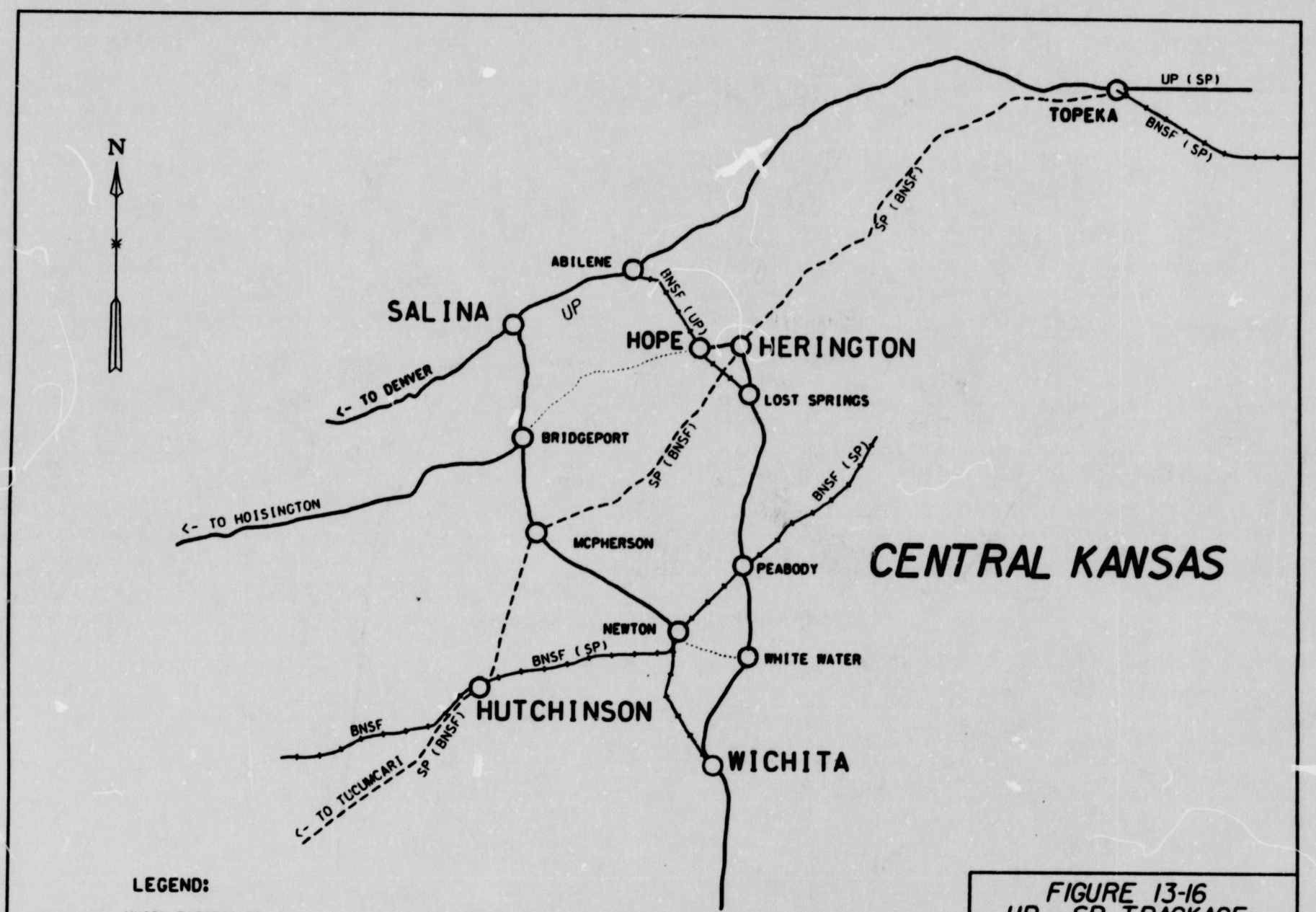


FIGURE 13-16
UP - SP TRACKAGE
CENTRAL KANSAS
11/95

n: \dgn\slteam4.dgn Nov. 22, 1995 07:39:44

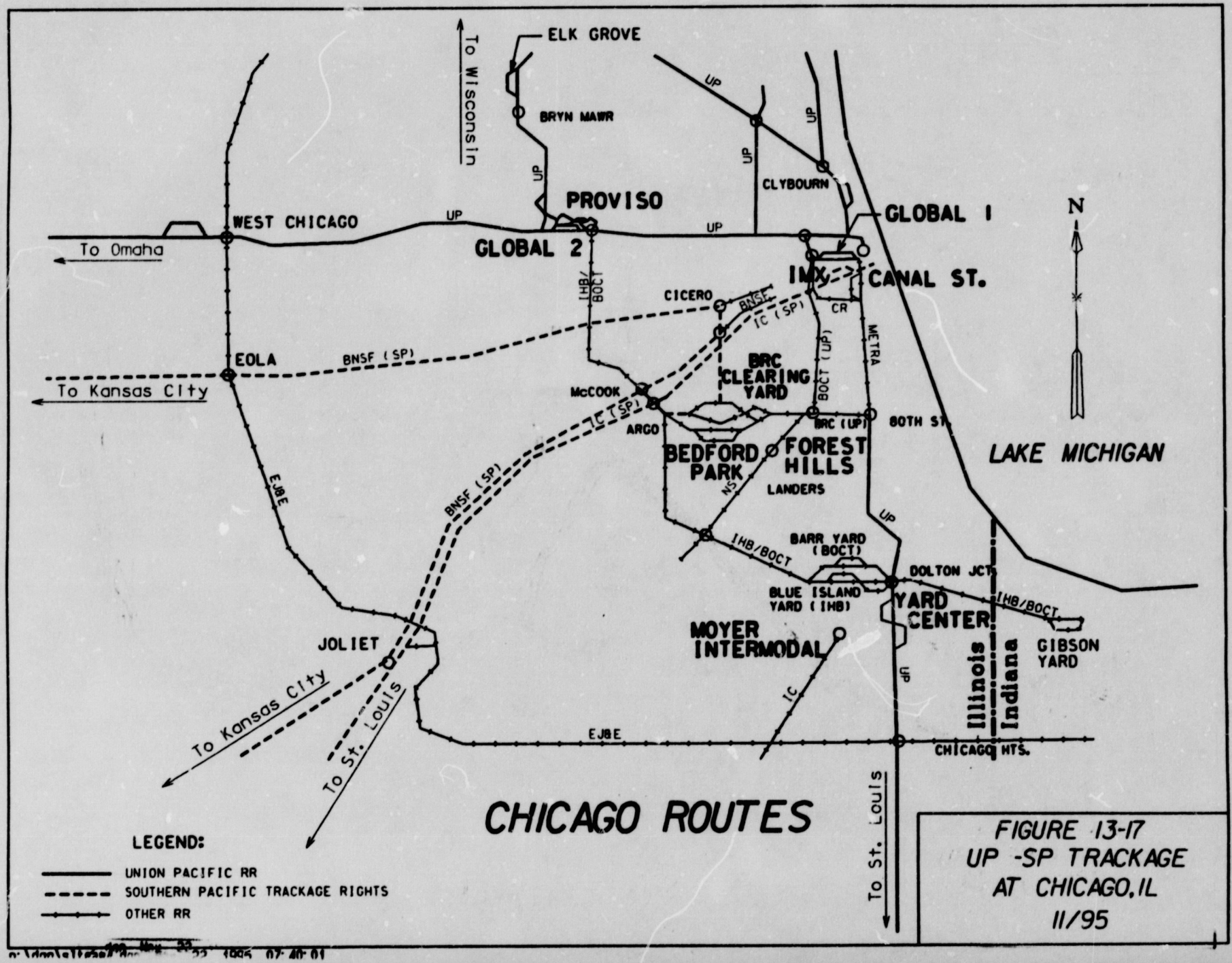


FIGURE 13-17
UP -SP TRACKAGE
AT CHICAGO, IL
11/95

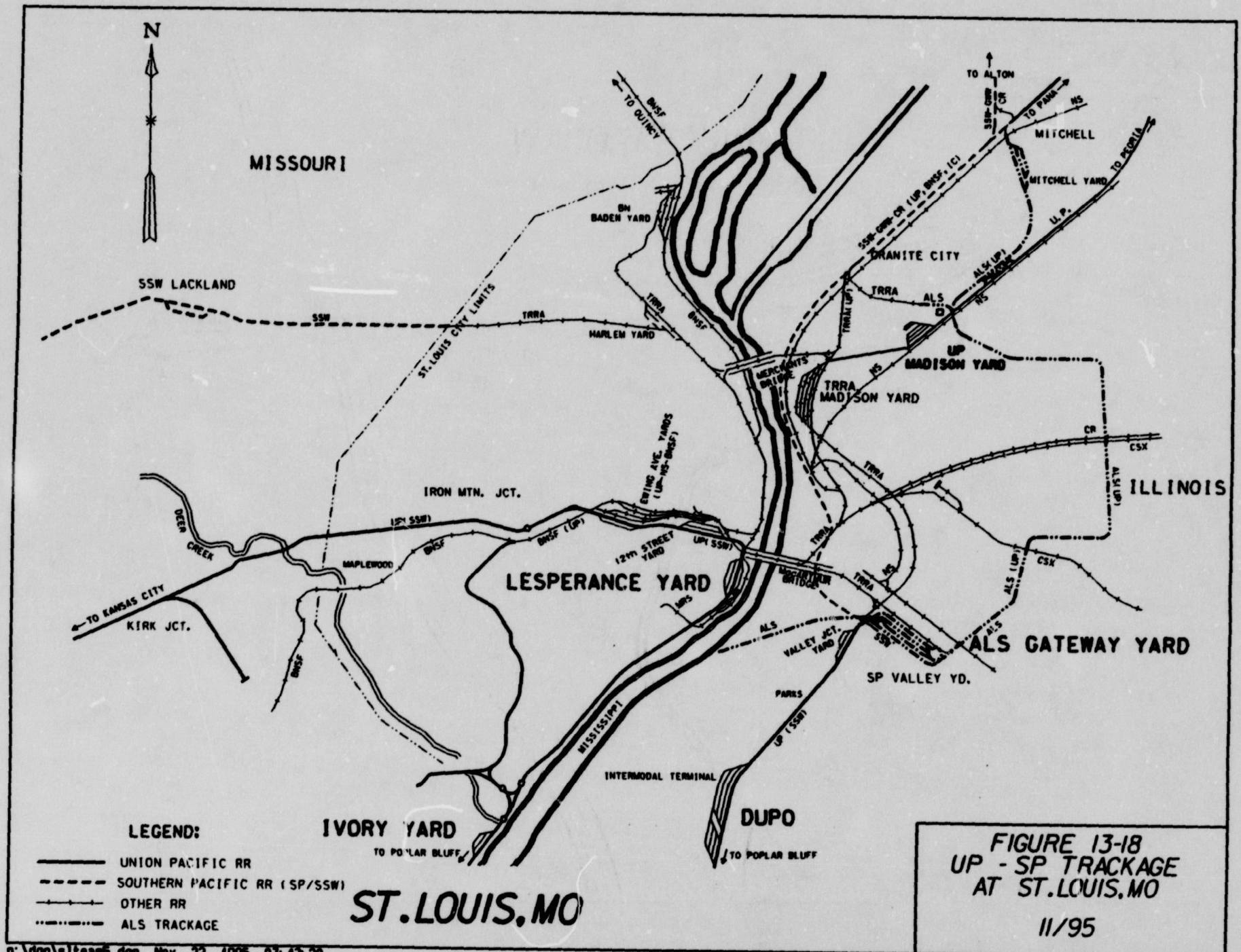
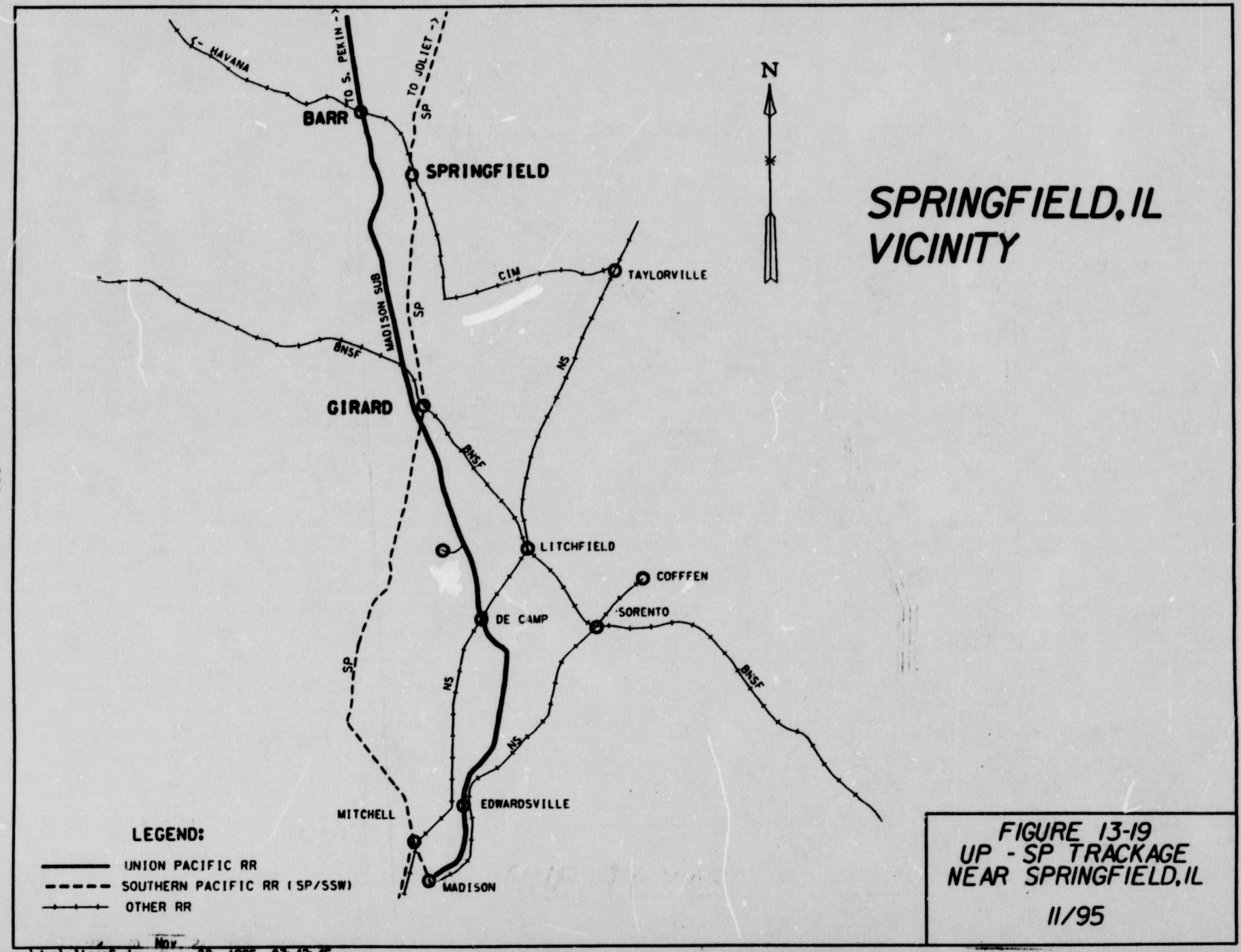


FIGURE 13-18
UP - SP TRACKAGE
AT ST. LOUIS, MO
11/95

n:\dgn\sltear5.dgn Nov. 22, 1995 07:43:20



SPRINGFIELD, IL VICINITY

FIGURE 13-19
UP - SP TRACKAGE
NEAR SPRINGFIELD, IL

11/95

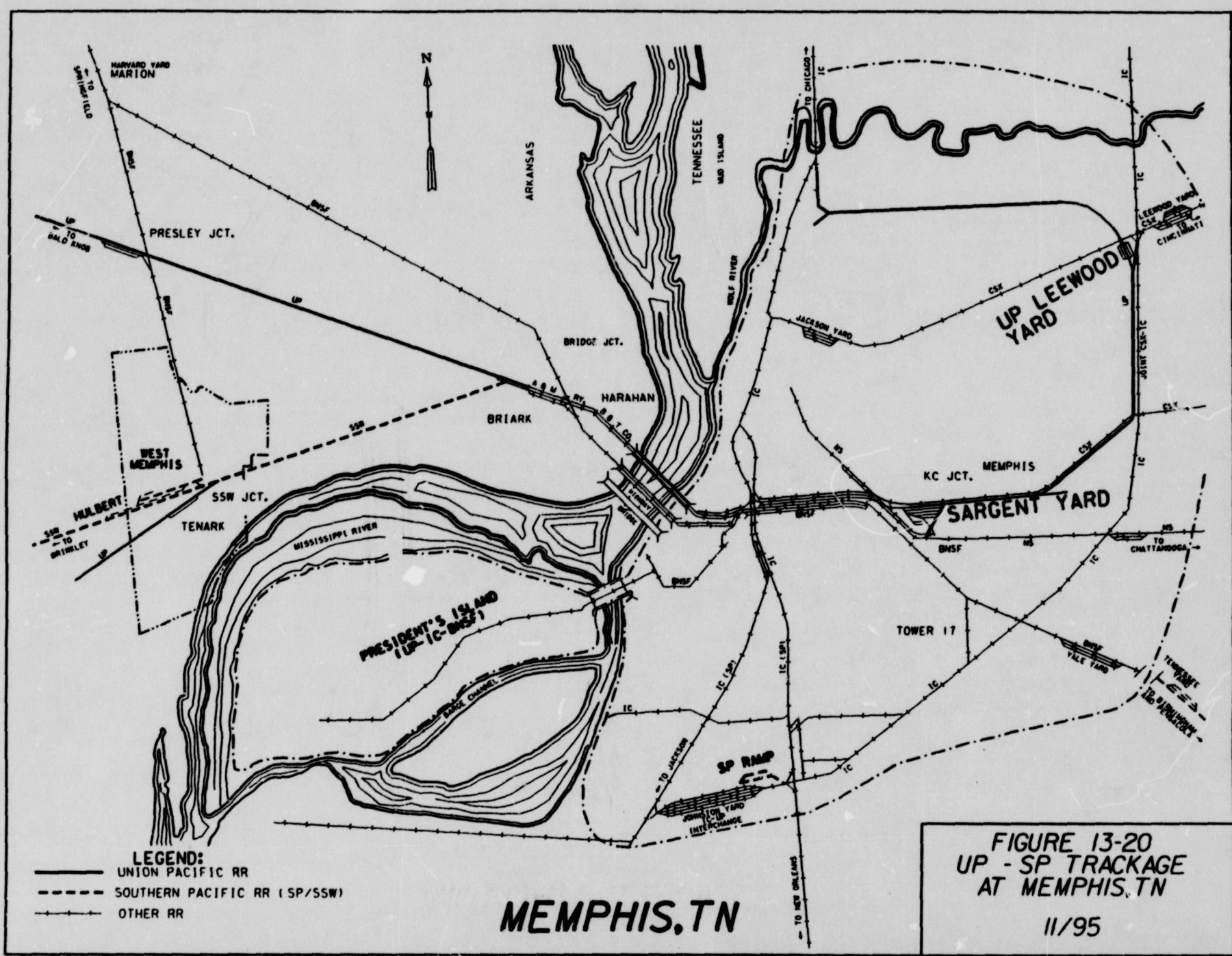


FIGURE 13-20
UP - SP TRACKAGE
AT MEMPHIS, TN
11/95

n:\dgn\s1tem5.dgn Nov. 22. 1995 07:44:06

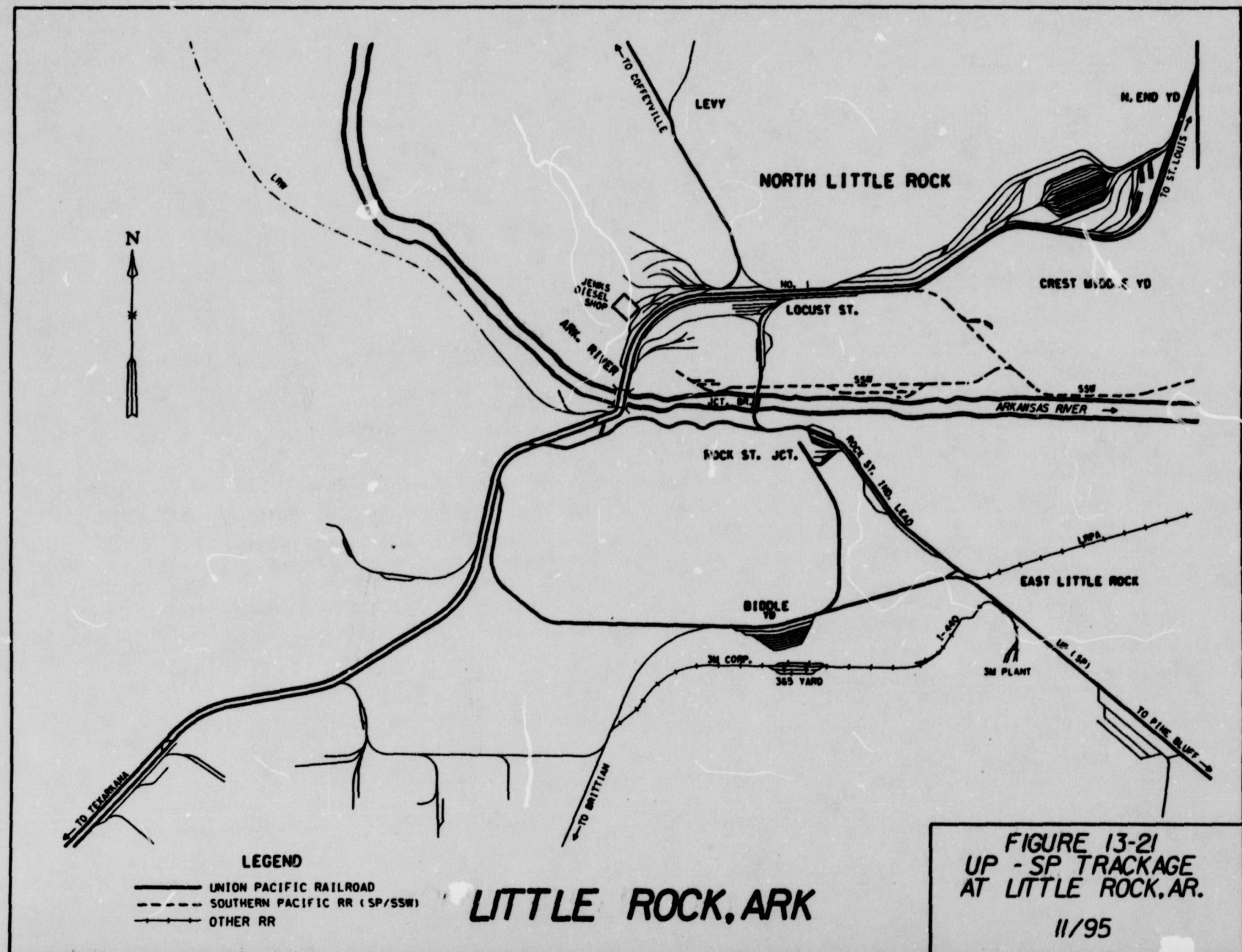


FIGURE 13-21
UP - SP TRACKAGE
AT LITTLE ROCK, AR.

