RAIL VAN MultiModal

VERIFIED STATEMENT

OF JEFFREY R. BRASHARES

RAIL VAN, INC.

I, Jeffrey R. Brashares, am the President of Rail Van, Inc. We are an intermodal marketing company serving the entire United States.

Rail Van, Inc. is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reason, Rail Van, Inc. opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 27, 1998.

Jeffrey R. Brashares
President
Rail Van, Inc.

400 W. Wilson Bridge Road P.O. Box 328 Worthington, Ohio 43085
614-436-6262 800-837-7584

RV-07

RAVEN LOGISTICS, INC.

VERIFIED STATEMENT
OF DUANE KUZAK
RAVEN LOGISTICS

I am Duane Kuzak, the President and owner of Raven Logistics. We are located in Keego Harbor, Michigan. Raven Logistics contracts to perform transportation functions for a number of major lumber companies that have numerous facilities in the Midwest and eastern United States. Among the major functions we perform are: negotiating rail rates with all major rail carriers; monitoring and trouble shooting movements of our customers' rail cars; and paying freight charges for our customers' rail shipments.

The major lumber receivers we represent are 84 Lumber Company, Bloch Lumber, Quality Wood Treating, Hager Distribution, John Biewer Lumber, Banks Lumber, Continental Wood Treating, Mauk Midwest, and North Florida Lumber. Between them, these companies move approximately 18,500 carloads of lumber annually by rail. A substantial number of these shipments originate in Louisiana and East Texas, and many others originate from elsewhere in the United States. The UP/SP merger has allowed our customers, who serve over one million consumers, to offer their products at more competitive prices. We have increased significantly the volume of our customers' shipments via UP because of its new single-line service and improved rates that resulted from the merger

Raven Logistics opposes the requests to impose new conditions on UP's operations around Houston and the Gulf Coast area. A strong UP competing against a strong BNSF, KCS, and Tex Mex will provide the most effective rail competition for rail shippers. These proposed new conditions would weaken UP at a time when it has suffered large financial and traffic losses over the last year due to its service problems. If UP is weakened, we will lose many of the important benefits that competition has provided us and our customers as a result of the UP/SP merger.

We have seen significant improvements in service over the past three months on our lumber and panel shipments moving out of Texas, and we firmly believe that Union Pacific has an operating plan that will keep it as an effective competitor for our business in the lumber and panel markets. These requested conditions would needlessly complicate UP's operations just after it has solved its service problems by instituting directional running and making other service improvements. Interfering with Union Pacific's operations by imposing the requested conditions would cause it hardship and would hurt our ability to move lumber products via rail.

Furthermore, imposing the requested conditions would threaten the important benefits that have resulted from the UP/SP merger. The merger provided our clients with greater choices in product supply. For example, mills in the West shipped very little of their product to our customers' trade territory in the Northeast because they were served only by SP. After the merger, UP implemented new rate structures that enabled our customers to purchase wood and wood products that for the most part had previously been shipped only to customers in the

3080 Orchard Lake Rd. • Suite E • Keego Harbor, MI 48320 • (248) 683-9145 • Fax (248) 683-7136

western half of the United States. This new supply of wood products and the supporting rail rate structures for rail movements from the Pacific Northwest will ultimately benefit contractors, home buyers, and other consumers in the eastern United States. Weakening UP will make it less able to continue to provide the rates that have opened these new markets for eastern companies and customers.

For these reasons, Raven Logistics opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges the STB to reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement.

Dated September 1, 1998

Duane Kuzak

VERIFIED STATEMENT
OF LARRY J. ROBERTS
REDLAND STONE PRODUCTS COMPANY

I am Larry J. Roberts, the Vice President Director of Distribution of Redland Stone Products Company (RSP). RSP is in the construction materials business and provides quality crushed limestone products to the South and East Texas markets. Much of RSP's stone is shipped via the Union Pacific Railroad (UP) from our Beckmann Quarry in San Antonio, Texas to our facilities, as well as to customer facilities, in the Houston, Lufkin, Brownsville, Corpus Christi and Harlingen, Texas markets. In fact, we are the highest volume stone shipper on the UP system and the success of our company is closely tied to the UP's performance. Therefore we are keenly interested and highly concerned about the operating performance of the UP.

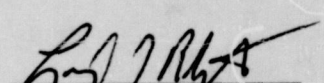
RSP is strongly opposed to the proposals to impose new conditions on the UP's operations in Houston and the Texas Gulf Coast. We believe these new conditions pose a real threat to derailing the significant progress that the UP has made in recent months towards restoring service to normal levels. In fact, in the last quarter, RSP has enjoyed the second best total rail shipments in our fifty-year history. This reflects a 28% improvement over the same quarter in 1996. Additional conditions will add complexity and possibly additional traffic to an already convoluted and congested rail system in these markets.