11/95

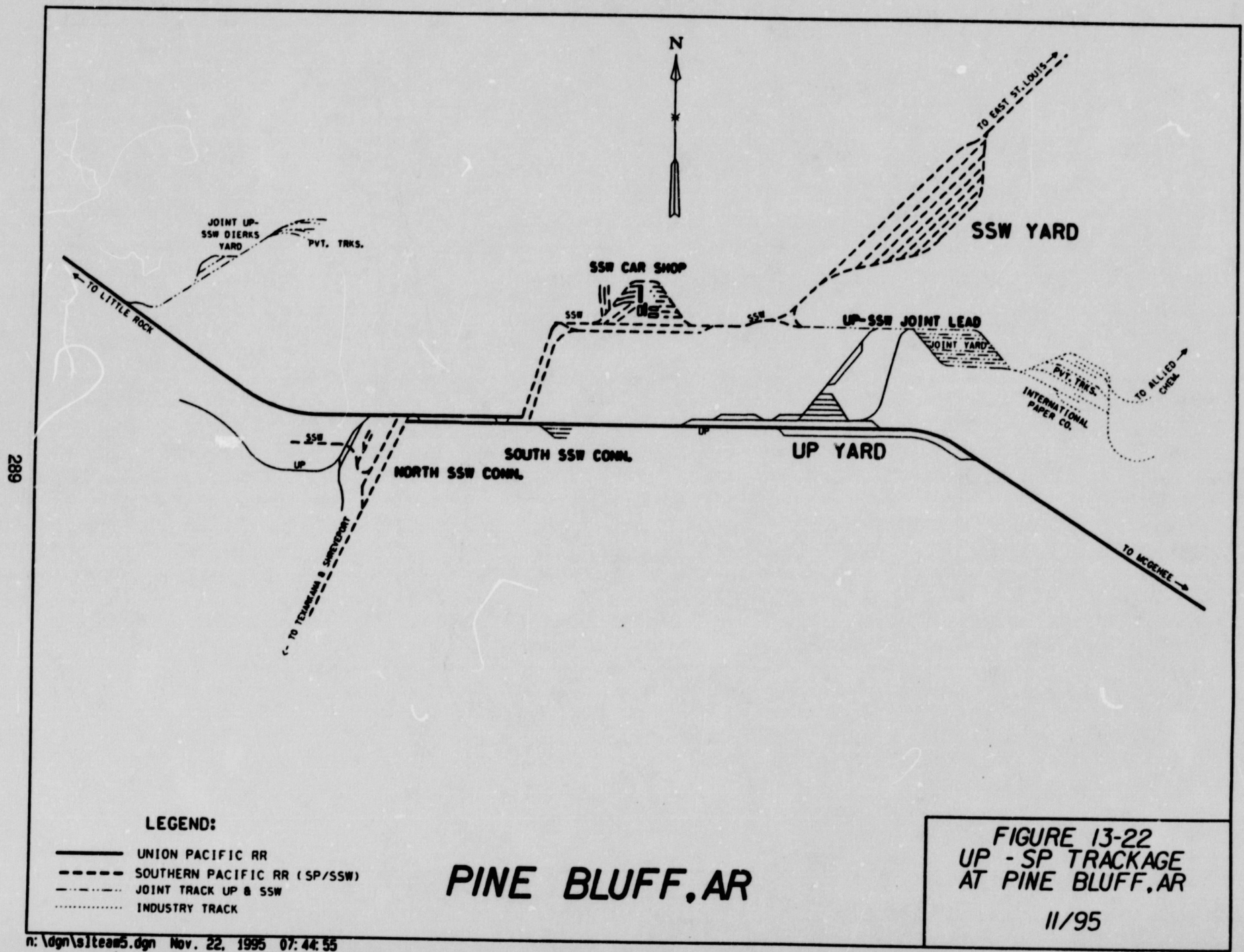


FIGURE 13-22
UP - SP TRACKAGE
AT PINE BLUFF, AR
11/95

n:\dgn\slteam5.dgn Nov. 22, 1995 07:44:55

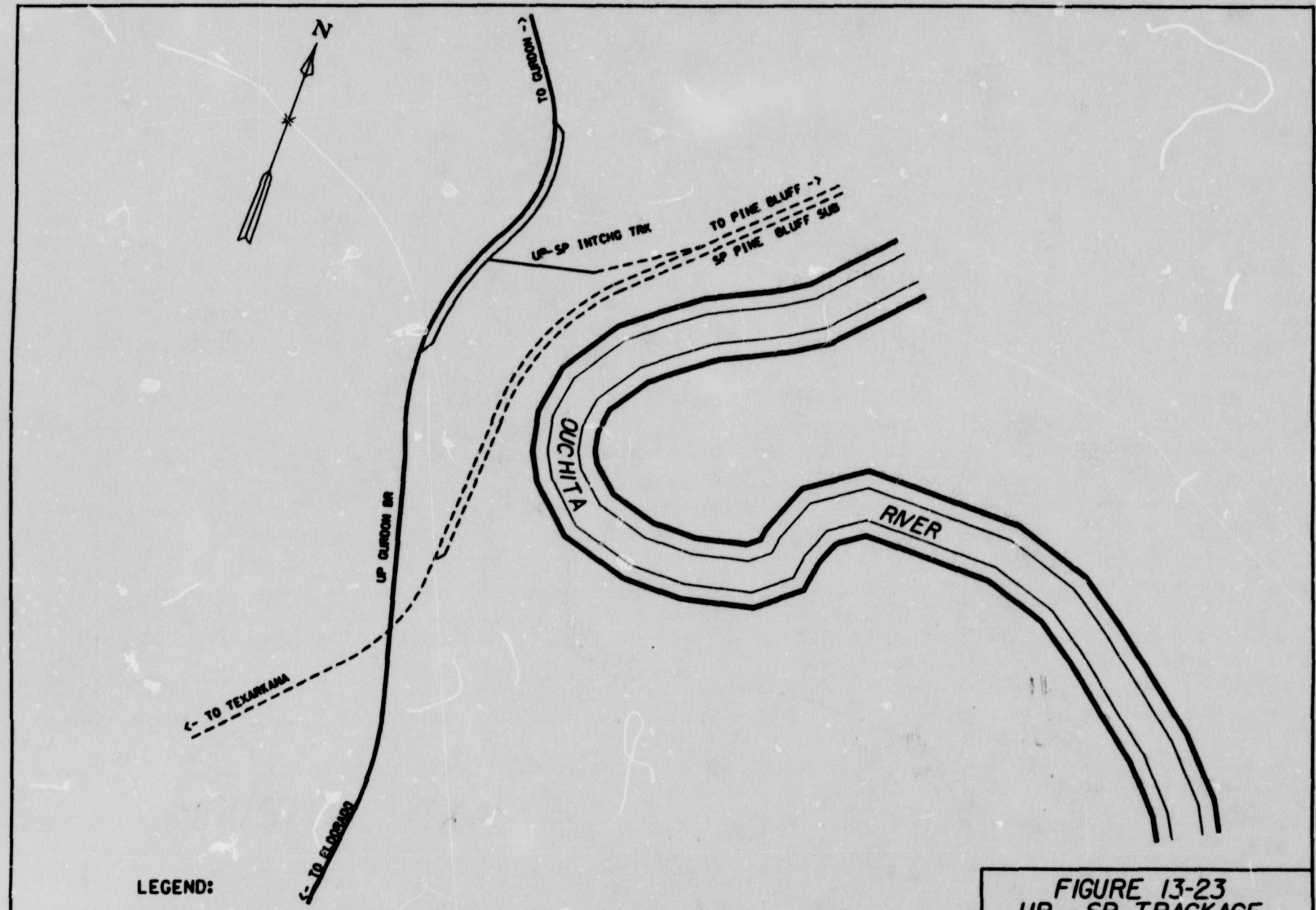


FIGURE 13-23
UP - SP TRACKAGE
AT CAMDEN, AR.

11/95

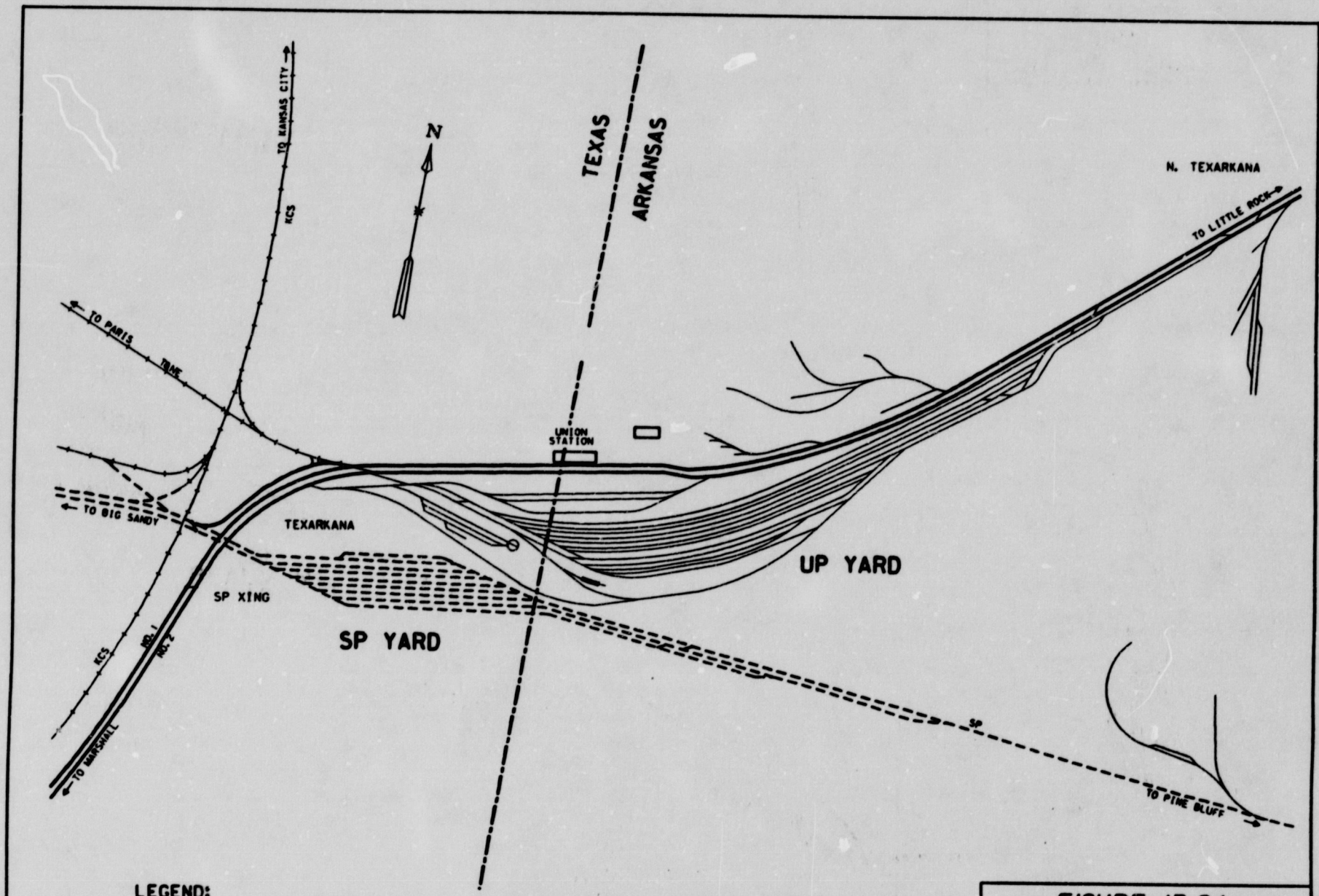
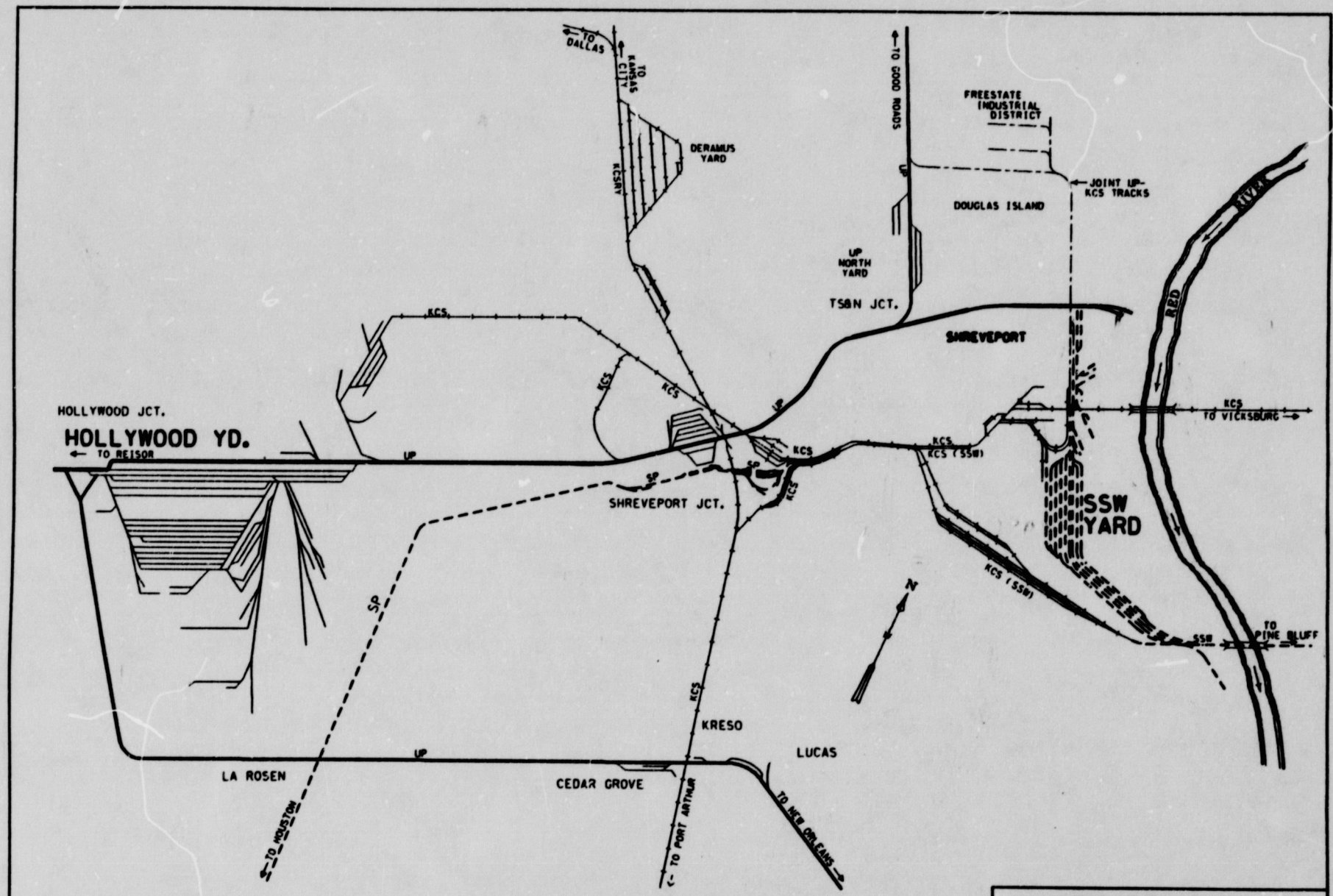


FIGURE 13-24
UP - SP TRACKAGE
AT TEXARKANA, TX/AR
11/95

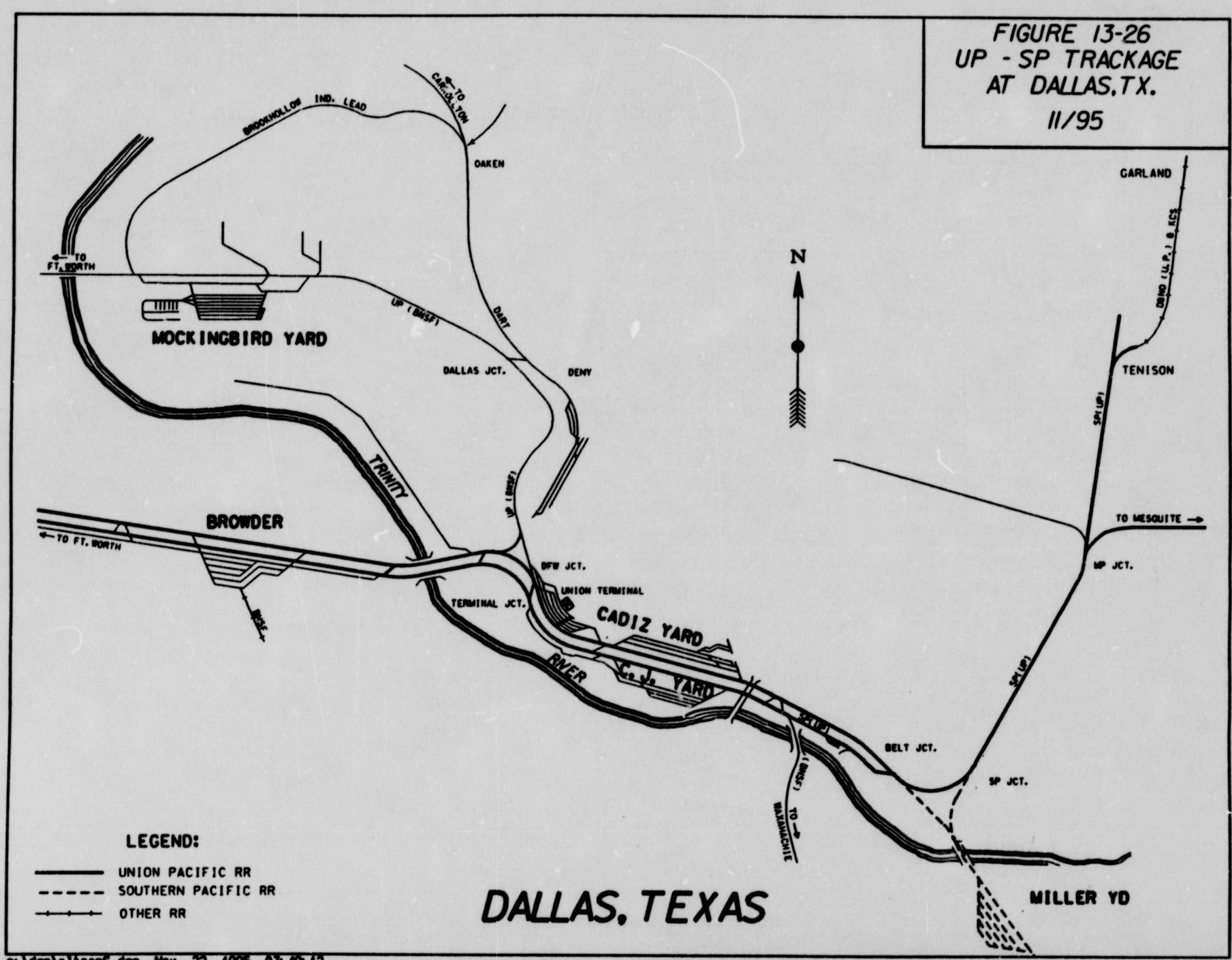
n:\dgn\slteam5.dgn Nov. 22, 1995 08:54:34



SHREVEPORT, LA

FIGURE 13-25
UP - SP TRACKAGE
AT SHREVEPORT, LA.

11/95



n: \dgn\sliteam6.dgn Nov. 22, 1995 07:49:12

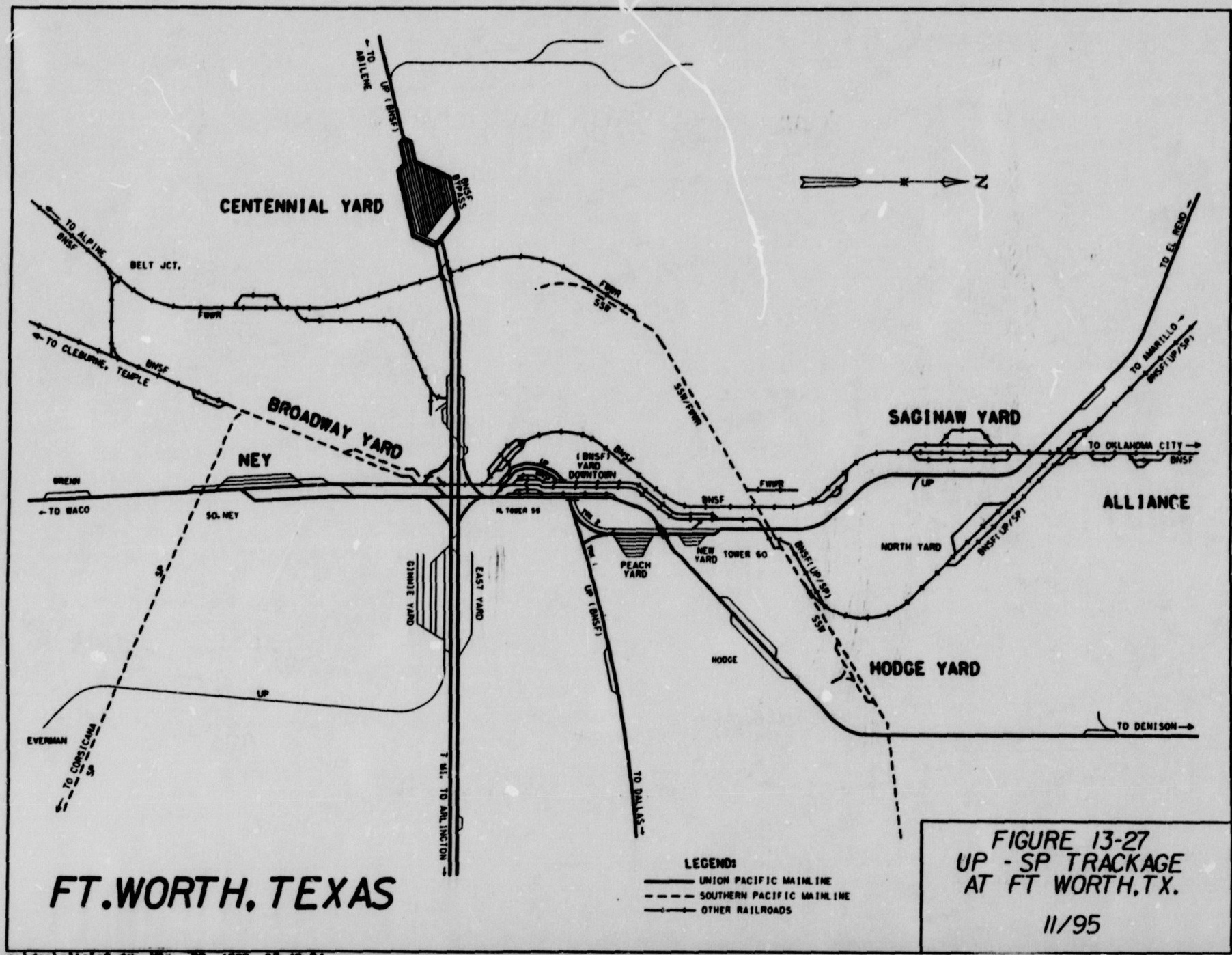
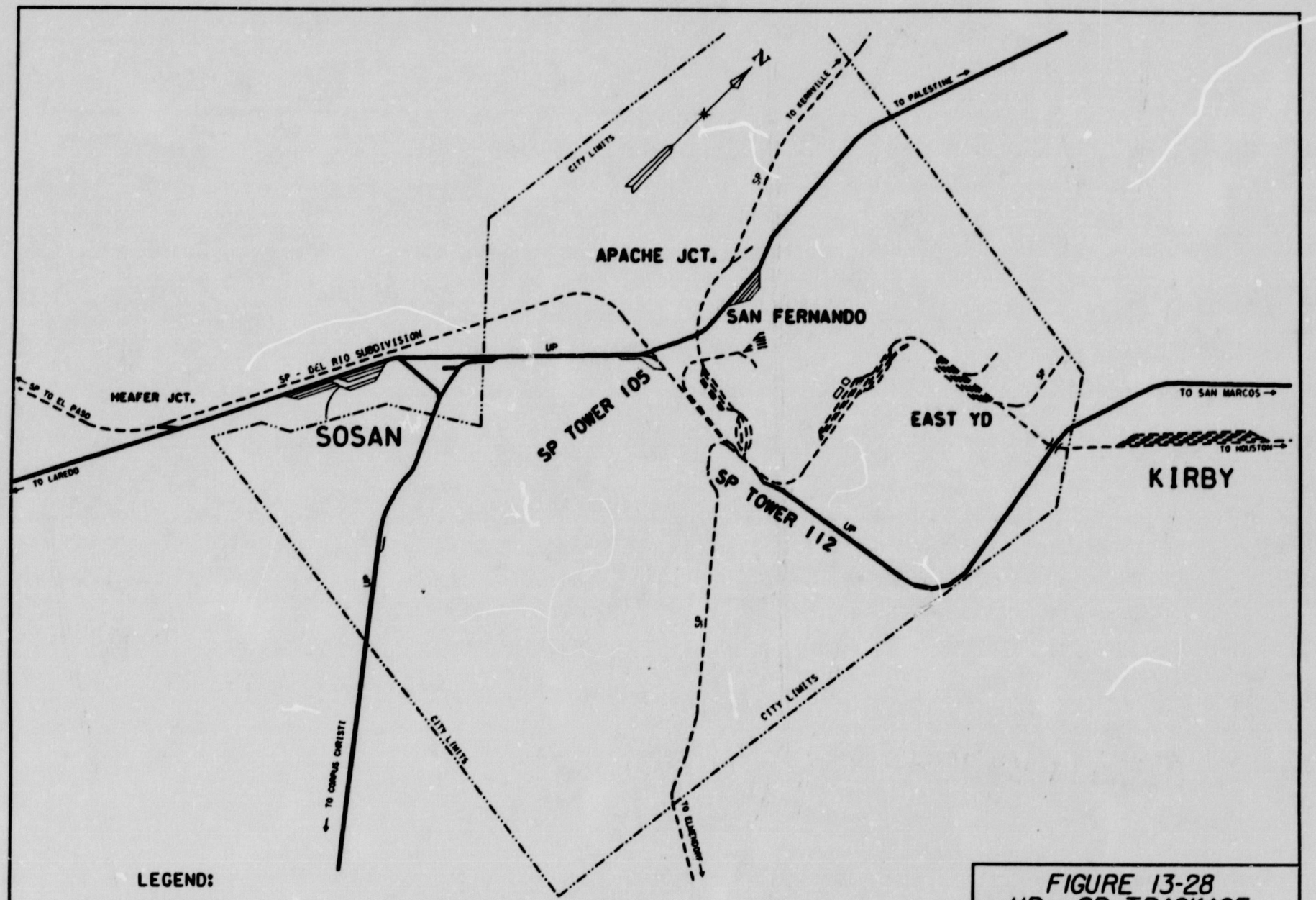
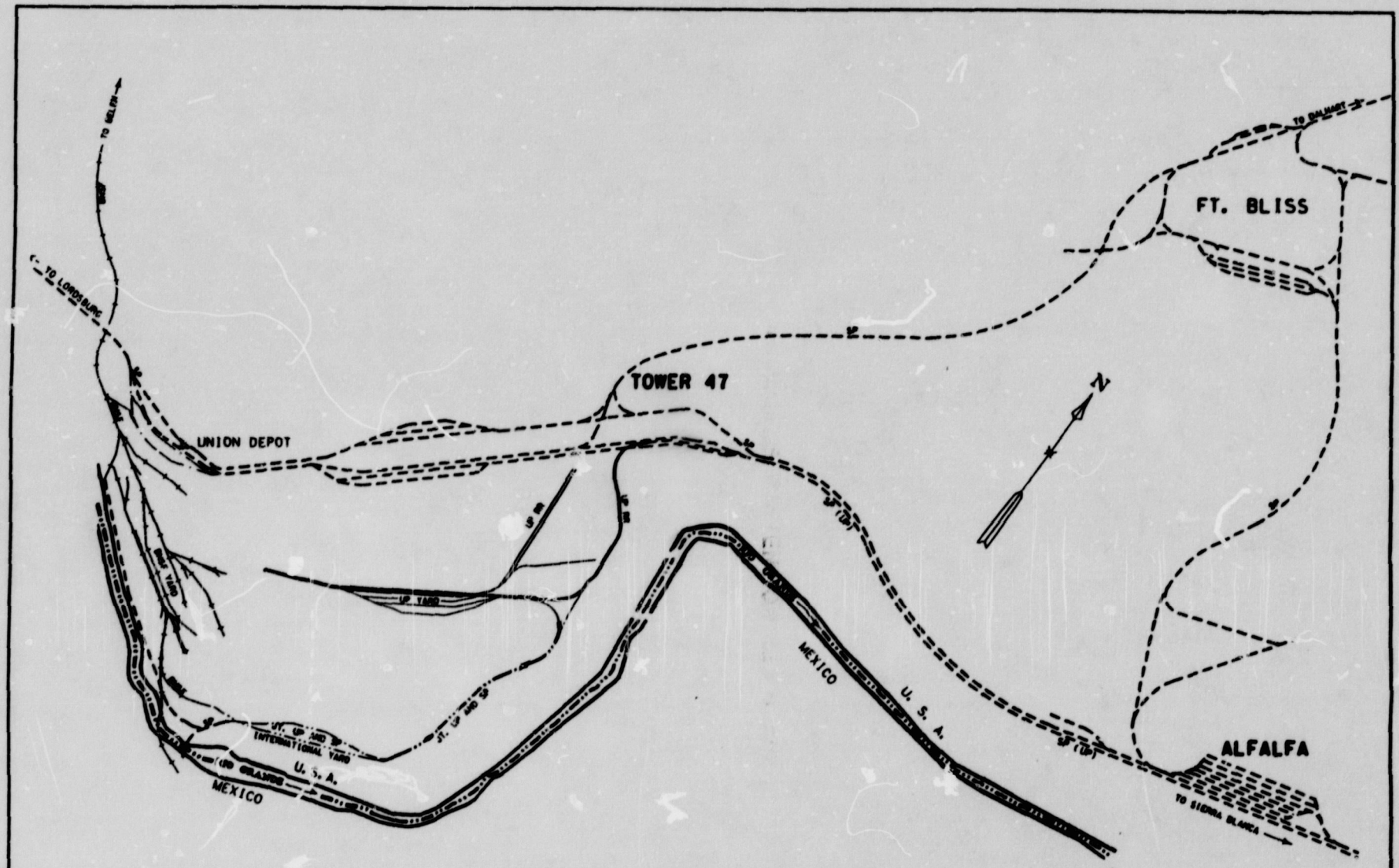


FIGURE 13-27
UP - SP TRACKAGE
AT FT WORTH, TX.

11/95



n: \dgn\slteam6.dgn Nov. 22, 1995 07:51:37



LEGEND:

- UNION PACIFIC RR
- SOUTHERN PACIFIC RR
- JOINT UP/SP
- OTHER RR

EL PASO, TEXAS

FIGURE 13-29
UP - SP TRACKAGE
AT EL PASO, TX.

11/95

n:\dgn\sltex6.dgn 1995 07:52:06

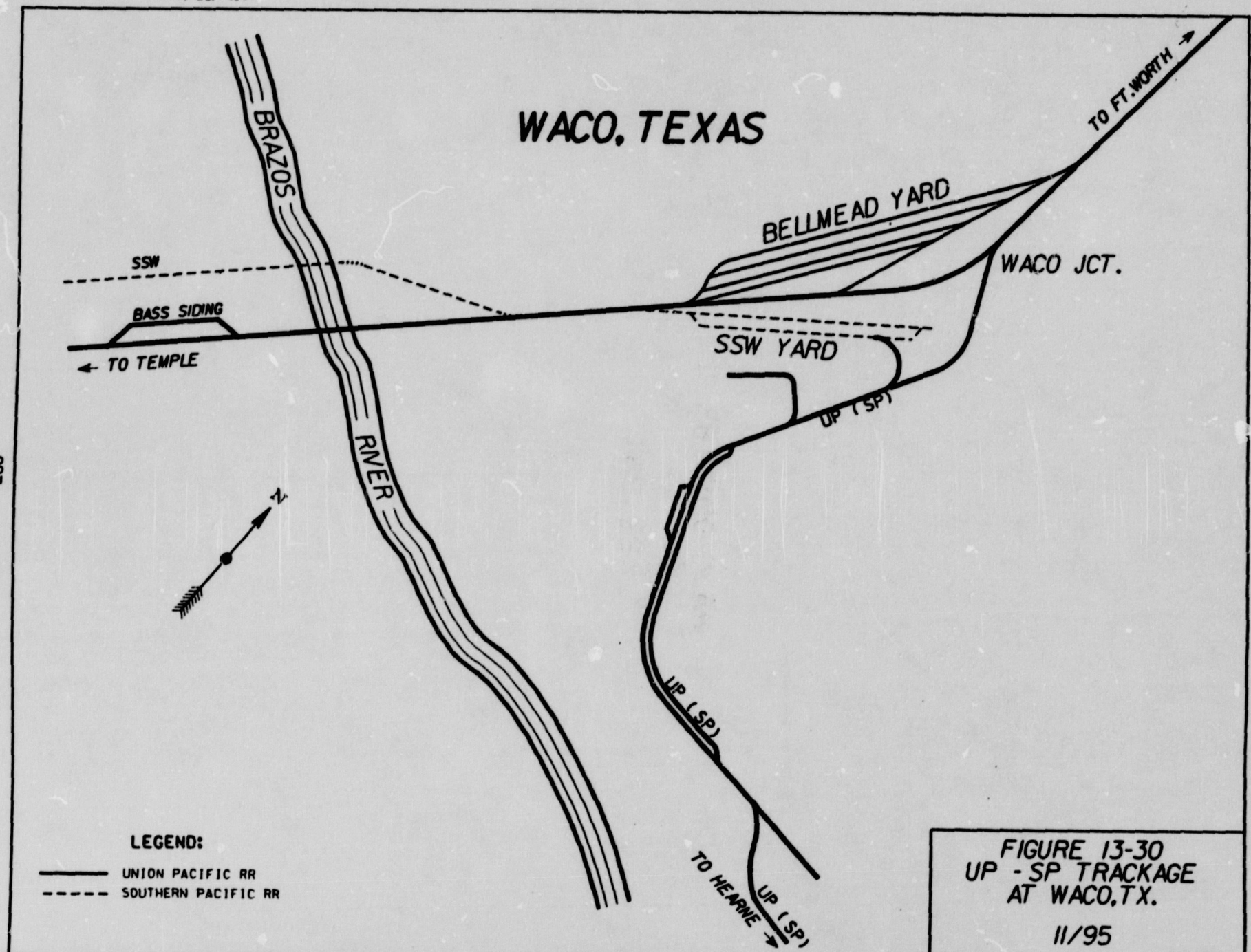


FIGURE 13-30
UP - SP TRACKAGE
AT WACO, TX.
11/95

n:\dgn\slteam6.dgn Nov. 22, 1995 07:52:38

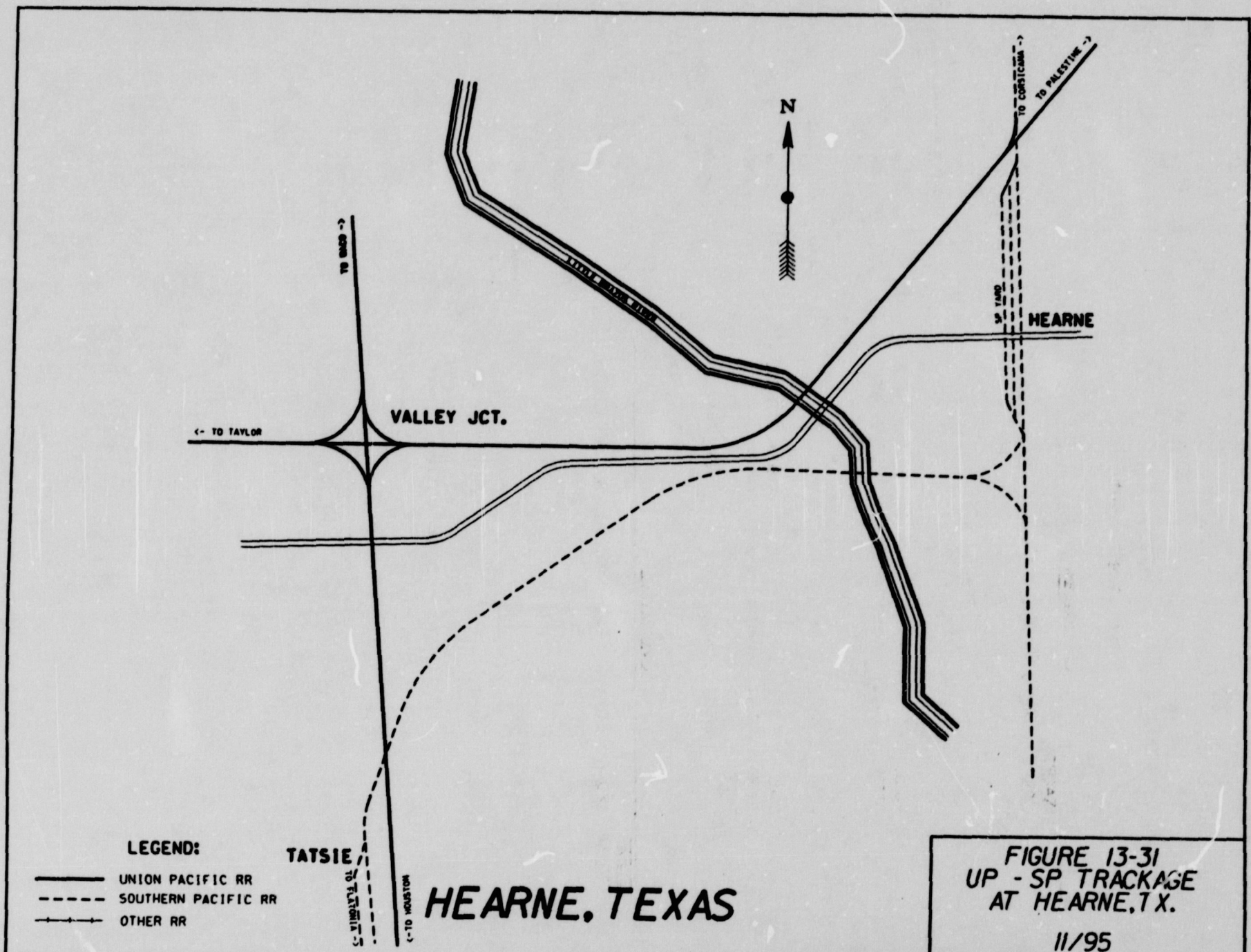
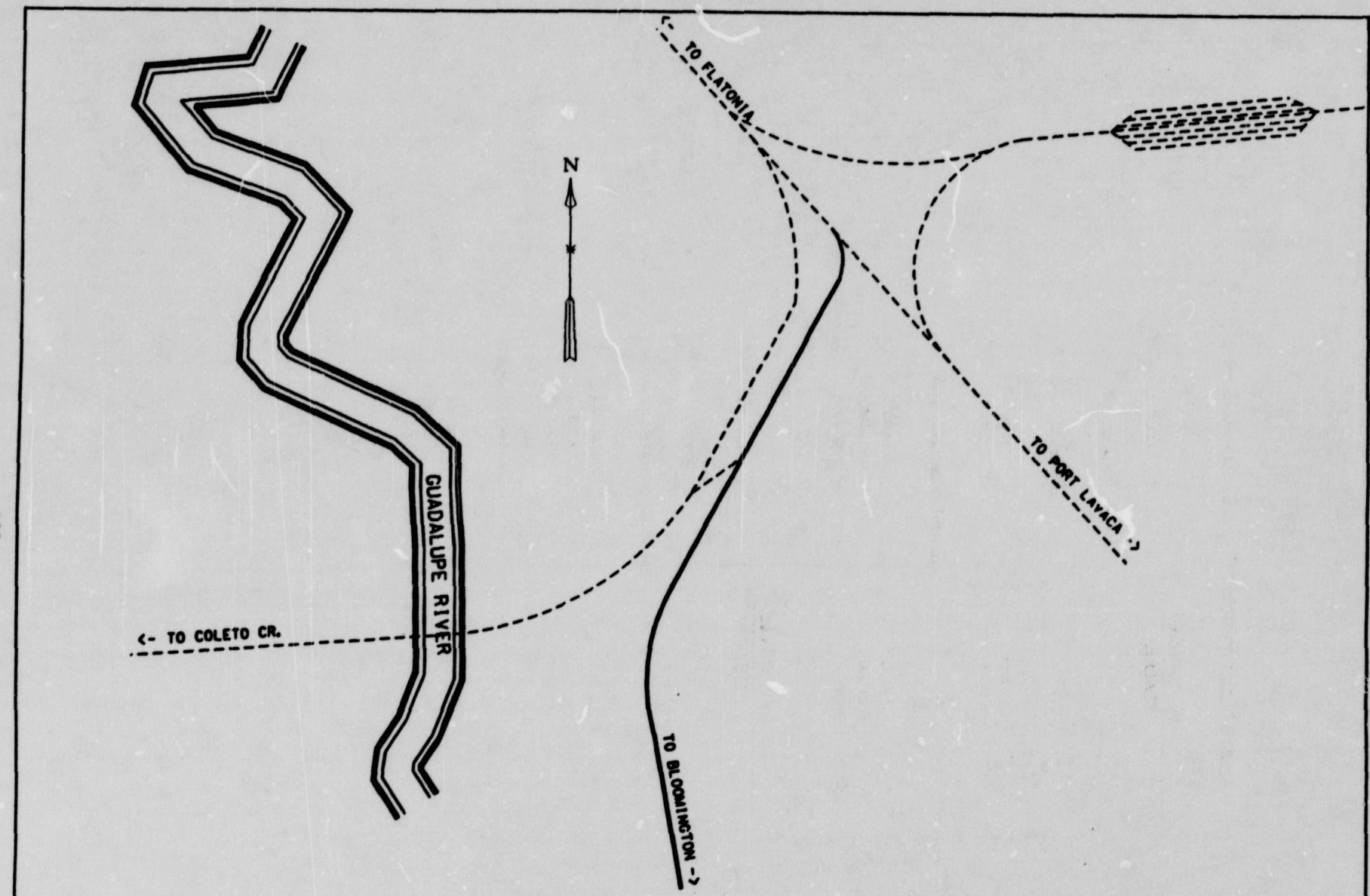


FIGURE 13-31
UP - SP TRACKAGE
AT HEARNE, TX.

11/95

n:\dgn\s]tea06.dgn Nov. 22, 1995 07:53:16



VICTORIA, TEXAS

FIGURE 13-32
UP - SP TRACKAGE
AT VICTORIA, TX.
11/95

n:\dgn\slteas6.dgn Nov. 22, 1995 07:53:58

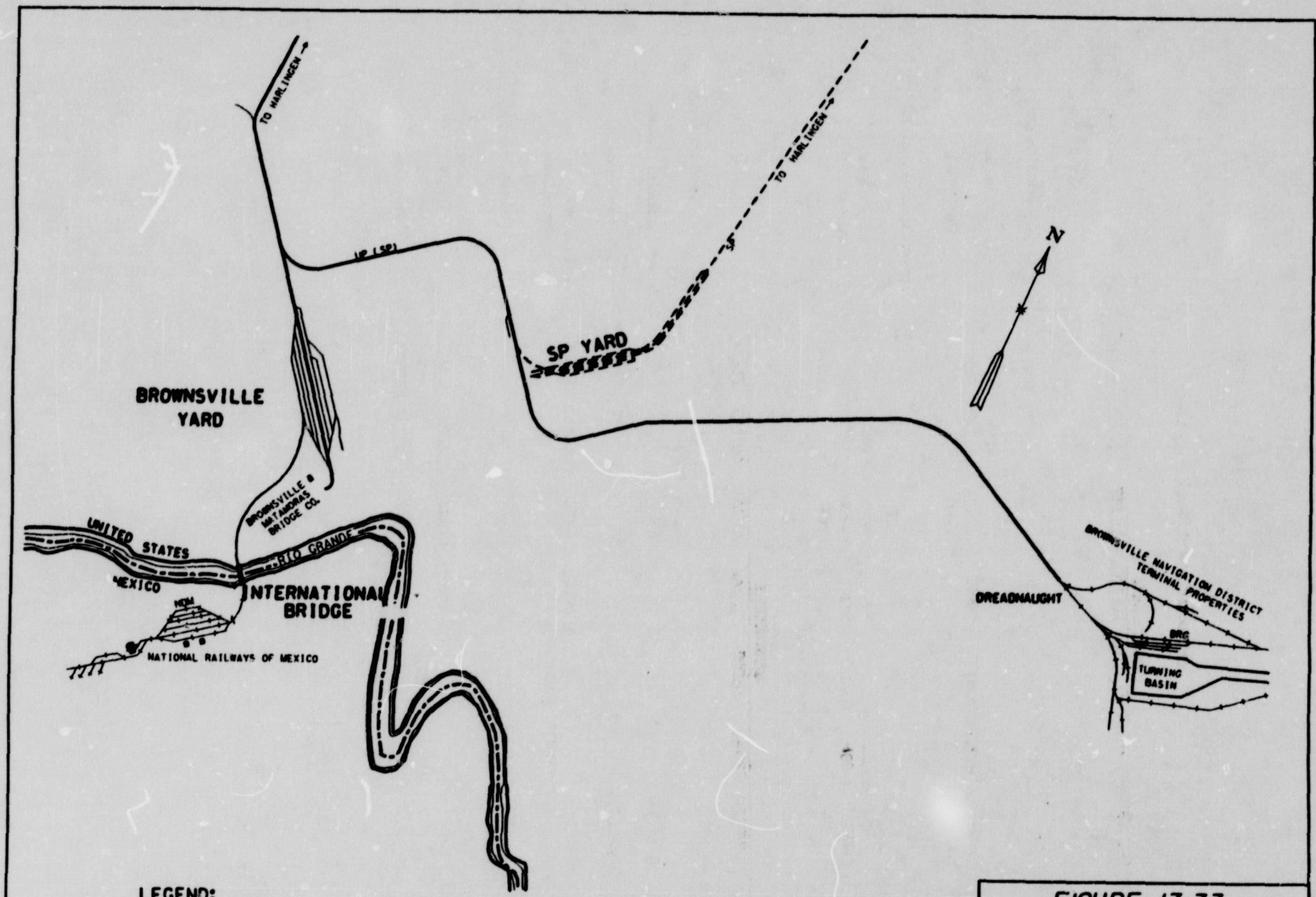
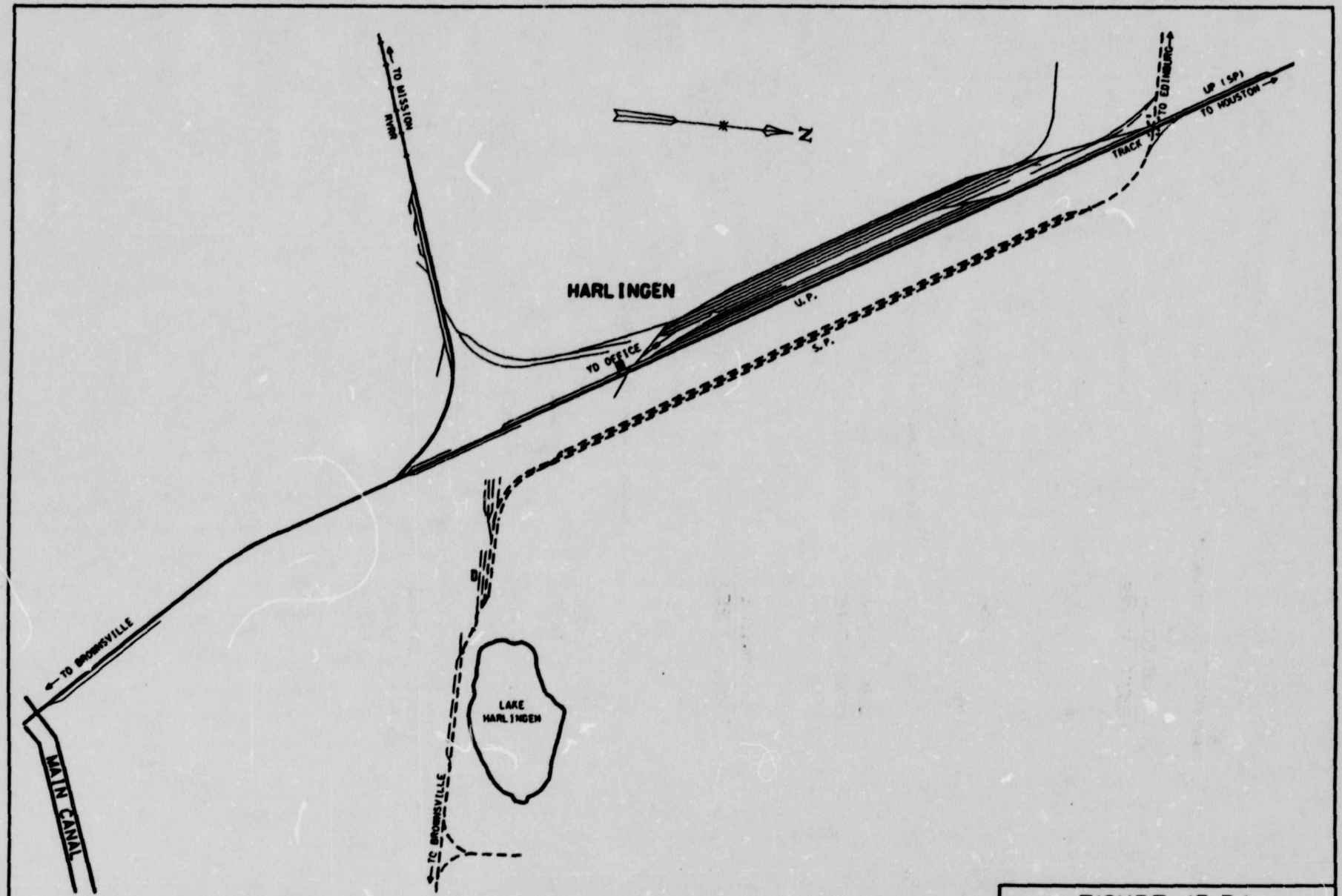


FIGURE 13-33
UP - SP TRACKAGE
AT BROWNSVILLE, TX.
11/95

300

n: \dgn\s1tea96.dgn Nov. 22, 1995 07:54:24



HARLINGEN, TEXAS

FIGURE 13-34
UP - SP TRACKAGE
AT HARLINGEN, TX.
11/95

n:\dgn\s1teap6.dgn Nov. 22, 1995 08:09:48

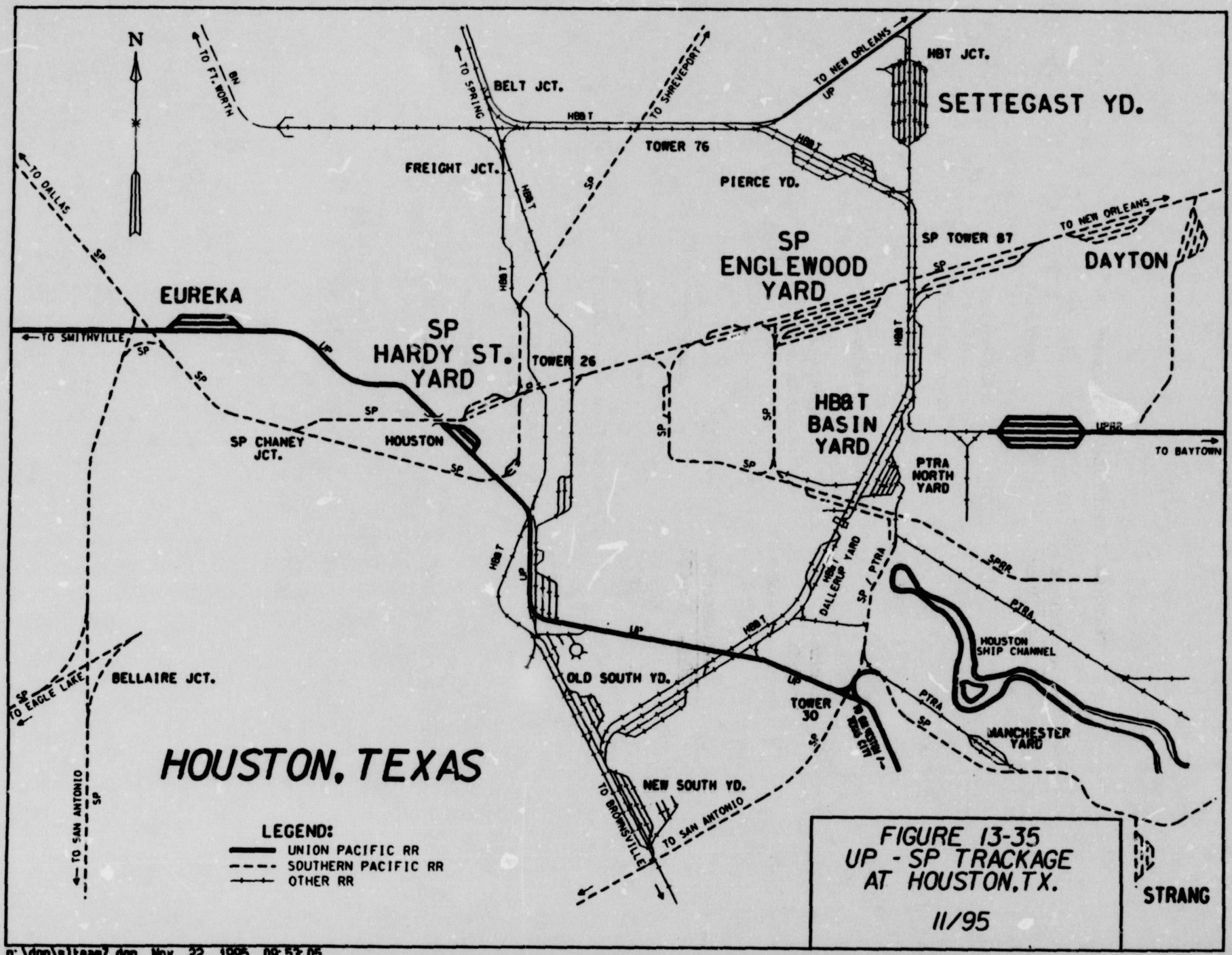


FIGURE 13-35
UP - SP TRACKAGE
AT HOUSTON, TX.
11/95

302

n:\dgn\s]teag7.dgn Nov. 22, 1995 09:53:05

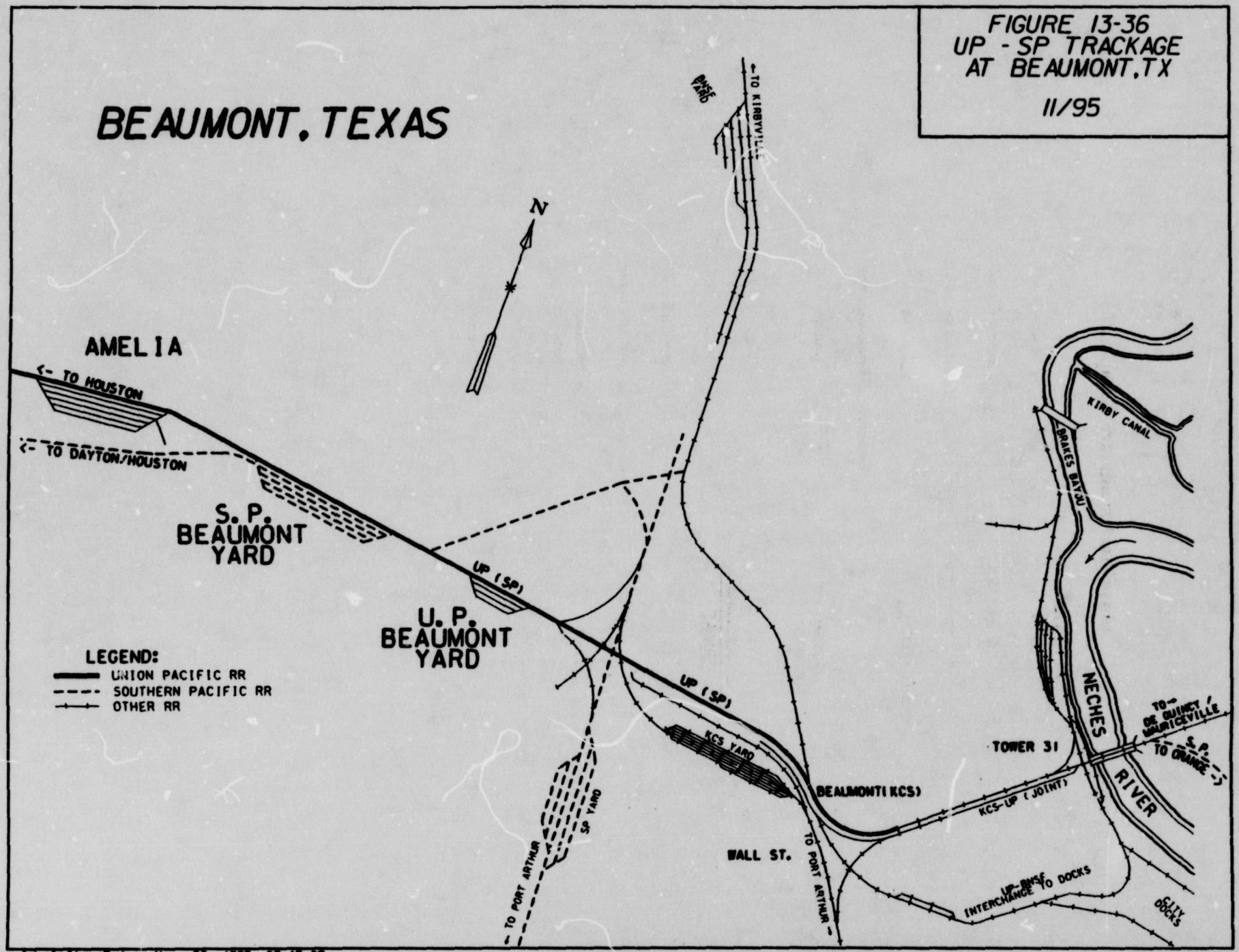


FIGURE 13-36
UP - SP TRACKAGE
AT BEAUMONT, TX
11/95

n:\dgn\slteam7.dgn Nov. 22, 1995 08:15:09

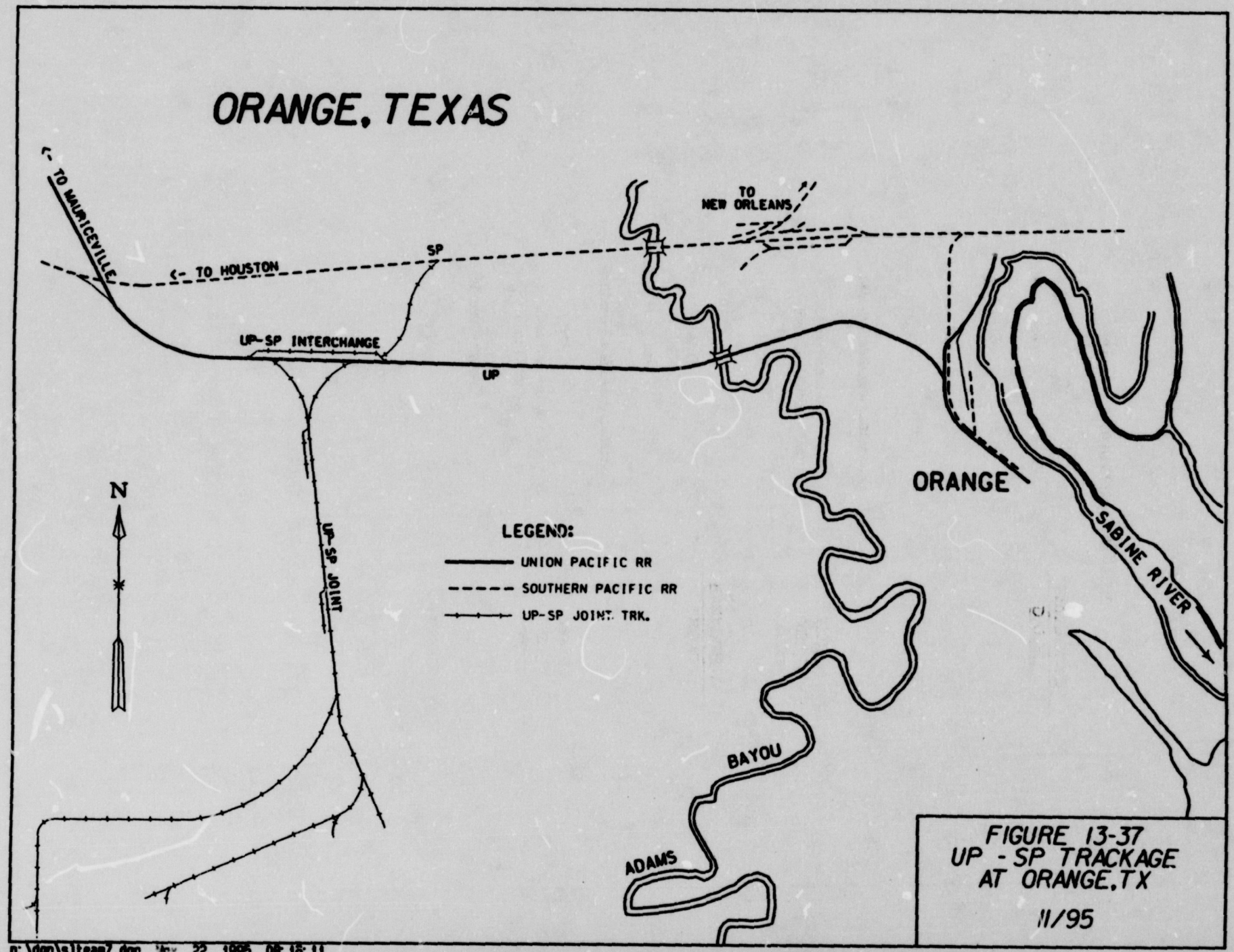


FIGURE 13-37
UP - SP TRACKAGE
AT ORANGE, TX
11/95

n:\dgn\s]tea07.dgn Nov 22, 1995 08:18:11

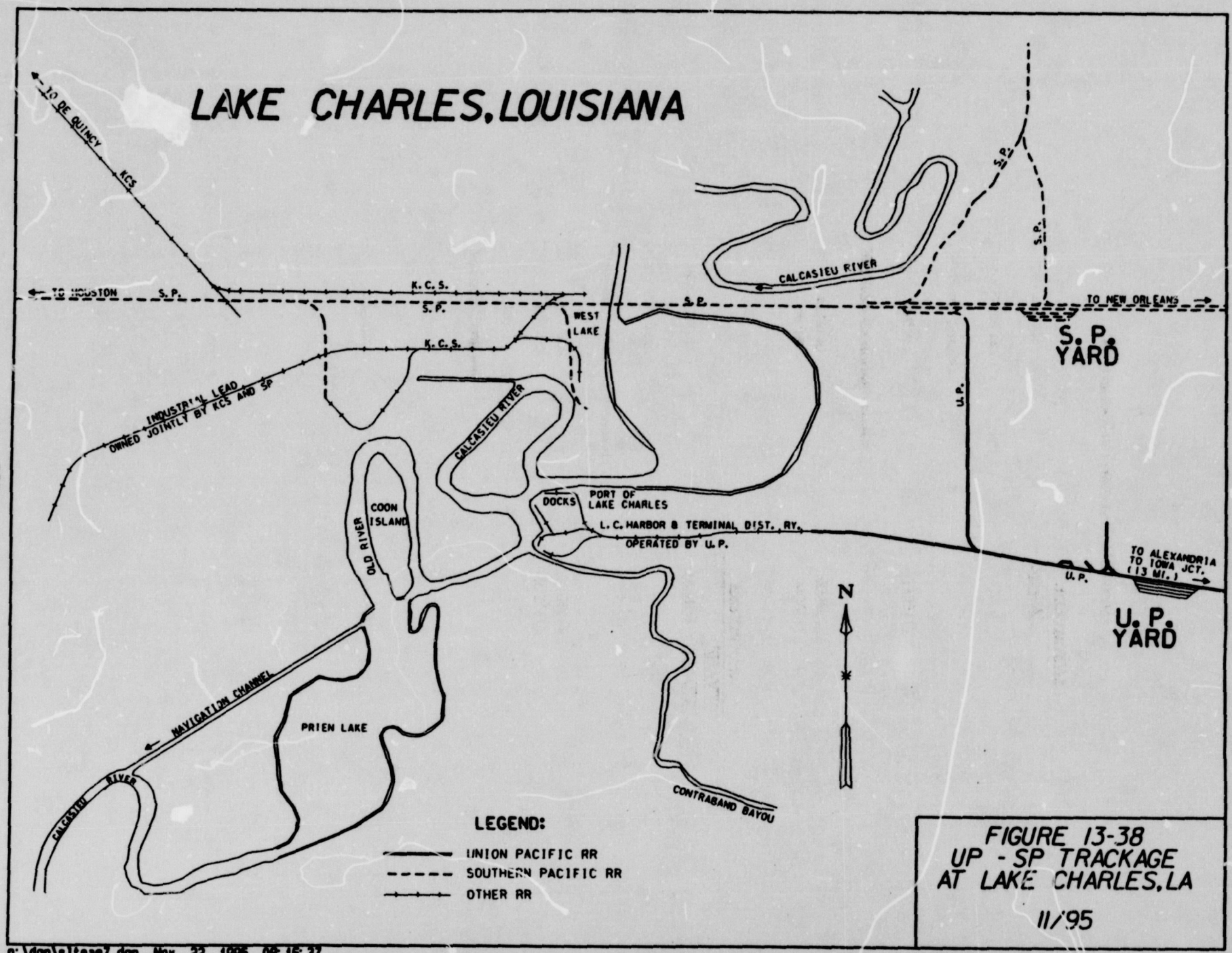


FIGURE 13-38
UP - SP TRACKAGE
AT LAKE CHARLES, LA
11/95

n:\dgn\s1tea07.dgn Nov. 22, 1995 08:16:37

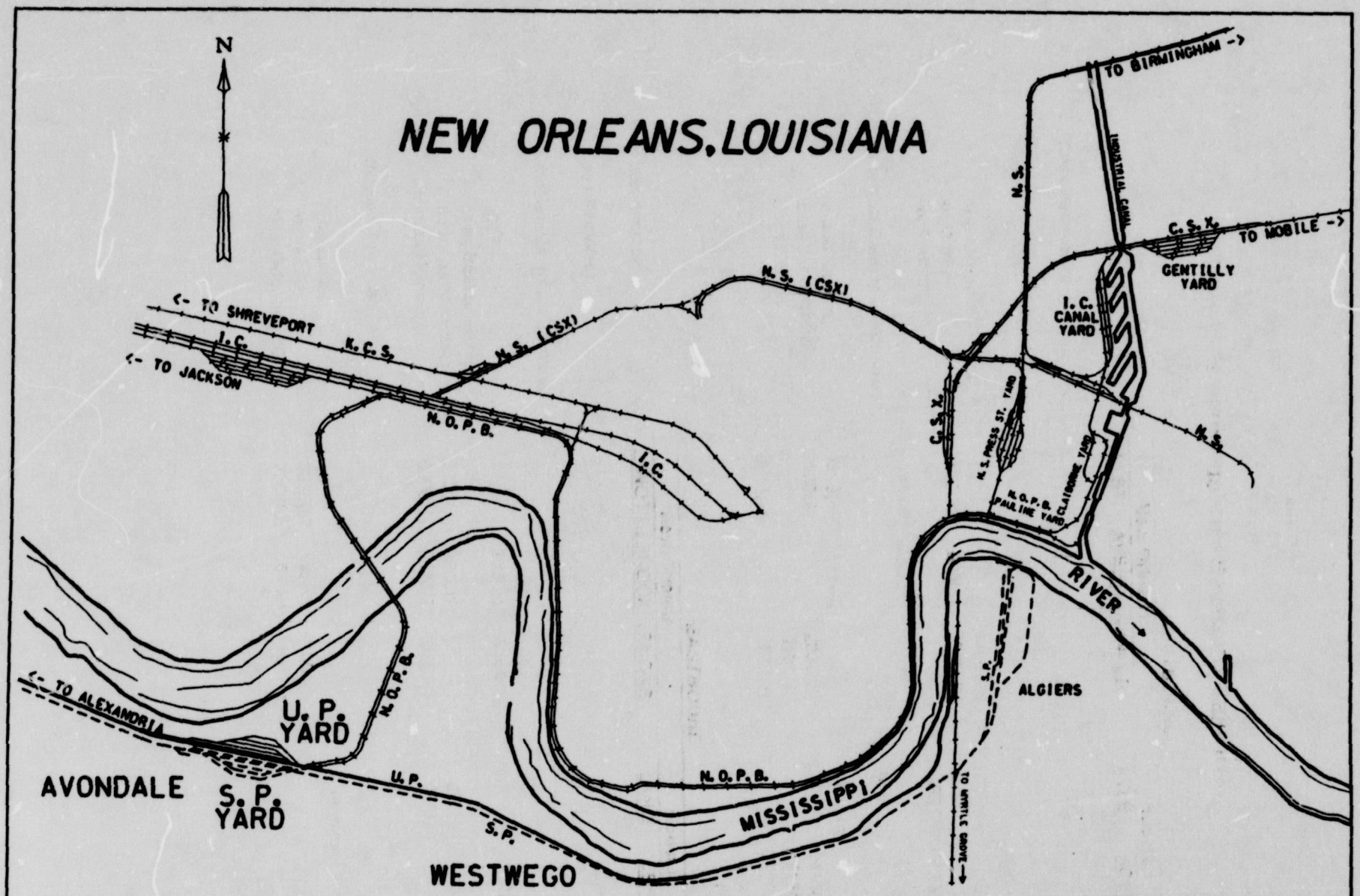


FIGURE 13-39
UP - SP TRACKAGE
AT NEW ORLEANS, LA
11/95

n:\dgn\s]teap7.dgn Nov. 22, 1995 08:17:11

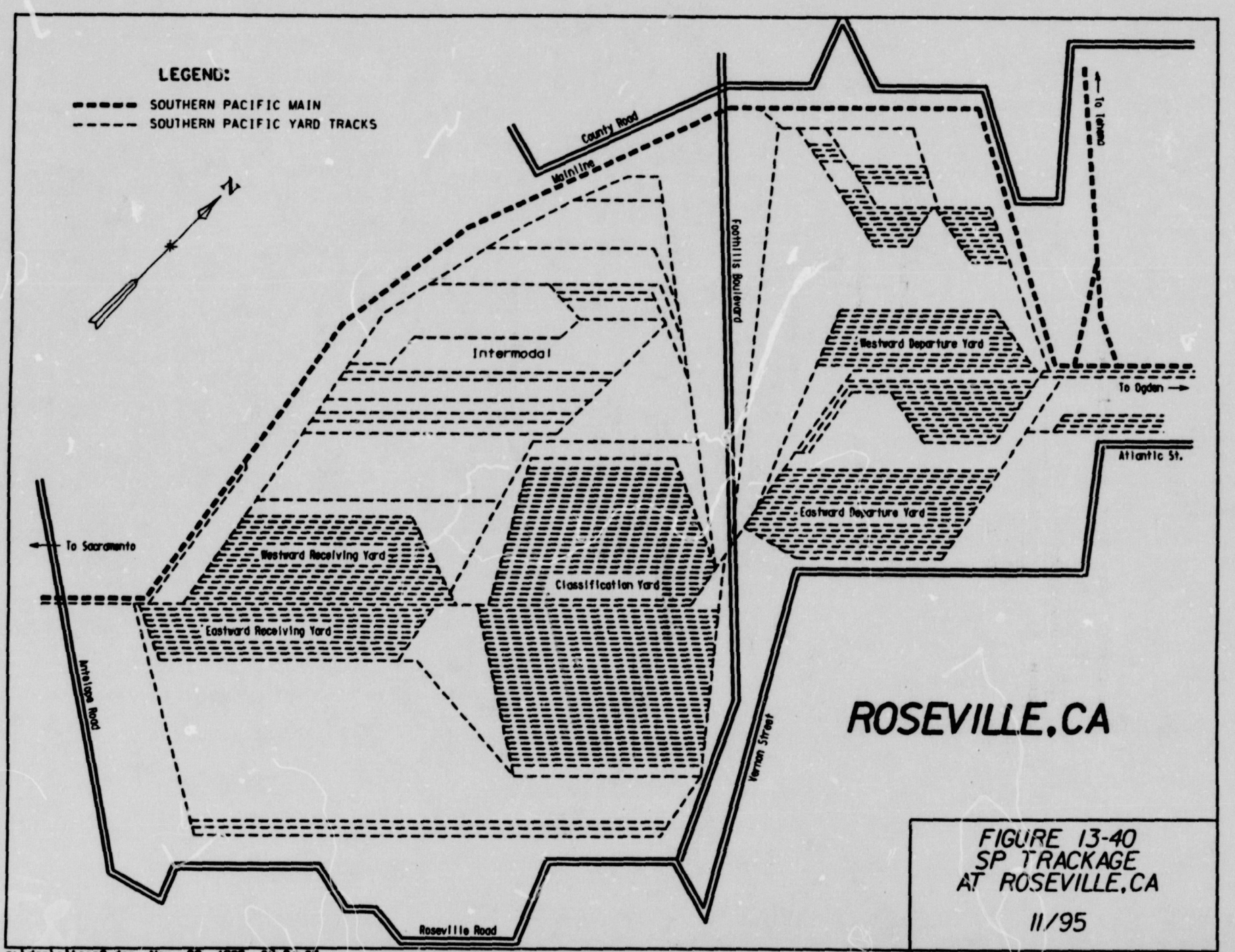


FIGURE 13-40
SP TRACKAGE
AT ROSEVILLE.CA
11/95

n:\dgn\sltrak2.dgn Nov. 22, 1995 07:34:06

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OPERATING PLAN

TABLES

Table 13-1

Chicago - Northern California

WESTBOUND

Train Symbol	CSOAZ	G2OAD	G1STX	G1OADB	G1OAD	CSOAZ/ RVFRZ
Days Per Week	7	7	5	3	7	7
Chicago Terminal:						
Canal Street	0030(1)					0030(1)
Global-1	0130(1)		1930(1)	2359(1)	2230(1)	0130(1)
Global-2		0130(1)				
Northern California Terminal:						
Roseville	2200(2)	1155(3)				2200(2)
Lathrop		1415(3)	400(4)	1245(4)	1115(4)	0030(3)
Fresno						0430(3)
Oakland	0405(3)	1655(3)		1525(4)	1355(4)	

EASTBOUND

Train Symbol	OAG1D	OAG1D6	OAG1D8	STCST	OACSZ	OACST	FRRVZ/ OACSZ
Days Per Week	7	1	1	5	5	5	5
Northern California Terminal:							
Oakland	2330(1)	1530(1)	2200(1)		1800(1)	2300(1)	
Fresno							1230(1)
Lathrop	0200(2)	1800(1)	0030(2)	130(1)			
Chicago Terminal:							
Global-1	1400(4)	0530(4)	1200(4)				
Canal Street				1905(3)	0400(4)	1600(4)	0400(4)

Table 13-2

St. Louis/Kansas City - Northern California

	WESTBOUND
Train Symbol	DUOAT
Days Per Week	7
Midwest Terminal:	
Dupo	0400(1)
Kansas CIty	1405(1)
Northern California Terminal:	
Roseville	1810(3)
Lathrop	2025(3)
Oakland	2320(3)

	EASTBOUND
Train Symbol	OADUT
Days Per Week	7
Northern California Terminal:	
Oakland	1200(1)
Lathrop	1515(1)
Roseville	1750(1)
Midwest Terminal:	
Kansas CIty	0100(4)
Dupo	0930(4)

Table 13-3

Chicago - Southern California

WESTBOUND

Train Symbol	G2LBD	CSLAT	BPLBD	G2LAD	1G1LAX	2G1LAX	G1LAD
Days Per Week	7	7	7	5	7	7	4
Chicago Terminal:							
Canal Street		1000(1)				2130(1)	
Global-1	1915(1)			2100(1)	0100(1)	2355(1)	0400(1)
Bedford Park			1900(1)				
Southern California Terminal:							
Inland Empire		1800(3)	0500(4)			0220(4)	
East Los Angeles Yd			0650(4)	1745(4)	0920(3)	0400(4)	1700(3)
ICTF	1645(4)		0830(4)				

EASTBOUND

Train Symbol	LACRD	LAG1D	LAG1X	LAG2D	INCST	LACST	LBBPD	LBG2D
Days Per Week	7	7	4	4	6	7	7	7
Southern California Terminal:								
Long Beach							2130(1)	2100(1)
ICTF							2205(1)	
East Los Angeles Yd	1930(1)	1400(1)	2300(1)	1600(1)			2359(1)	
Inland Empire					0600(1)	1700(1)		
Chicago Terminal:								
Bedford Park							2100(4)	
Global-1		0730(4)	1440(4)	0930(4)				1125(4)
Canal Street	0945(4)				2000(3)	0530(4)		1305(4)
Chicago I/C	1200(4)							

Table 13-4

St. Louis/Kansas City - Southern California

	WESTBOUND	
Train Symbol	BSMFT	KCLBT
Days Per Week	7	7
Midwest Terminal:		
Dupo	1900(1)	
Kansas City		1200(1)
Southern California Terminal:		
Inland Empire	1935(3)	0830(3)
East Los Angeles Yd	2045(3)	1015(3)
ICTF	2140(3)	1130(3)

	EASTBOUND	
Train Symbol	LBSLT	LASLT
Days Per Week	7	7
Southern California Terminal:		
ICTF	1600(1)	
Long Beach	1710(1)	
East Los Angeles Yd		1800(1)
Inland Empire	2135(1)	2050(1)
Midwest Terminal:		
Kansas City	0605(4)	1945(3)
Dupo	1530(4)	0600(4)
St. Louis I/C	1600(4)	

Table 13-5

Memphis - Southern California

	WESTBOUND	
Train Symbol	MELBT	MELAT
Days Per Week	7	7
Midwest Terminal:		
Memphis	2230(1)	2100(1)
Southern California Terminal:		
Inland Empire		0055(4)
East Los Angeles Yd		0245(4)
ICTF	0430(4)	

	EASTBOUND	
Train Symbol	LBMET	LAMET
Days Per Week	7	7
Southern California Terminal:		
ICTF	0400(1)	
East Los Angeles Yd		1800(1)
Inland Empire		1950(1)
Midwest Terminal:		
Memphis	1600(3)	0525(4)

Table 13-6

Memphis - Northern California

	WESTBOUND
Train Symbol	MEOAT
Days Per Week	7
Midwest Terminal:	
Memphis	0700(1)
Northern California Terminal:	
Lathrop	0020(4)
Oakland	0405(4)

	EASTBOUND
Train Symbol	OAMET
Days Per Week	7
Northern California Terminal:	
Oakland	400(1)
Lathrop	725(1)
Midwest Terminal:	
Memphis	435(4)

Table 13-7

Dallas - Southern California

	WESTBOUND
Train Symbol	DALBT
Days Per Week	6
Midwest Terminal:	
Dallas	0400(1)
Southern California Terminal:	
Inland Empire	2125(2)
East Los Angeles Yd	0025(3)
ICTF	0400(3)

	EASTBOUND
Train Symbol	LBDAT
Days Per Week	7
Southern California Terminal:	
ICTF	0500(1)
East Los Angeles Yd	0725(1)
Inland Empire	1000(1)
Midwest Terminal:	
Dallas	0300(3)

Table 13-8

Dallas - Northern California

	WESTBOUND
Train Symbol	MEOAT
Days Per Week	7
Midwest Terminal:	
Dallas	2225(1)
Northern California Terminal:	
Lathrop	0020(4)
Oakland	0405(4)

	EASTBOUND	
Train Symbol	OAMET	SEAVT/ LAMET
Days Per Week	7	7
Northern California Terminal:		
Oakland	0400(1)	0955(1)
Lathrop	0725(1)	
Midwest Terminal:		
Dallas	1045(3)	1335(4)

Table 13-9

New Orleans/Houston - Southern California

WESTBOUND

Train Symbol	New Orleans			Houston	
	AVLBT	AVSET	NSNOLB	AVLBT	HOLBD
Days Per Week	7	7	7	7	7
Midwest Terminal:					
New Orleans I/C			1400(1)		
Avondale	2100(1)	1900(1)	1500(1)		
Englewood				0855(1)	0700(1)
Southern California Terminal:					
Inland Empire	0310(4)	0115(4)		0310(3)	
East Los Angeles Yd	0500(4)		2330(3)		0415(3)
Long Beach			0100(4)		0715(3)
ICTF	0715(4)		0200(2)		0710(3)

EASTBOUND

Train Symbol	New Orleans			Houston	
	LANOT	LBNOCX	LBNONS	LANOT	LBHOT
Days Per Week	7	7	6	7	6
Southern California Terminal:					
ICTF		2330(1)	0100(1)		1300(1)
Long Beach					
East Los Angeles Yd	0700(1)	0200(2)		0700(1)	1600(1)
Inland Empire	0900(1)	0530(2)	0255(1)	0900(1)	
Midwest Terminal:					
Englewood				0850(3)	1730(3)
Avondale	2055(3)	1450(4)	1805(3)		
New Orleans - I/C	2300(3)	1645(4)	1815(3)		

Table 13-10

New Orleans/Houston - Northern California

WESTBOUND

Train Symbol	New Orleans AVSET	New Orleans AVSET/ LAOAT	Houston AVSET	Houston AVSET/ LAOAT
Days Per Week	7	7	7	7
Midwest Terminal:				
Avondale	1900(1)	1900(1)		
Englewood			0455(1)	0455(1)
Northern California Terminal:				
Lathrop	1440(4)		1440(3)	
Oakland		0730(5)		0730(4)

EASTBOUND

Train Symbol	New Orleans SEAVT	New Orleans PDLAT/ LBNONS	Houston SEAVT	Houston PDLAT/ LANOT
Days Per Week	7	6	7	6
Northern California Terminal:				
Oakland	0955(1)		0955(1)	
Lathrop		2255(1)		2255(1)
Midwest Terminal:				
Englewood			0200(4)	850(5)
Avondale	1230(4)	1805(5)		
New Orleans I/C		1815(5)		

Pacific Northwest - Southern California

NORTHBOUND

Train Symbol	AVSET	LBSET	INPDT	INPDT2	LAPDZ	LAPDD	LAOAT	LBSET
Days Per Week	7	7	7	5	7	1	7	7
Southern Terminal:								
ICTF		1200(1)						
East Los Angeles Yd		1330(1)			2000(1)	1900(1)	1400(1)	
Inland Empire	0215(1)		0001(1)	1200(1)	2200(1)		1555(1)	
Lathrop	1540(1)							0425(1)
Oakland								0840(1)
Northern Terminal:								
Oakland		0325(2)					0730(2)	
Lathrop					0900(2)			
Roseville					1130(2)			
Portland	1545(2)	0415(3)	0830(2)	2030(2)	0030(3)	0245(3)		0415(2)
Seattle	2150(2)	1130(3)						1130(2)

SOUTHBOUND

Train Symbol	SELBT	PDLAZ	PDLAT	SEAVT	PDOAT	OALBT
Days Per Week	7	5	6	7	6	7
Northern Terminal:						
Seattle	0800(1)			0400(1)		
Tacoma	0950(1)					
Portland	1500(1)	2000(1)	2345(1)	1015(1)	0200(1)	
Oakland						1600(1)
Southern Terminal:						
Roseville					2230(1)	
Lathrop	1340(2)		2155(2)			
Oakland				0855(2)	0230(2)	
West Colton						
Inland Empire	0200(3)	0145(3)				0835(2)
East Los Angeles Yd	0320(3)	0400(3)	1545(3)			0930(2)
ICTF	0435(3)					1200(2)

Table 13-12

New Orleans/Houston - Pacific Northwest

	WESTBOUND	
	New Orleans	Houston
Train Symbol	AVSET	AVSET
Days Per Week	7	7
Midwest Terminal:		
Avondale	1900(1)	
Englewood		0455(1)
Pacific Northwest Terminal:		
Portland	1545(5)	1545(4)
Seattle	2150(5)	2150(4)

	EASTBOUND	
	New Orleans	Houston
Train Symbol	SEAVT	SEAVT
Days Per Week	7	7
Pacific Northwest Terminal:		
Seattle	0955(1)	0955(1)
Portland	1015(1)	1015(1)
Midwest Terminal:		
Englewood		0200(5)
Avondale	1230(5)	

Table 13-13

Chicago - Texas

	SOUTHBOUND				
Train Symbol	CHMXZ	CHEGT	CHHOZ	CHFWZ	CHDAZ
Days Per Week	6	7	6	4	5
Chicago Terminal:					
Yard Center	0515(1)	0200(1)	2045(1)	1650(1)	0430(1)
Texas Terminal:					
Mesquite				1915(2)	0845(2)
Houston			0425(3)		
Laredo	0630(3)				
Eagle Pass		0700(3)			

	NORTHBOUND			
Train Symbol	MXCHZ	EGCHT	HOCHT	DACHZ
Days Per Week	7	7	6	6
Texas Terminal:				
Mesquite				0440(1)
Houston			0115(1)	
Laredo	0130(1)			
Eagle Pass		1800(1)		
Chicago Terminal:				
Yard Center	0445(3)	0745(3)	1830(2)	0935(2)

Table 13-14

St. Louis/Salem - Texas

SOUTHBOUND

Train Symbol	NYDAZ	DUHOZ	DUDAZ	DUFW6Z	DUFW7Z	DUHOZ/ CHEGT	DUDAZ/ CHEGT
Days Per Week	5	7	5	1	1	7	5
Illinois Terminal:							
Dupo		0230(1)	0100(1)	1200(1)	0400(1)	0230(1)	0100(1)
Salem	1310(1)						
Texas Terminal:							
Mesquite	0945(2)		2150(1)	0815(2)	0015(2)		
Houston		0630(2)					
San Antonio							0050(3)
Eagle Pass						0700(3)	

NORTHBOUND

Train Symbol	DANYZ	HOSLT	DADUZ	MXCHZ	DACH1Z
Days Per Week	7	7	5	7	1
Texas Terminal:					
Mesquite	0100(1)		1845(1)		0440(1)
Houston		1400(1)			
Laredo				0130(1)	
Illinois Terminal:					
Salem	0200(2)				
Dupo		0445(3)	1715(2)	1855(2)	0215(2)

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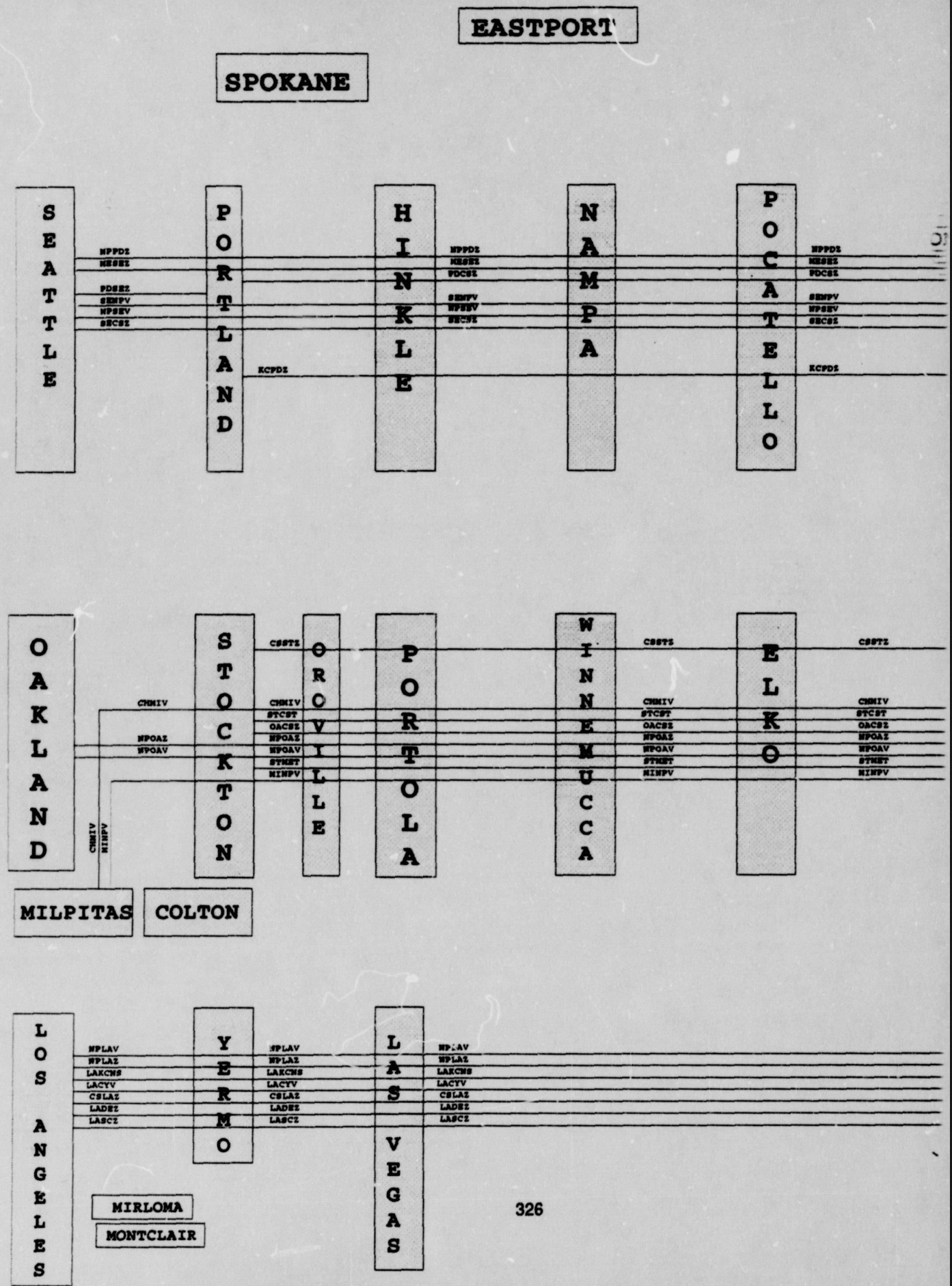
ATTACHMENT 13-1

UP SCHEDULES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PDCSZ
SEMPV
NPSEV
SECSZ
KCPDZ
OAKLAND
STOCKTON
CSSTZ
CHMIV
STCST
OACSZ
NPOAZ
NPOAV
STNET
NINPV
ORVILLE
PORTOLA
WINNEMUCCA
ELKO
MILPITAS
COLTON
LOS ANGELES
YERMO
LAS VEGAS
NPLAV
NPLAZ
LAKCNS
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CSLAZ
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LASCZ
MIRLOMA
MONTCLAIR

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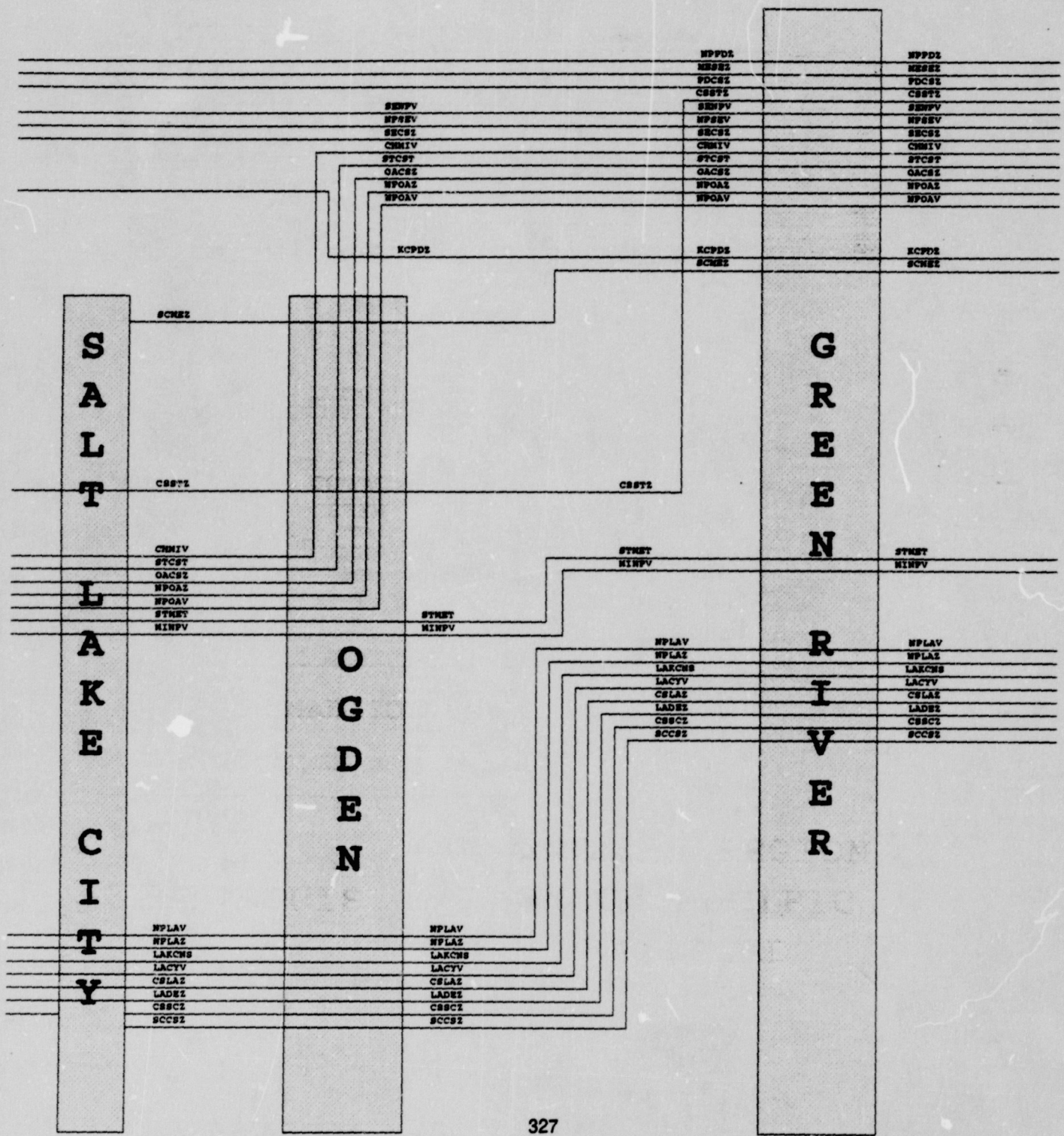
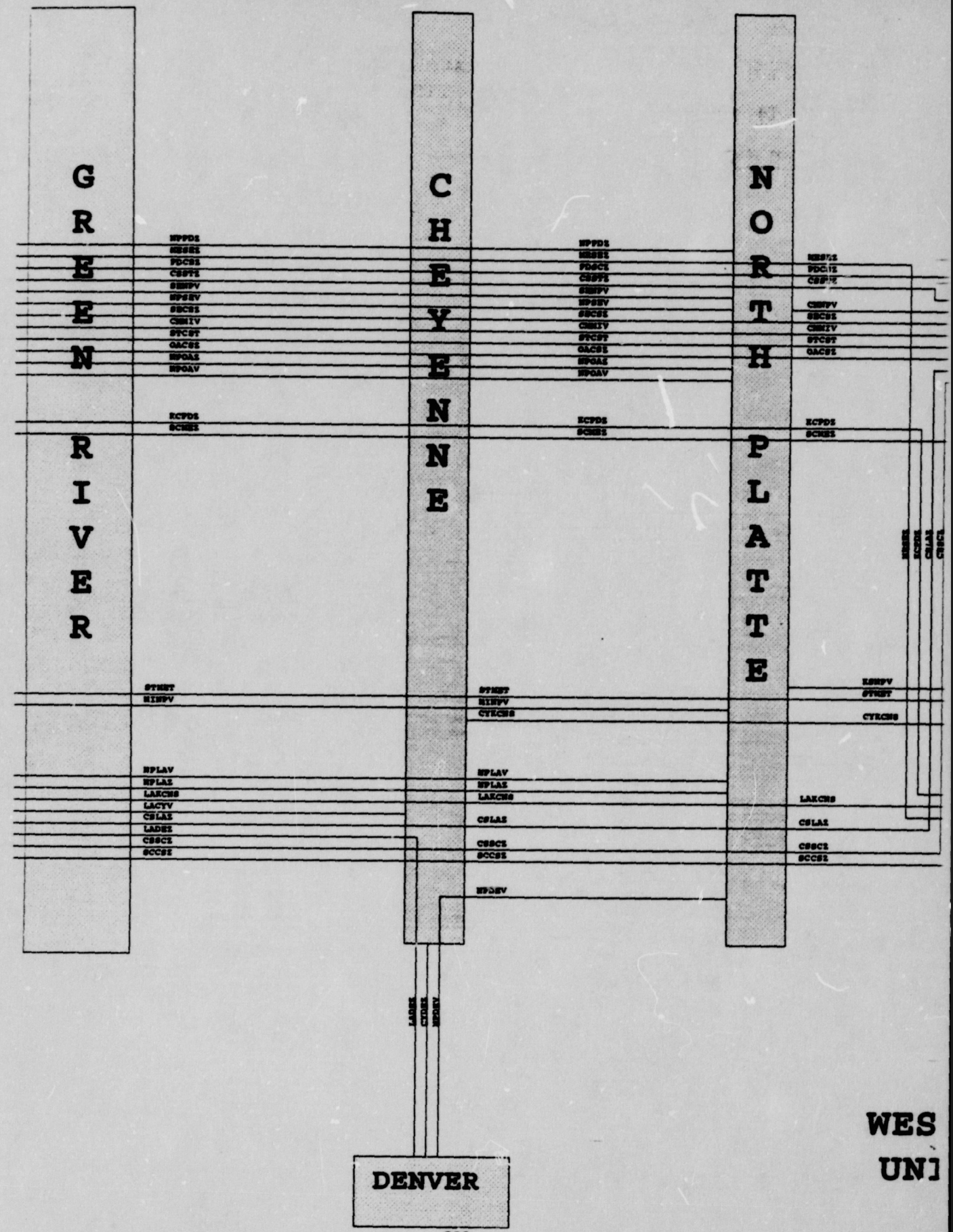


PREMIUM TRAINS
10/20/95 JSS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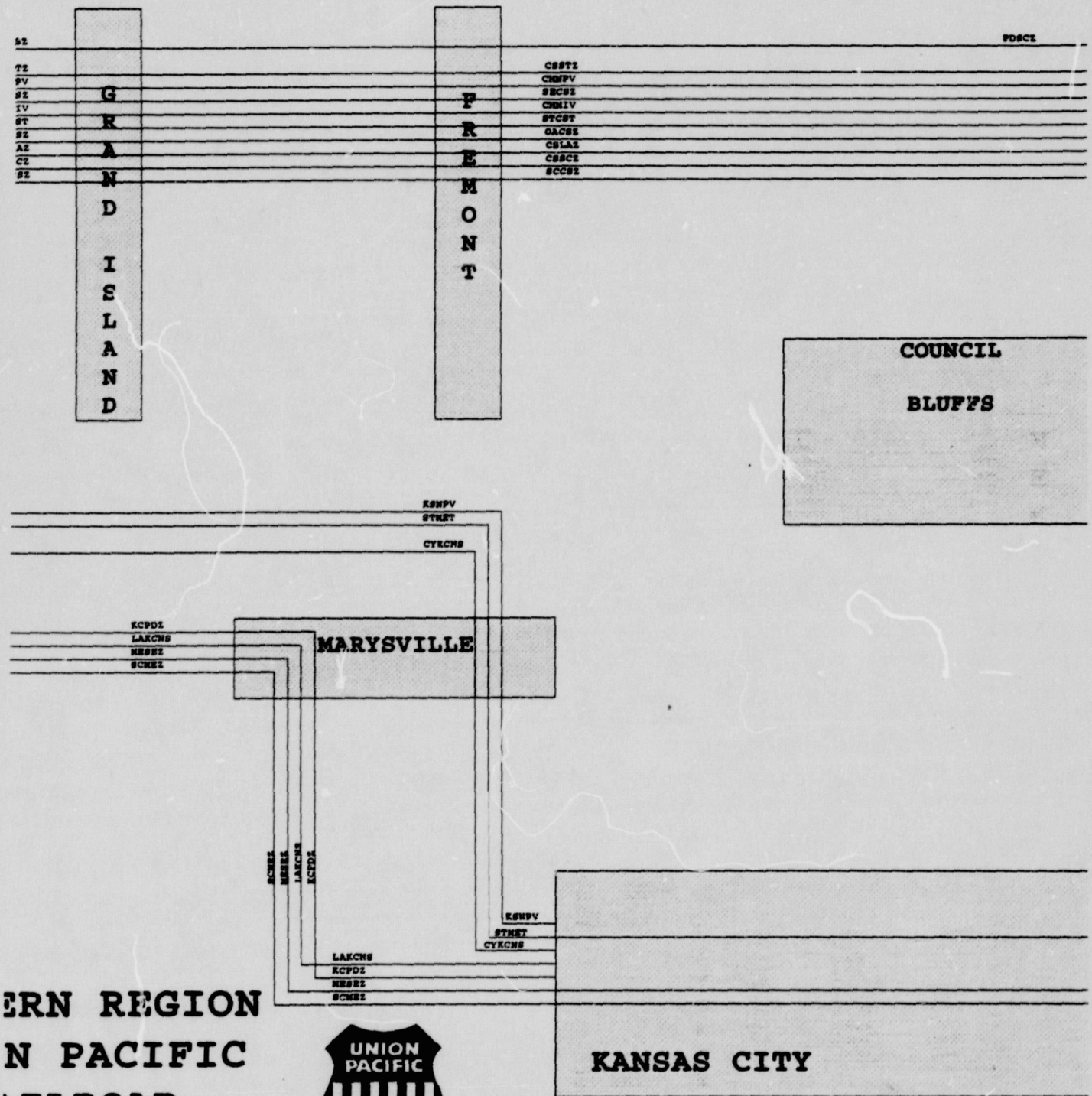
CHEYENNE
NORTH PLATTE
DENVER



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PREMIUM TRAINS
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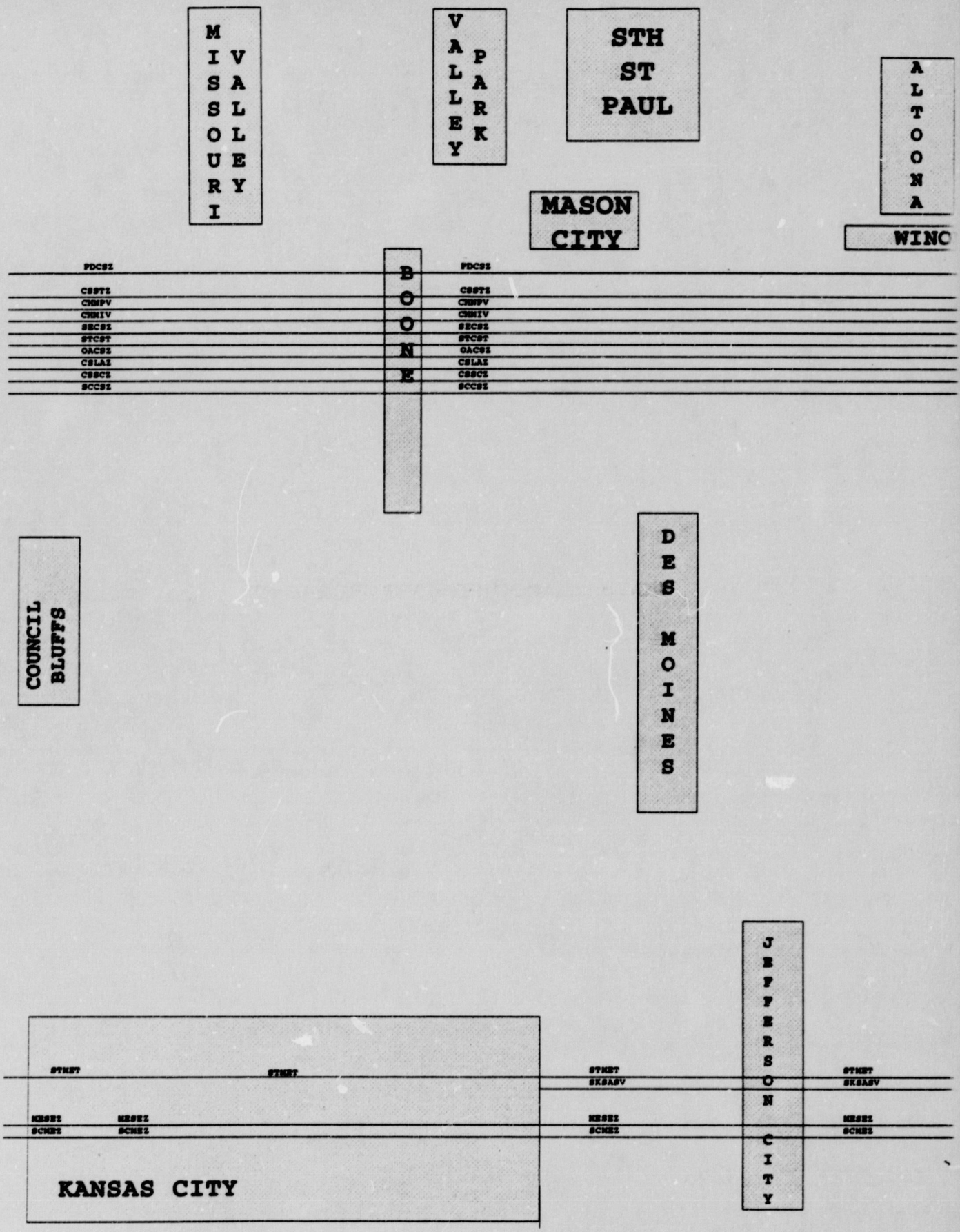
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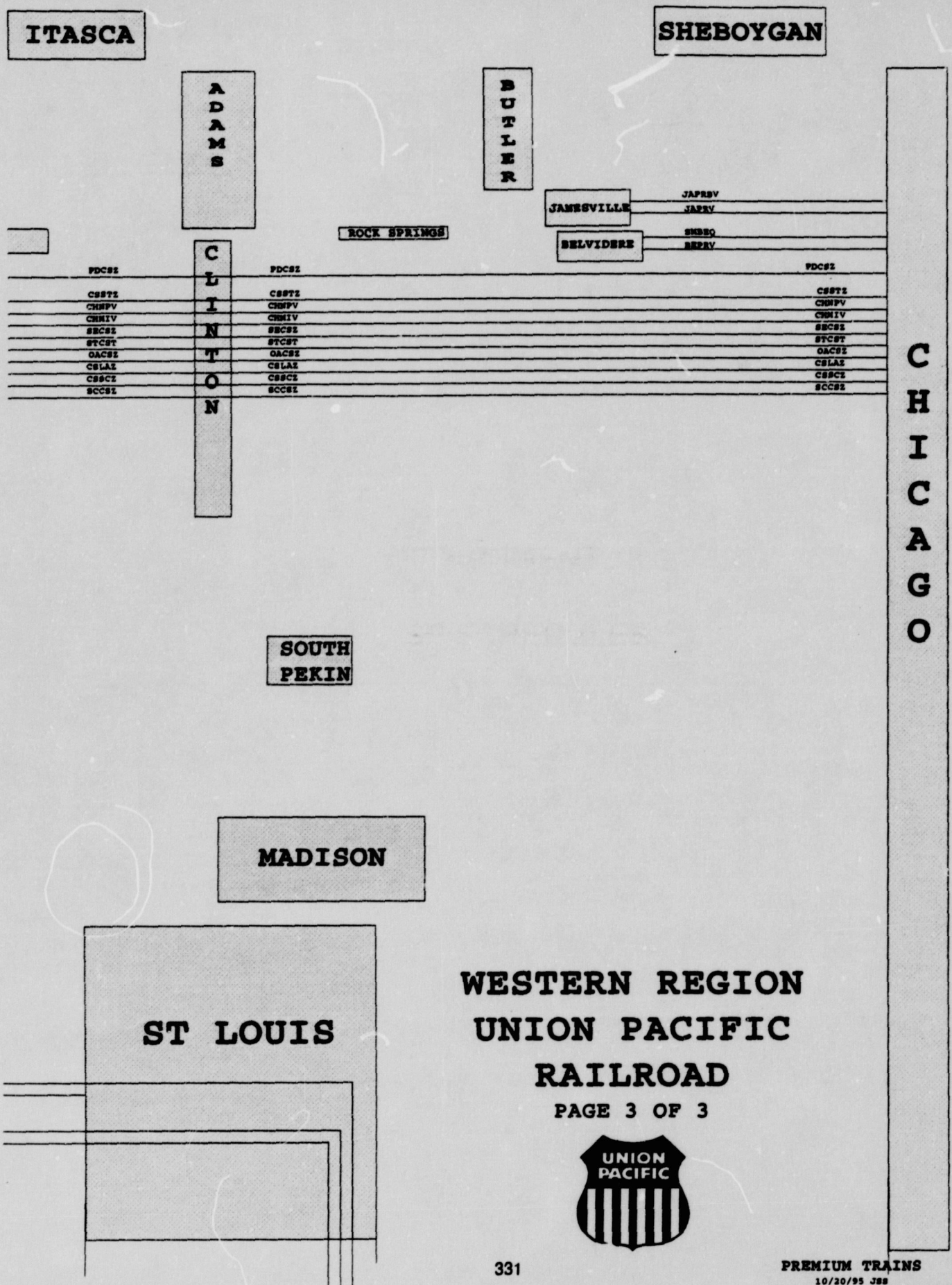
ALTOONA
MASON CITY
WINC
BOONE
COUNCIL BLUFFS
DES MOINES
JEFFERSON CITY
KANSAS CITY



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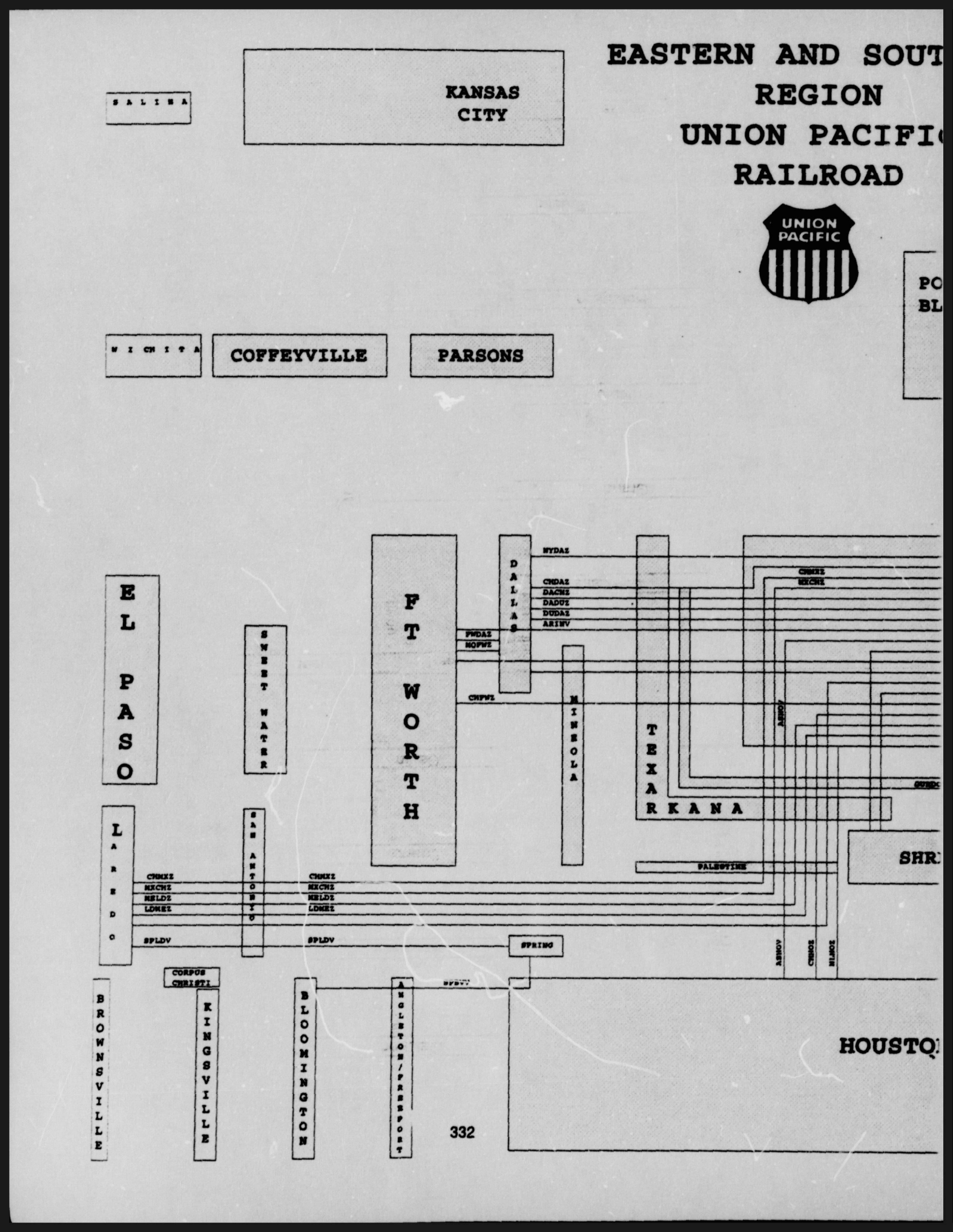

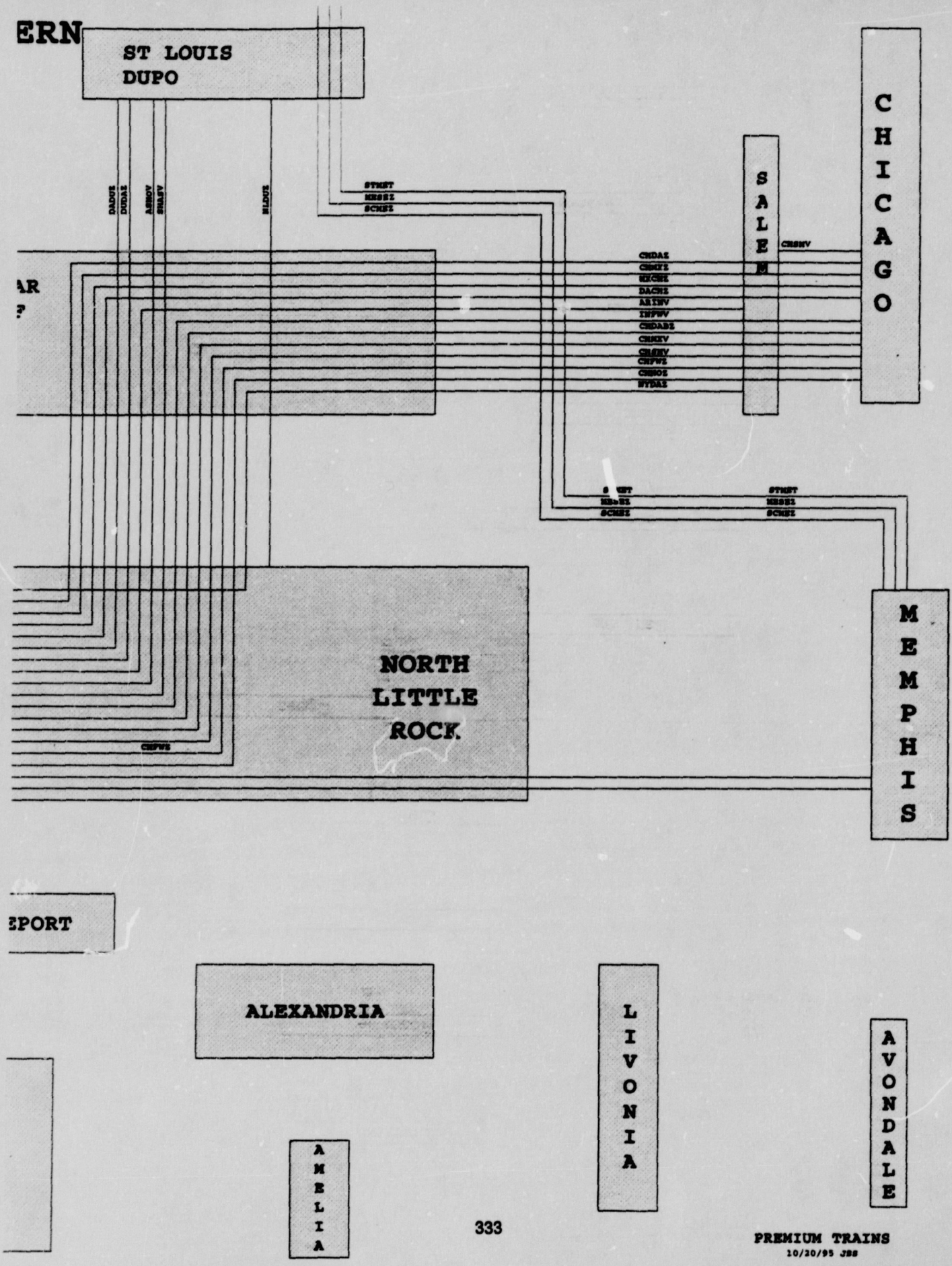

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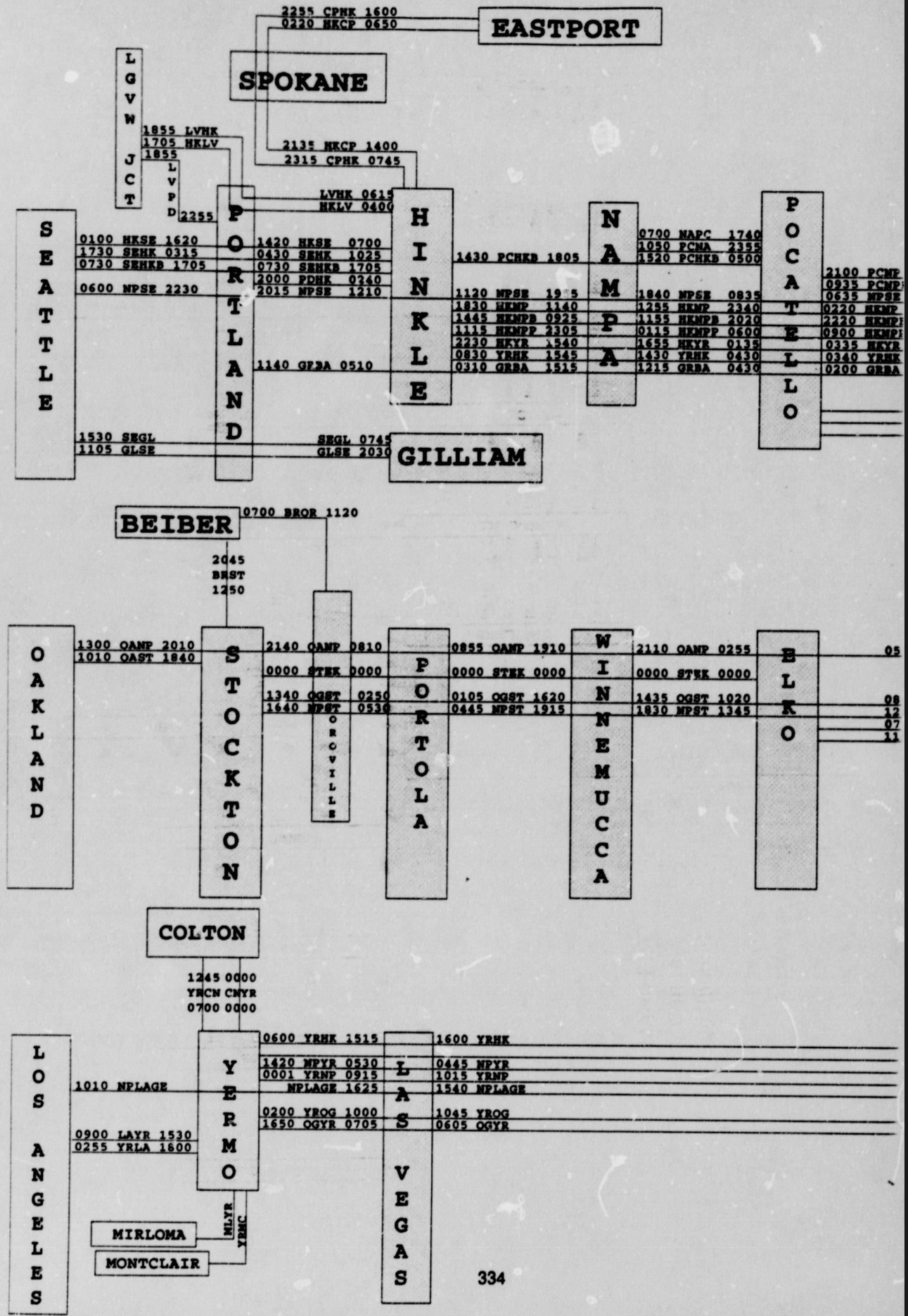
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0220 NKCP 0650
SPOKANE
LGVW JCT
1855 LVNK
1705 NKLV
1855
LVPD
2255
2135 NKCP 1400
2315 CPNK 0745
LVNK 0615
NKLV 0400
SEATTLE
PORTLAND
HINKLE
NAMPA
POCATELLO
0100 NKSE 1620
1730 SENK 0315
0730 SENKB 1705
0600 NPSE 2230
1420 NKSE 0700
0430 SENK 1025
0730 SENKB 1705
2000 PDNK 0240
2015 NPSE 1210
1140 GFBA 0510
1430 PCNKB 1805
1120 NPSE 19 5
1830 NKNP 1140
1445 NKNPB 0925
1115 NKNPP 2305
2230 NKYR 1540
0830 YRNK 1545
0310 GRBA 1515
0700 NAPC 1740
1050 PCNA 2355
1520 PCNKB 0500
1840 NPSE 0835
1255 NKNP 2340
1155 NKNPB 2020
0115 NKNPP 0600
1655 NKYR 0135
1430 YRNK 0430
1215 GRBA 0430
2100 PCNP
0935 PCNP
0635 NPSE
0220 NKNP
2220 NKNP
0900 NKNP
0335 NKYR
0340 YRNK
0200 GRBA
1530 SEGL
1105 GLSE
SEGL 0745
GLSE 2030
GILLIAM
BEIBER
0700 BROR 1120
2045
BRST
1250
OAKLAND
STOCKTON
ORCVILLE
PORTOLA
WINNEMUCCA
ELKO
1300 OANP 2010
1010 OAST 1840
2140 OANP 0810
0000 STNK 0000
1340 OGST 0250
1640 NPST 0530
0855 OANP 1910
0000 STNK 0000
0105 OGST 1620
0445 NPST 1915
2110 OANP 0255
0000 STNK 0000
1435 OGST 1020
1830 NPST 1345
05
08
12
07
11
COLTON
1245 0000
YRCN CNYR
0700 0000
LOS ANGELES
YERMO
LAS VEGAS
MIRLOMA
MONTCLAIR
MLYR
YRMC
0600 YRNK 1515
1420 NPYR 0530
0001 YRNP 0915
1010 NPLAGE
NPLAGE 1625
0200 YROG 1000
1650 OGYR 0705
0900 LAYR 1530
0255 YRLA 1600
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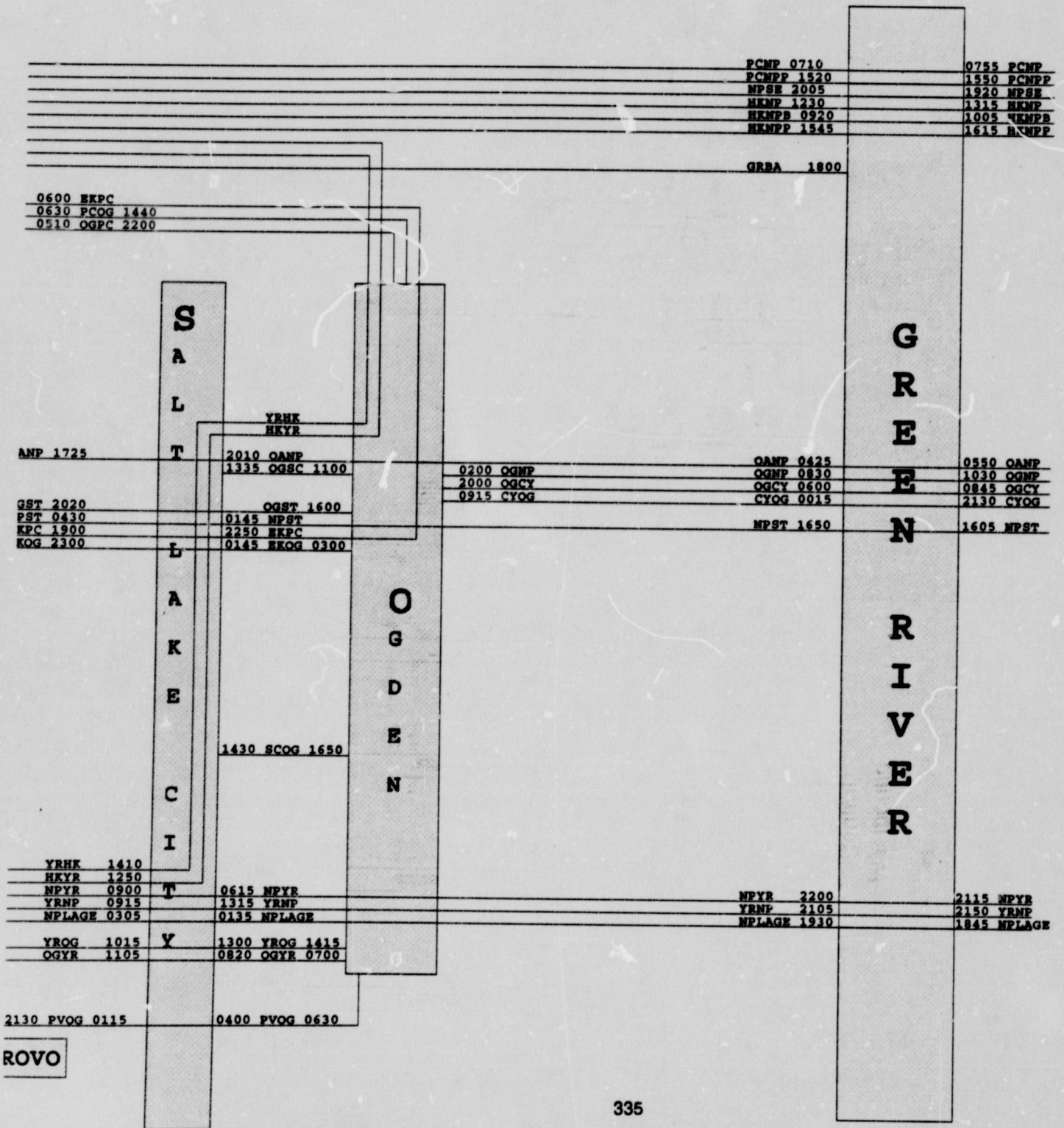

MANIFEST TRAINS

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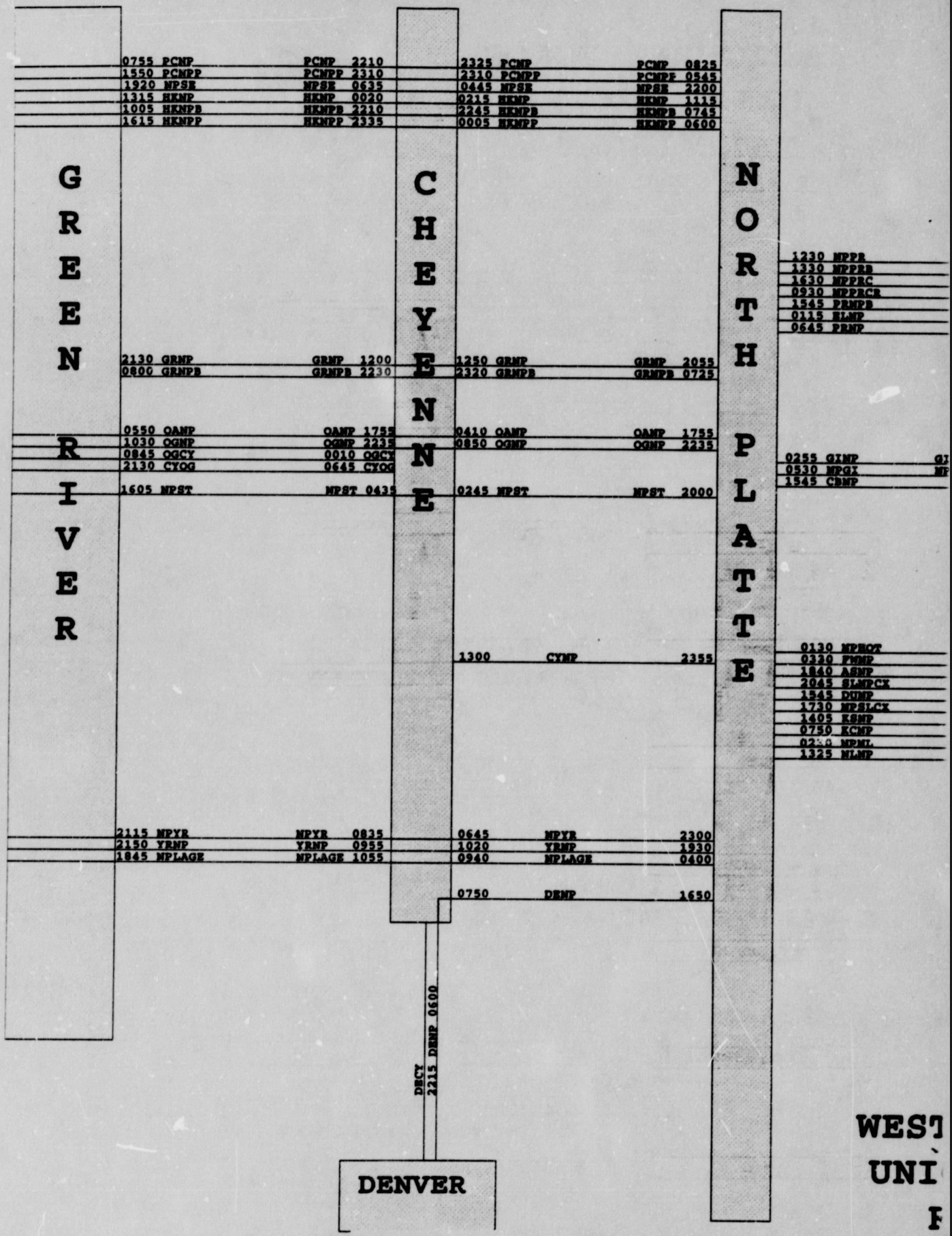
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CHEYENNE
NORTH PLATTE
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1005 HKNPB HKNPB 2210
1615 HKNPP HKNPP 2335
2325 PCNP PCNP 0825
2310 PCNPP PCNPP 0545
0445 NPSE NPSE 2200
0215 HKNP HKNP 1115
2245 HKNPB HKNPB 0745
0005 HKNPP HKNPP 0600
1230 NPPR
1330 NPPRB
1630 NPPRC
0930 NPPRCR
1545 PRNPB
0115 RLNP
0645 PRNP
2130 GRNP GRNP 1200
0800 GRNPB GRNPB 2230
1250 GRNP GRNP 2055
2320 GRNPB GRNPB 0725
0550 OANP OANP 1755
1030 OGNP OGNP 2235
0845 OGCY 0010 OGCY
2130 CYOG 0645 CYOG
1605 NPST NPST 0435
0410 OANP OANP 1755
0850 OGNP OGNP 2235
0245 NPST NPST 2000
0255 GINP
0530 NPGX
1545 CBNP
1300 CYNP 2355
0130 NPBOT
0330 PWNP
1840 ASNP
2045 SLNPCX
1545 DUNP
1730 NPSLCX
1405 KSNP
0750 KCNP
0210 NPML
1325 NLNP
2115 NPYR NPYR 0835
2150 YRNP YRNP 0955
1845 NPLAGE NPLAGE 1055
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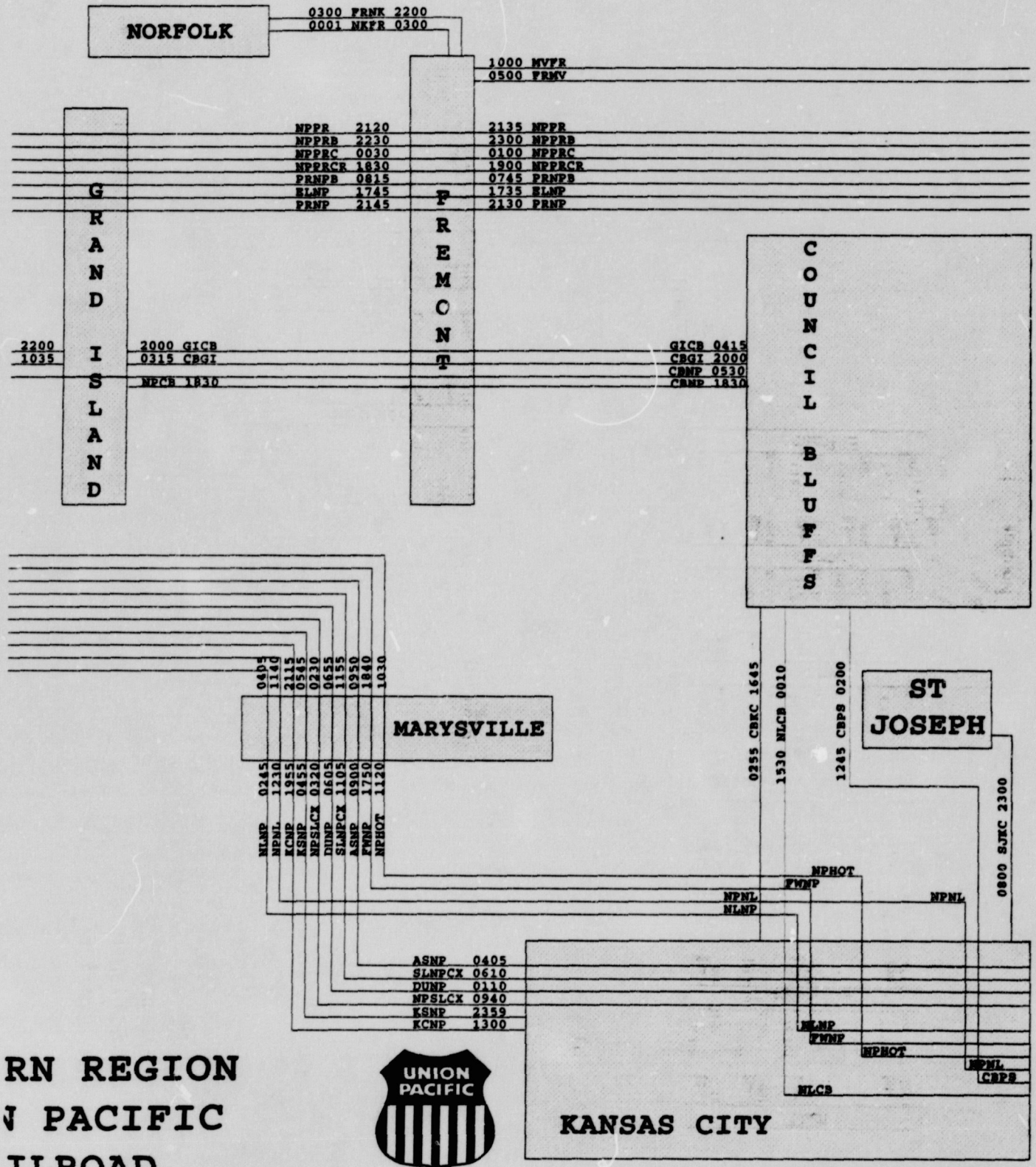
DECY 2215 DENP 0600
DENVER
WEST
UNI
F



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MANIFEST TRAINS

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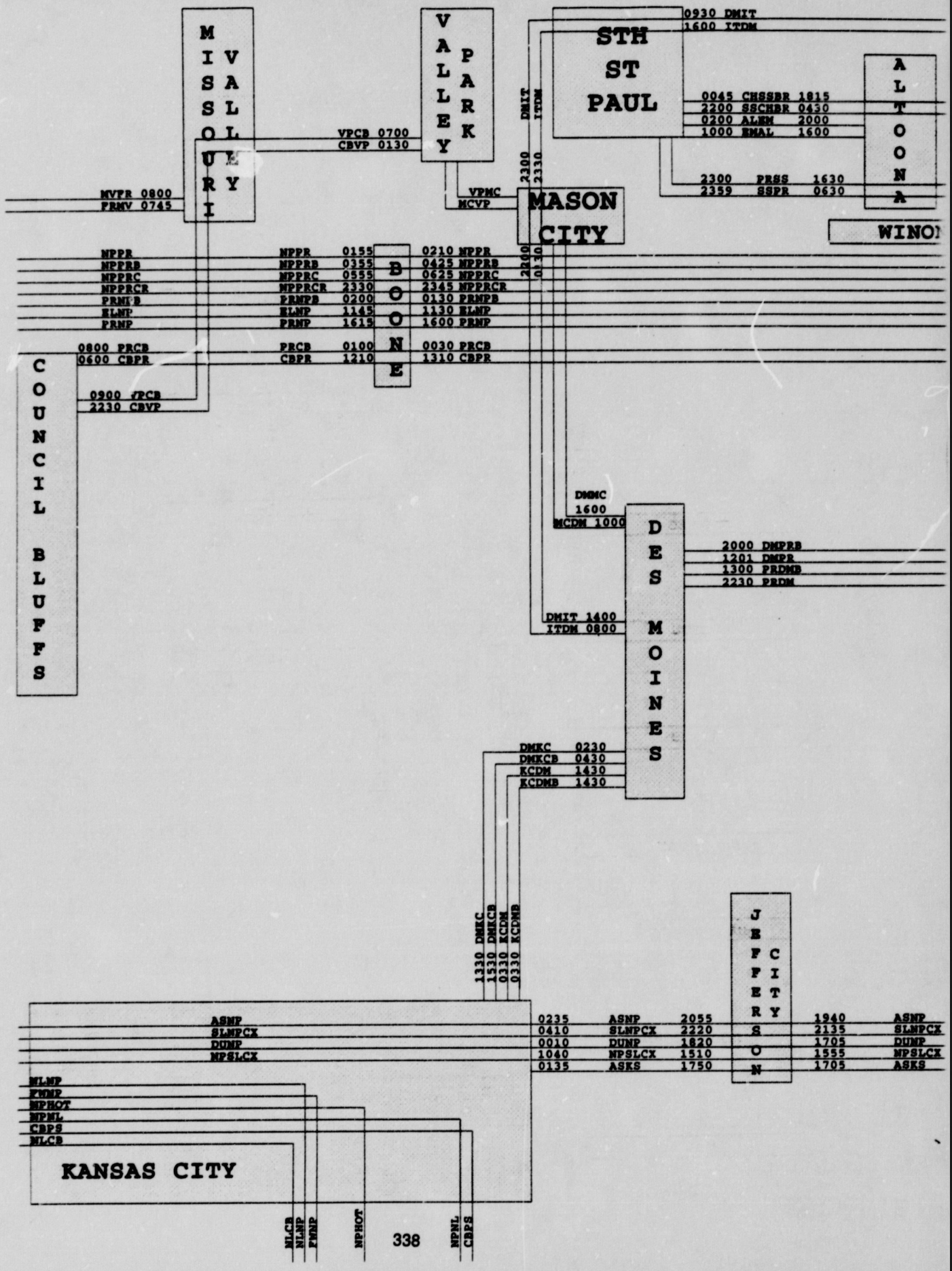
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VALLEY PARK
STH ST PAUL
ALTOONA
MASON CITY
WINO
BOONE
COUNCIL BLUFFS
DES MOINES
JEFFERSON CITY
KANSAS CITY
0930 DMIT
1600 ITDM
0045 CHSSBR 1815
2200 SSCHBR 0430
0200 ALEM 2000
1000 EMAL 1600
2300 PRSS 1630
2359 SSPR 0630
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2330
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0130 PRNPB
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1600 PRNP
2200
0130
0800 PRCB
0600 CBPR
PRCB 0100
CBPR 1210
0030 PRCB
1310 CBPR
0900 PRCB
2230 CBVP
DMMC
1600
MCDM 1000
2000 DMPRB
1201 DMPR
1300 PRDMB
2230 PRDM
DMIT 1400
ITDM 0800
DMKC 0230
DMKCB 0430
KCDM 1430
KCDMB 1430
1330 DMKC
1530 DMKCB
0330 KCDM
0330 KCDMB
ASNP
SLNPCX
DUMP
NPSLCX
0235 ASNP 2055
0410 SLNPCX 2220
0010 DUNP 1820
1040 NPSLCX 1510
0135 ASKS 1750
1940 ASNP
2135 SLNPCX
1705 DUNP
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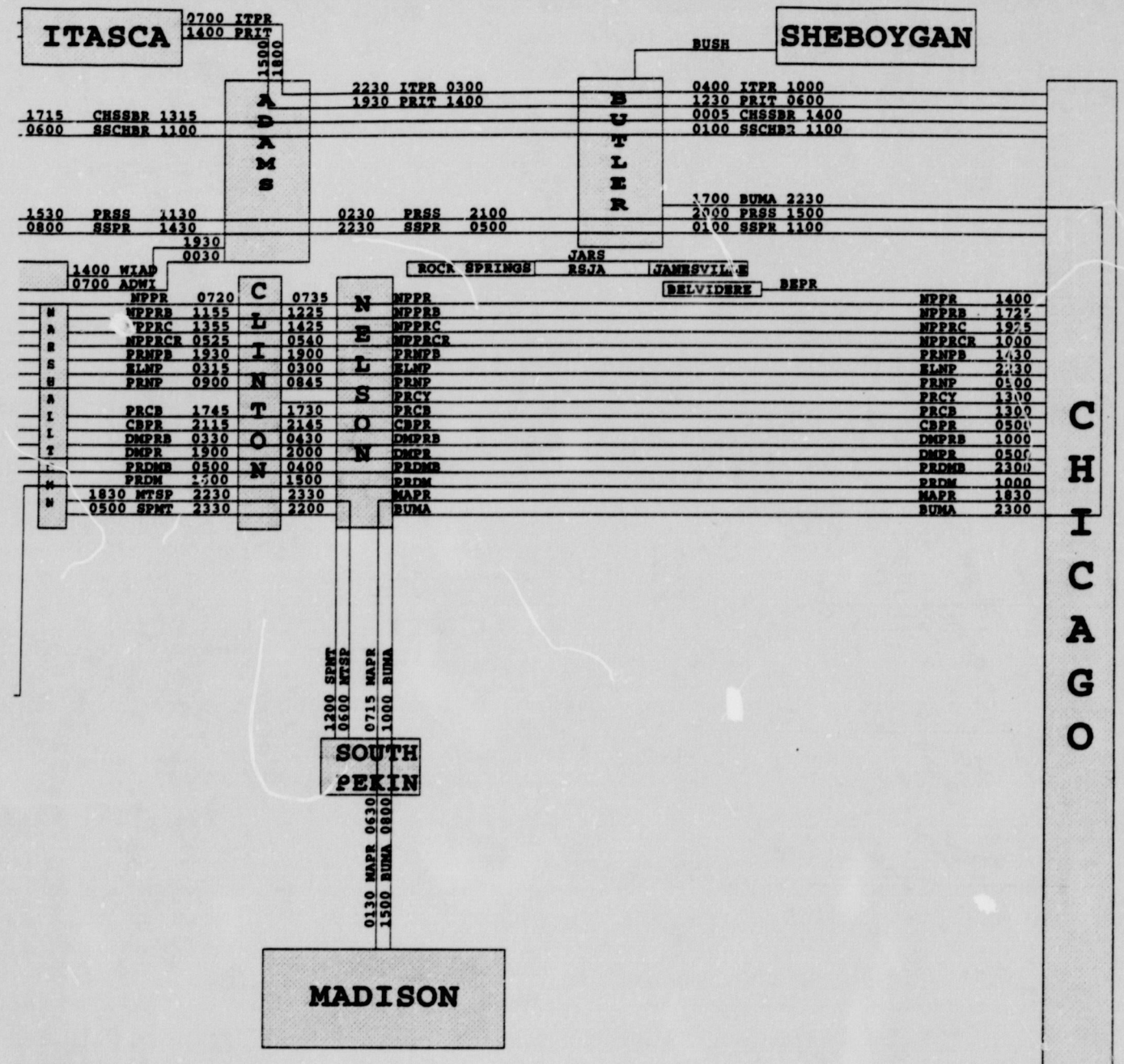

WESTERN REGION
UNION PACIFIC
RAILROAD

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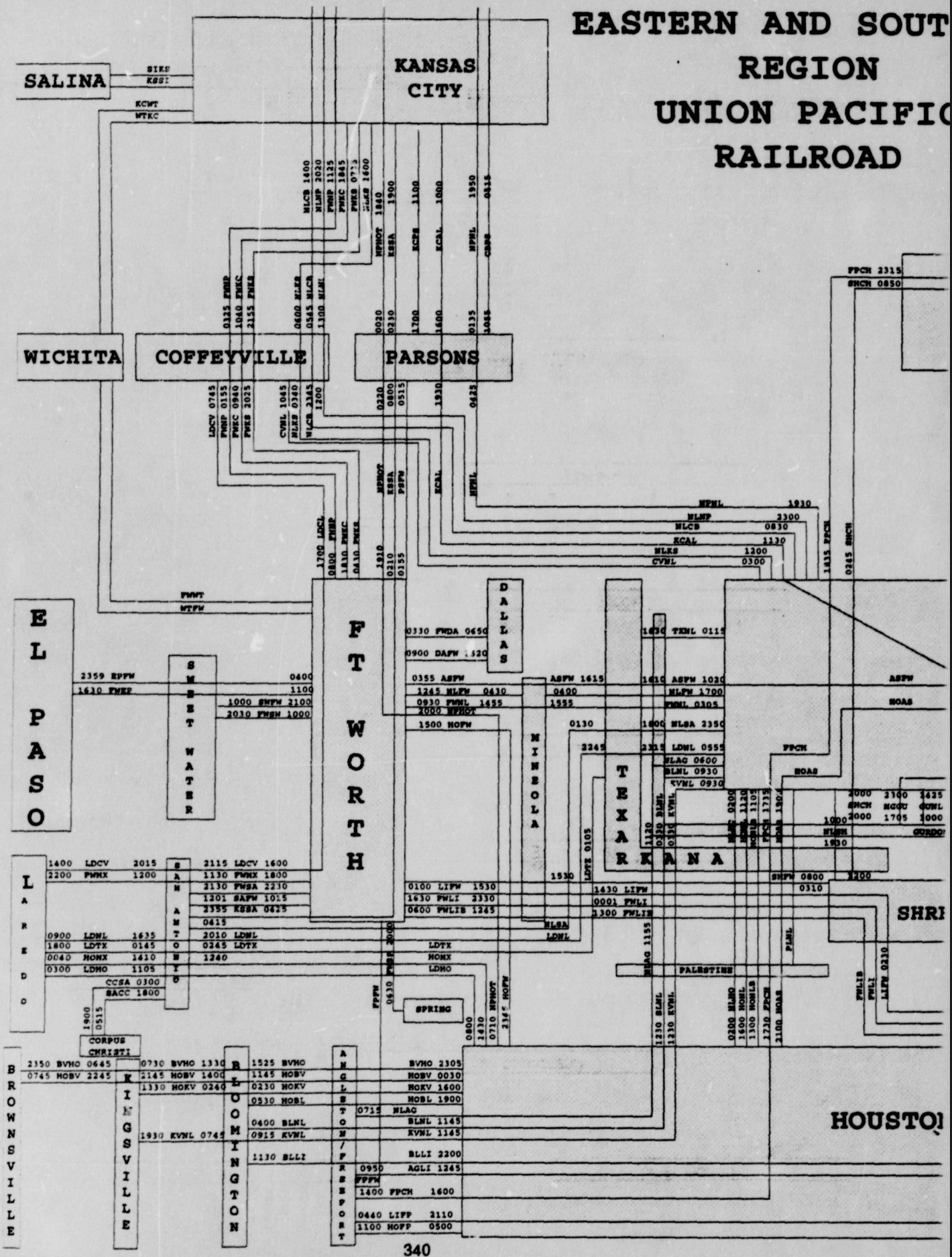
MANIFEST TRAINS

10/06/95 JSS


EASTERN AND SOUT
REGION
UNION PACIFIC
RAILROAD
SALINA
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WICHITA
COFFEYVILLE
PARSONS
EL PASO
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FT WORTH
DALLAS
MINEOLA
TEXARKANA
LAREDO
SAN ANTONIO
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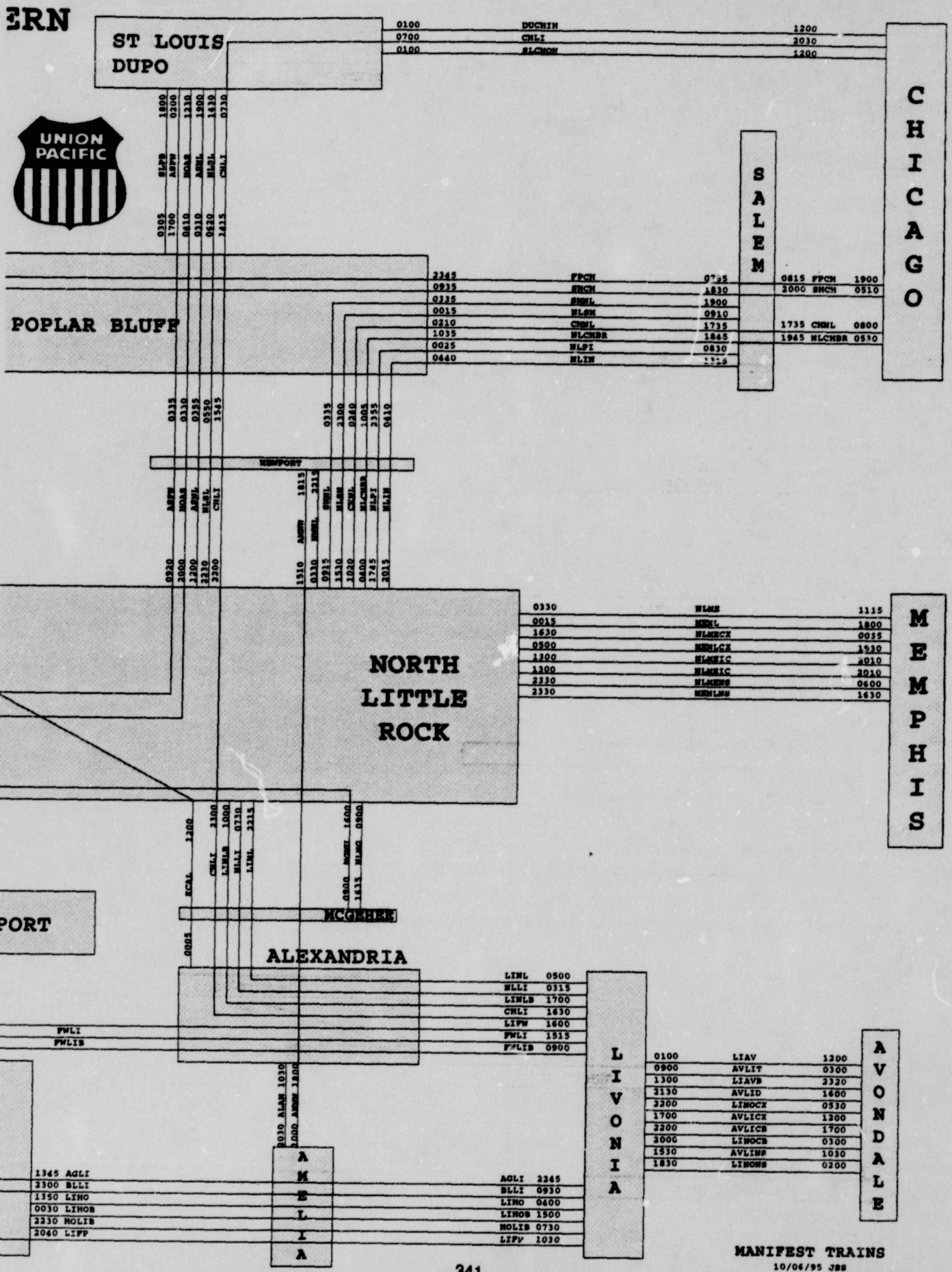
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SALEM
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NEWPORT
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MEMPHIS
PORT
MCGEHEE
ALEXANDRIA
LIVONIA
AVONDALE
AMELIA
MANIFEST TRAINS
10/06/95 JBS

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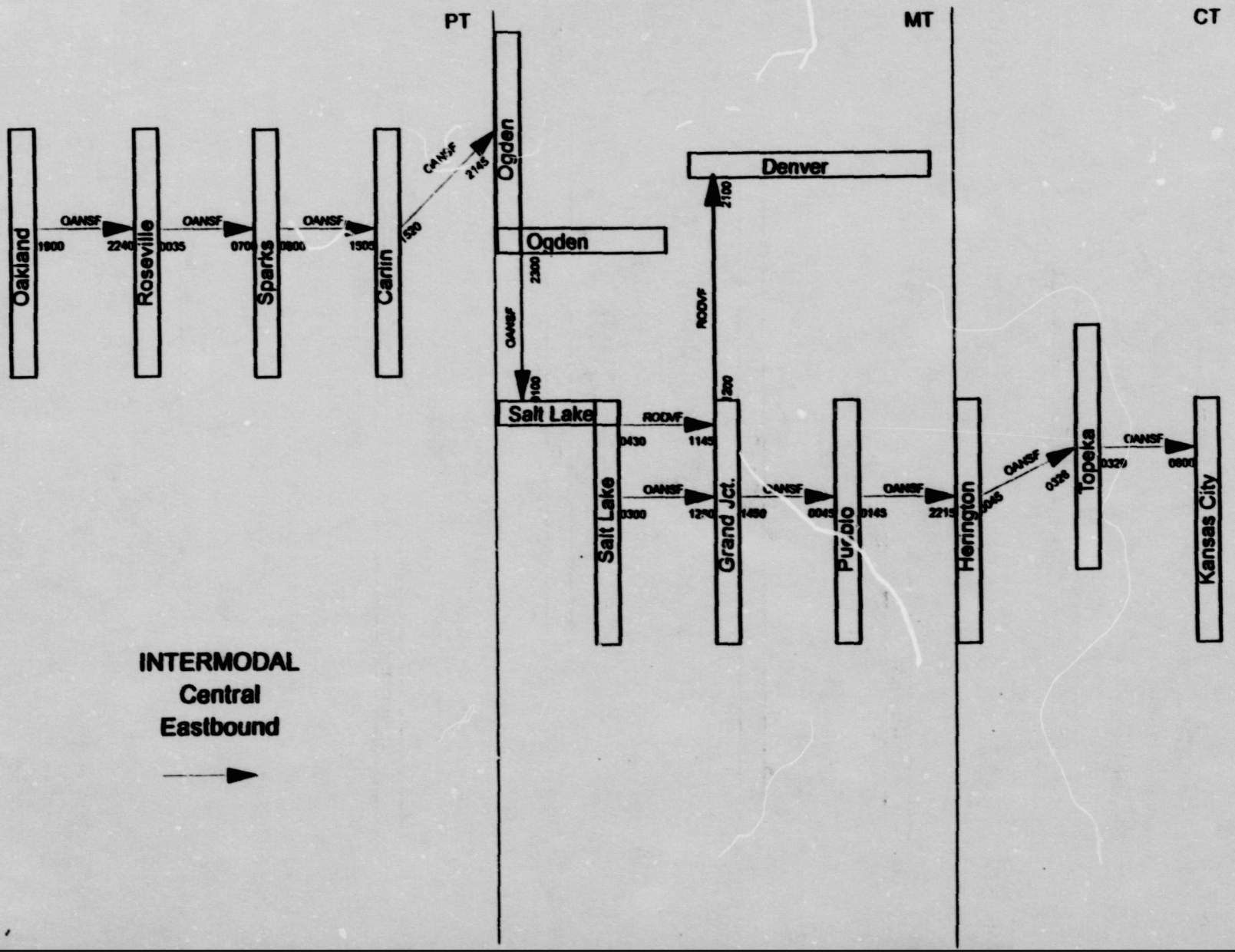
ATTACHMENT 13-2

SP SCHEDULES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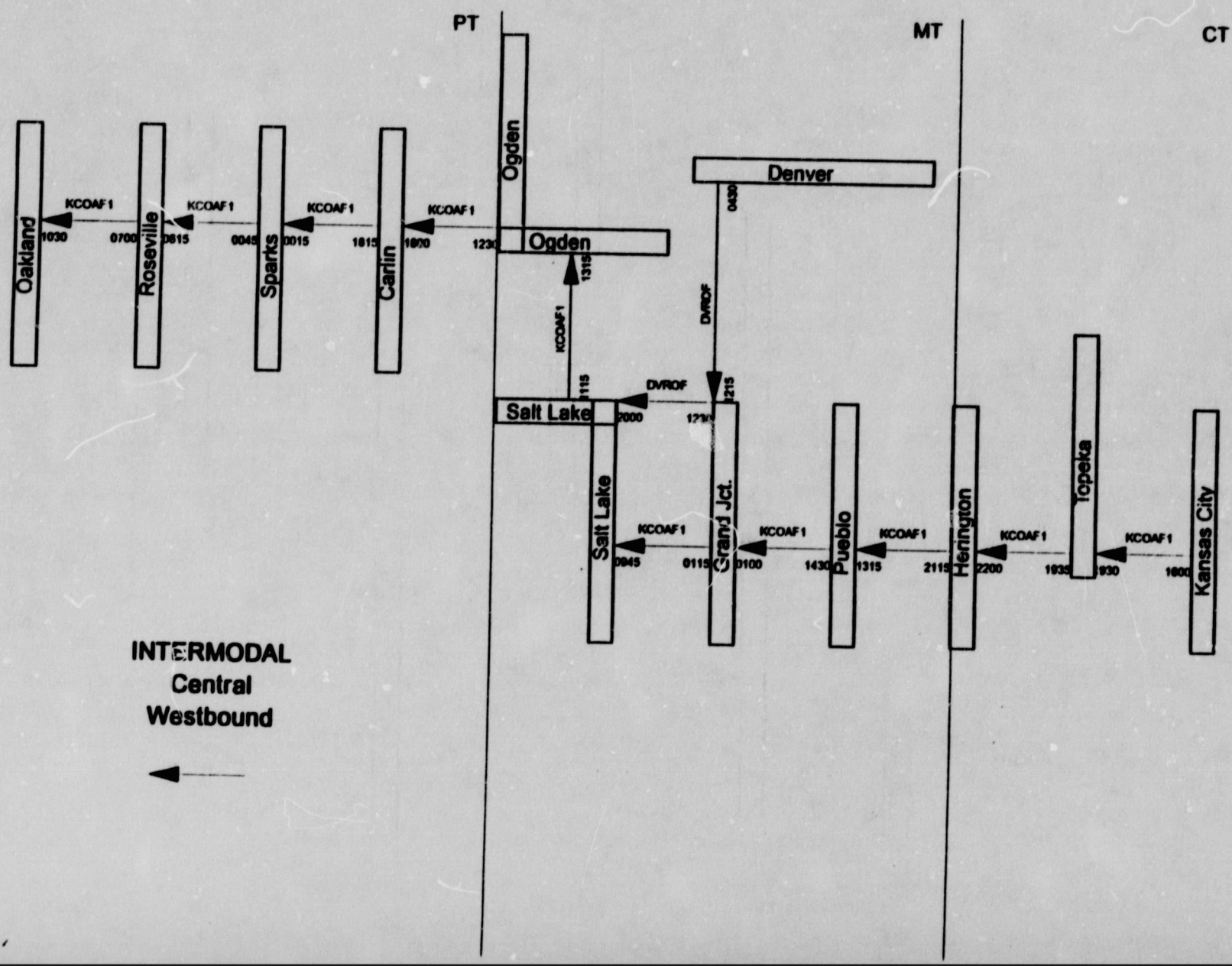
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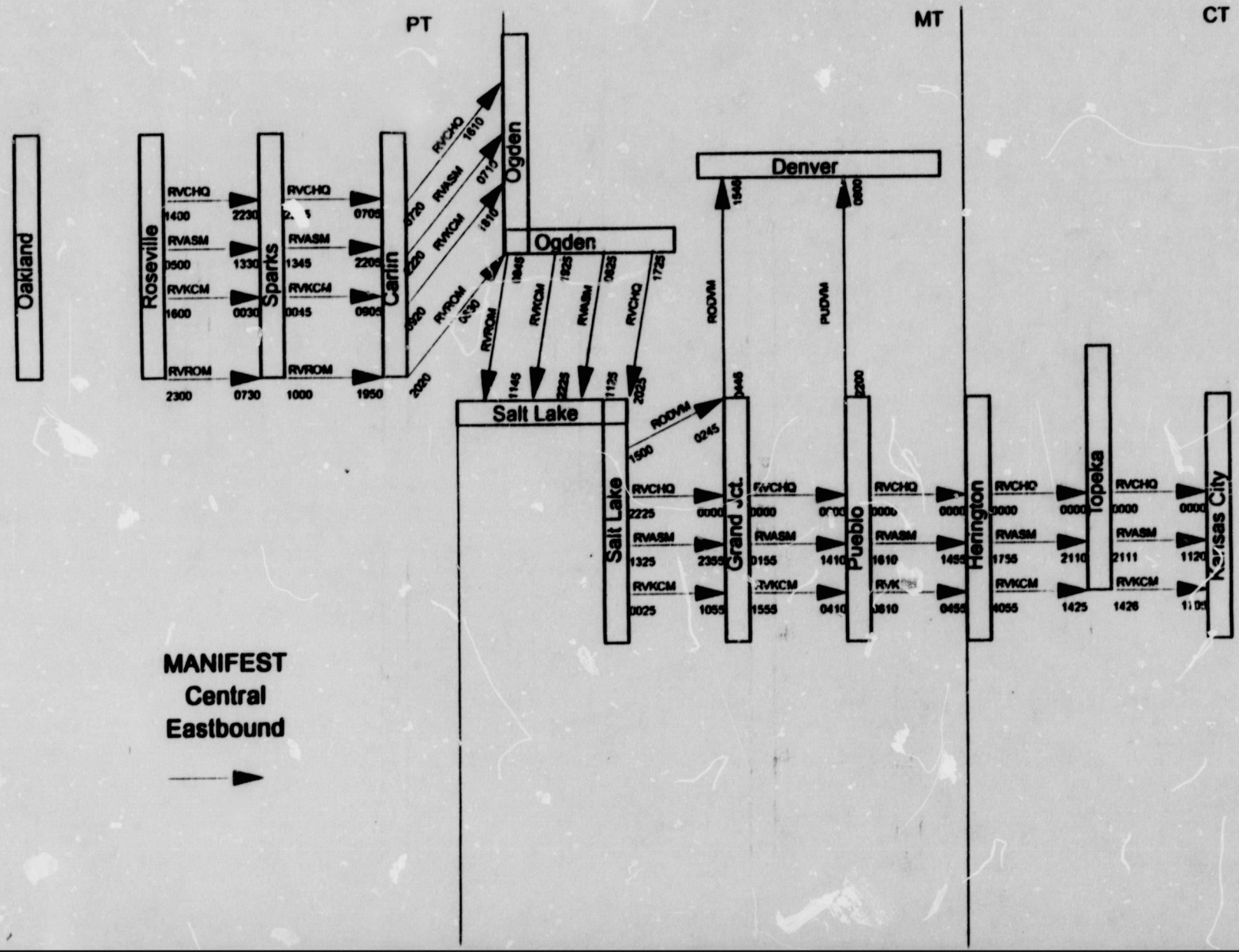

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KCRVM
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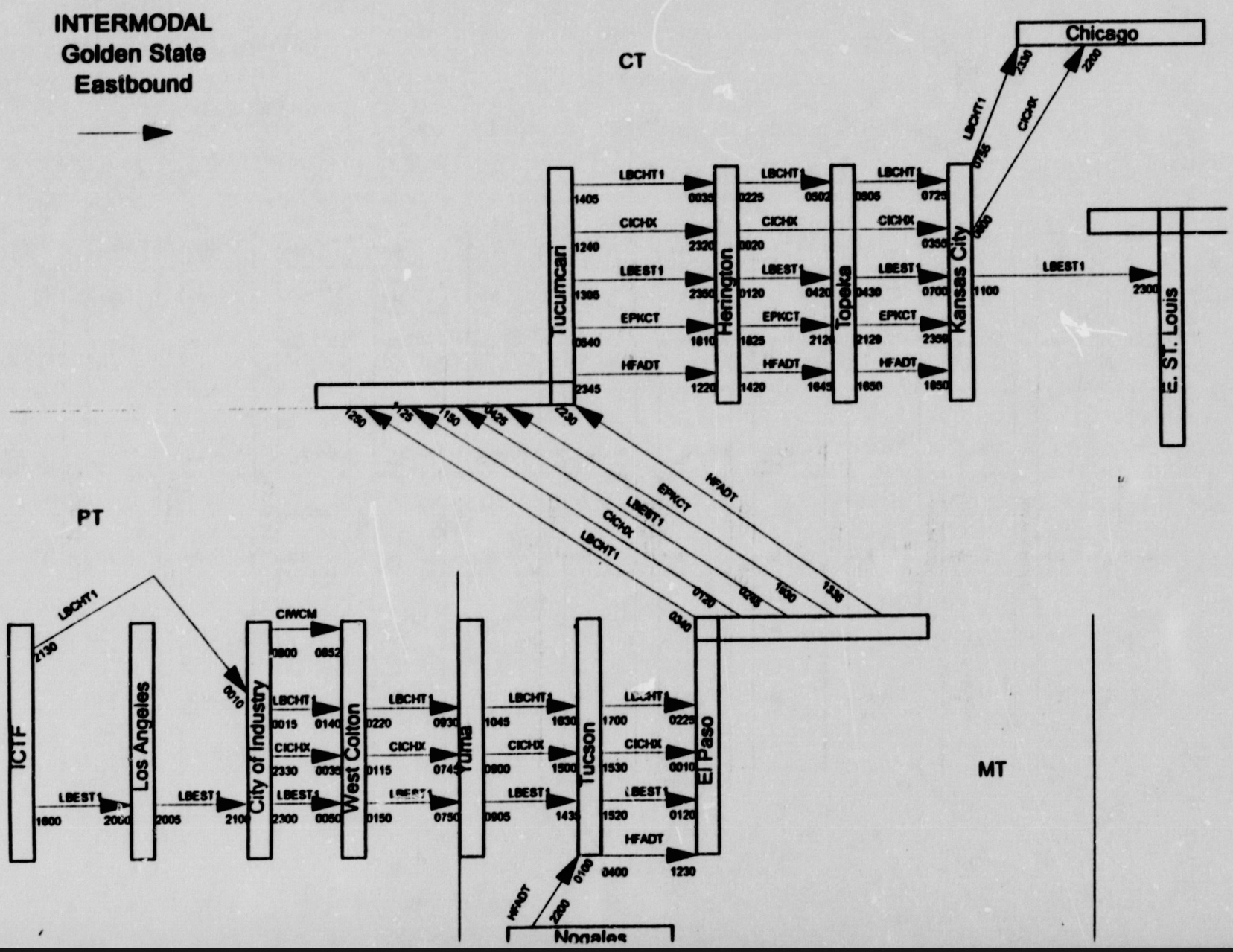
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Los Angeles
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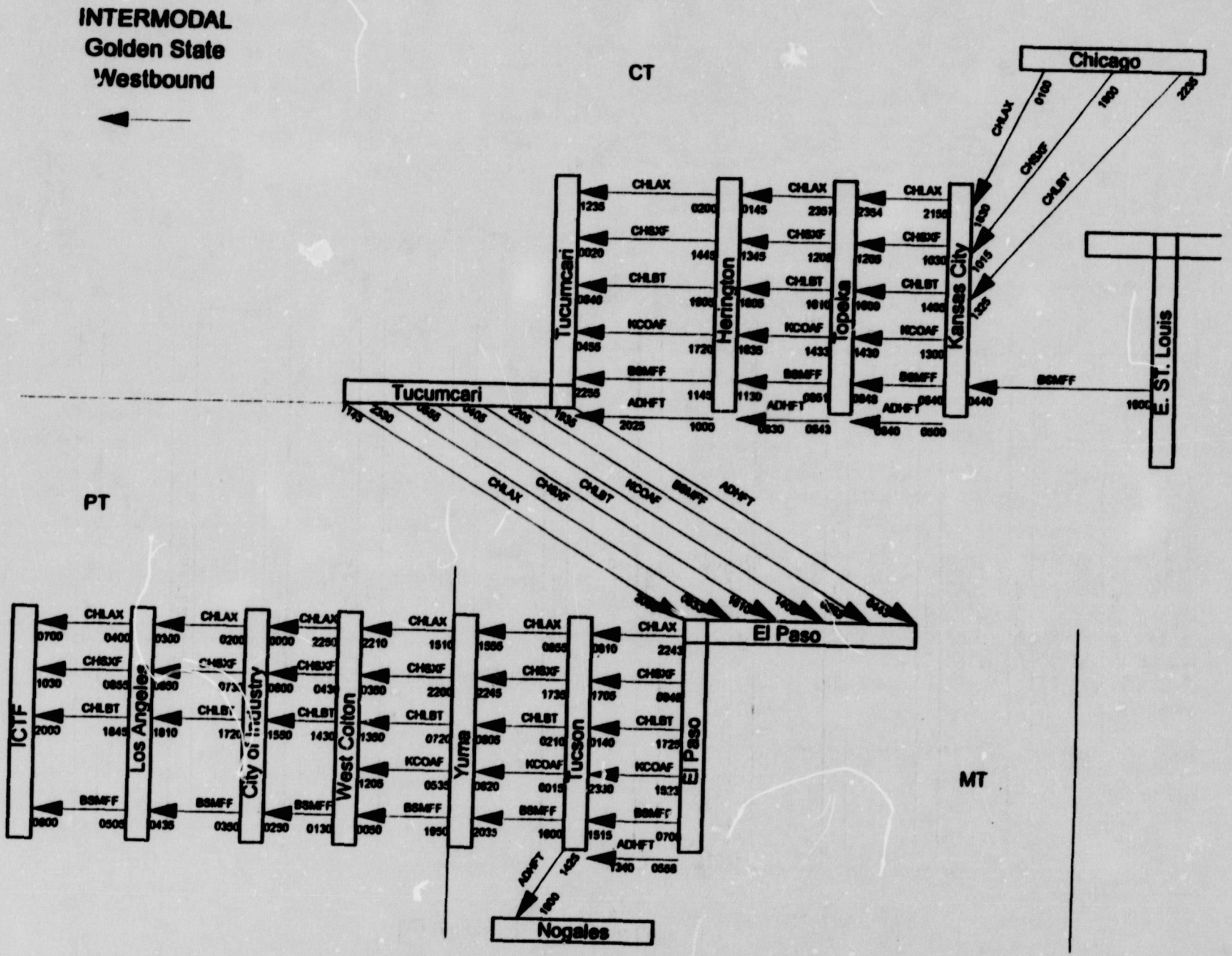
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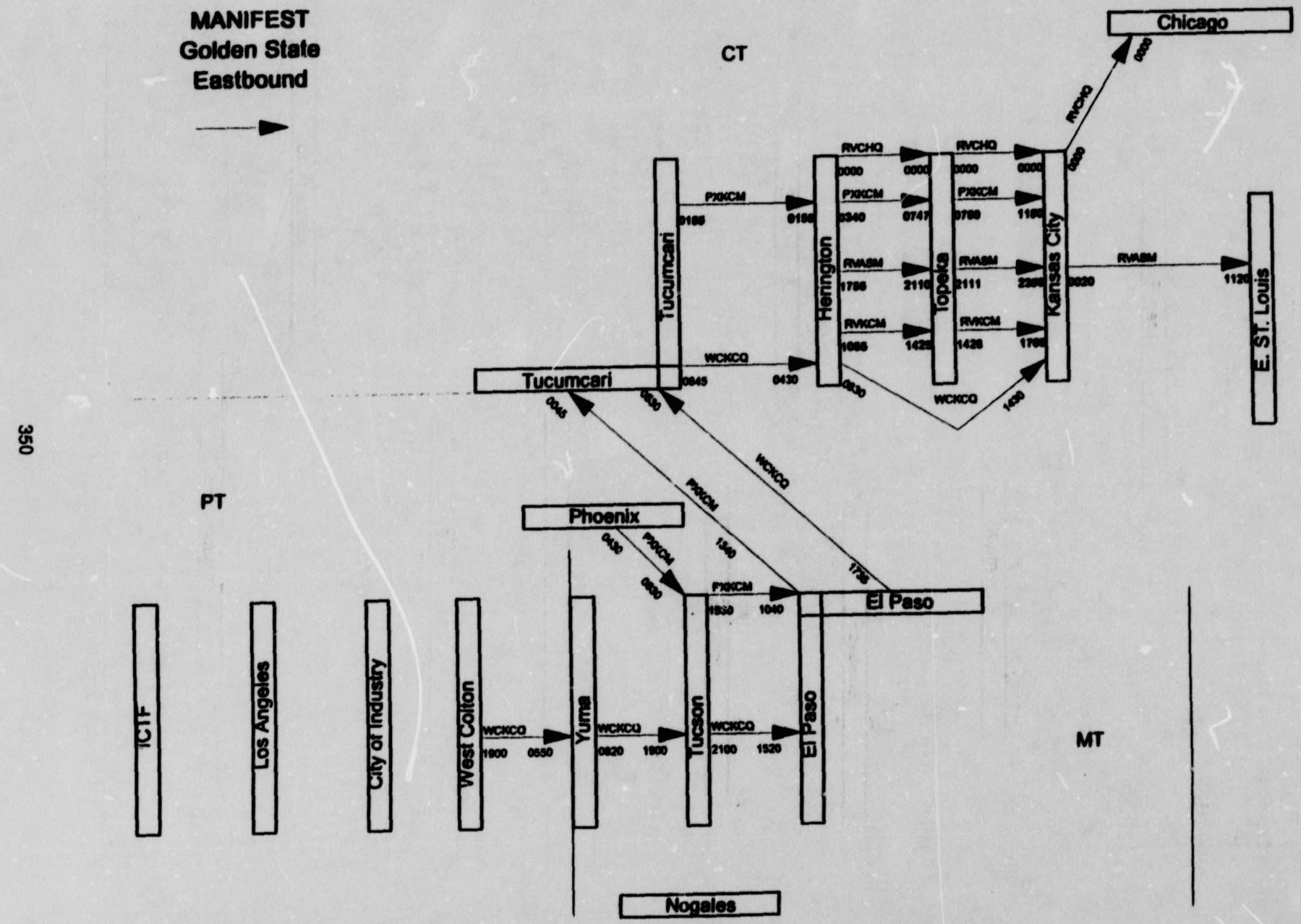
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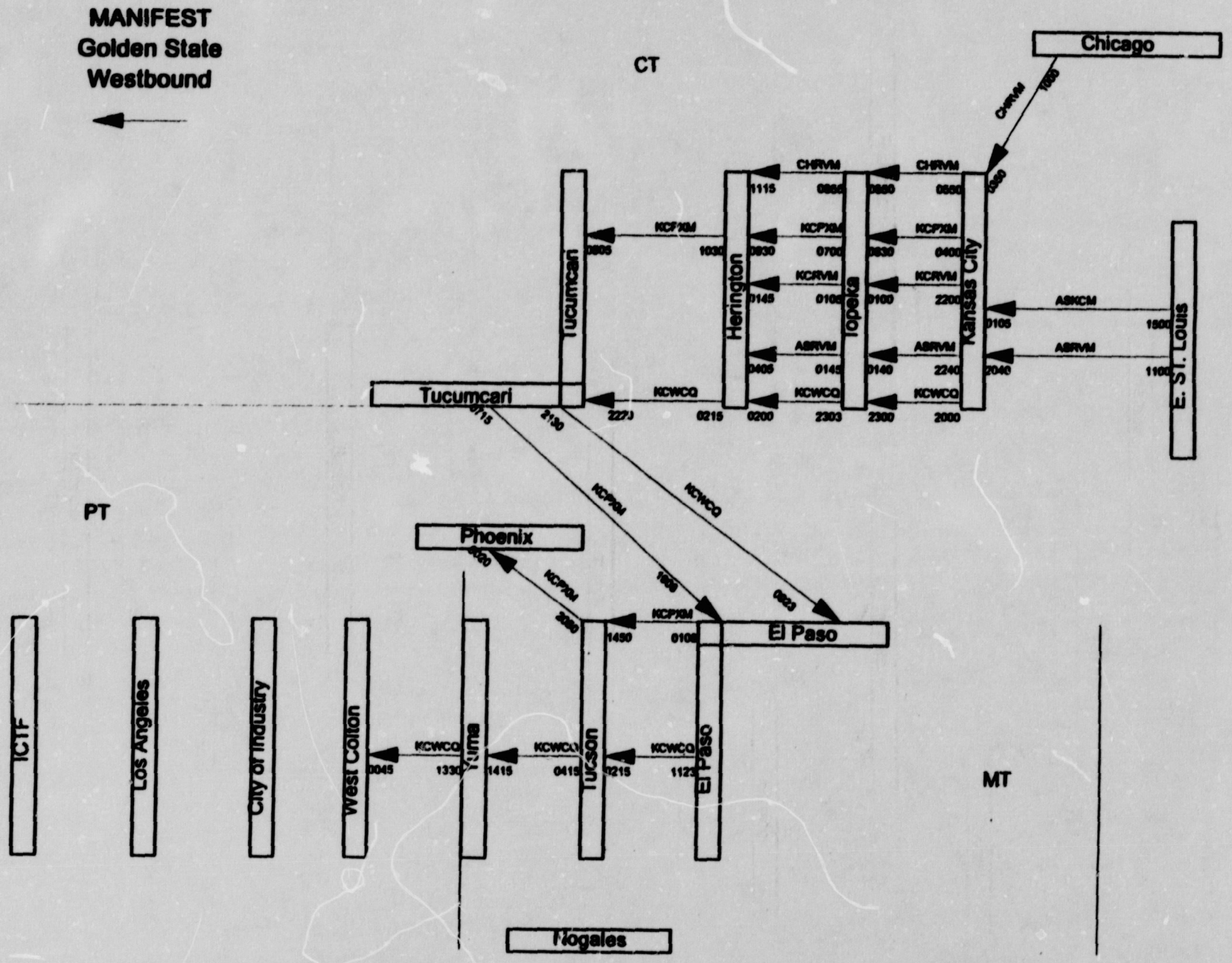
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