We believe that in order to efficiently move rail freight in the Texas Gulf Coast region, it is essential to improve the existing rail infrastructure and to expand rail capacity in the Texas Gulf Coast. This will require significant investment from the UP and the Burlington Northern. The UP has publicly recognized this need and has an aggressive capital investment plan for this market in place. In fact, the UP has already substantially upgraded the old Southern Pacific lines most of RSP's trains use. To further dilute the UP's earning potential from their rail lines by providing increased access by other railroads jeopardizes UP's ability to continue funding these vital capital initiatives.

Finally, RSP believes that allowing specific shippers greater rights than other shippers would give the shippers receiving those rights unfair benefits and create a competitive imbalance in the marketplace. Certainly, all shippers in this market suffered during the UP's service crisis, and as a result, a few shippers are seeking access to another railroad which we all know can be an incredibly powerful lever. However, since we all suffered, to provide a few shippers access to another railroad as a result of the UP's service failure would surely open the door for every shipper in this market to demand the same treatment.

For the above reasons, Redland Stone Products Company opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges the STB to reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 10, 1998.



Larry J. Roberts

RMC LONESTAR

6601 Koll Center Parkway
P.O. Box 5252
Pleasanton, CA 94566
(510) 426-8787

September 15, 1998

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

Re: Union Pacific Regulation

RMC LONESTAR is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These proposed conditions would go in the wrong direction.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. We are concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This would likely hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. Emergency service relief is proper in appropriate circumstances, but such relief should not be granted as a permanent condition to a merger.

For these reasons, RMC LONESTAR opposes the requests for special conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

Sincerely,

Douglas K. Guerrero
Vice President, Cement Sales & Distribution

ROBERTS & DYBDAHL INC

September 1, 1998

The Honorable Vernon A. Williams
Secretary
SURFACE TRANSPORTATION BOARD
1925 K Street, N. W.
Washington, D.C. 20423

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

My name is Donald B. Strater, and I am Executive Vice President of Roberts & Dybdahl Inc. Roberts & Dybdahl Inc. brokers and distributes lumber and building materials and manufactures engineered roof and floor systems. Roberts & Dybdahl Inc. ships substantial quantities of lumber and related products from virtually all lumber producing regions in North America to its facilities and its customers' facilities located primarily in the Midwest. I have set forth below Roberts & Dybdahl Inc.'s views concerning the recent proposals involving the Union Pacific's operations.

It is Roberts & Dybdahl Inc.'s belief that the primary purpose of the Surface Transportation Board should be to promote aggressive competition between the various providers of transportation services. Fair competition, not excessive governmental intervention or quick fixes, best serves the needs of the shipping public and their customers over the long term. Governmental intervention should not be viewed as a viable option for solving problems involving a financially capable carrier unless and until the Surface Transportation Board can determine, without undue political or emotional influence, that competitive factors are insufficient to ensure a carrier's commitment to the markets it serves.

In the past, our service from the Union Pacific was less than satisfactory, however, over the past several months, we have experienced significant improvements in service from the Union Pacific. The Union Pacific has demonstrated both the ability and willingness to move forward in the resolution of problems in the markets we serve. Even though we

are not directly involved in the Texas and Gulf Coast markets, we see no reason why the Union Pacific's commitment to resolving problems in that market would be any different. If a railroad is willing and able to make a commitment to resolving problems in a competitive market, it should be allowed the opportunity to do so without undue governmental intervention or directives.

Sincerely,
ROBERTS & DYBDAHL INC.

Donald B. Strater

Donald B. Strater
Executive Vice President

DBS/m

ROBERTSON'S

ROCK • SAND • BASE MATERIALS • ASPHALT
READY MIX CONCRETE

August 20. 1998

Mr. Vernon A. Williams, Secretary
SURFACE TRANSPORTATION BOARD
1925 "K" Street. N.W. , Room 711
Washington DC 20423-0001

RE: Rail Service Emergency Order Release

Dear Mr. Williams:

As expected. Union Pacific has worked its way through most of their service problems through the Rail Service Emergency Order and as of July 31, 1998 the plan expired. I must commend the Surface Transportation Board and Union Pacific for getting through these trying times. The hard work has paid off.

It has come to my attention the "Houston Coalition" is trying to overturn the July 31st decision and is trying to get the order reinstated. That would be a grave mistake. As we know this would be very detrimental to Union Pacific's recovery efforts. I vehemently oppose any efforts to get this order reinstated. Again, congratulations to you and Union Pacific for the fine job.

Sincerely,

Rich Robertson
Robertson's

6830 Van Buren Blvd. • Riverside, CA 92509
P.O. Box 33140 • Riverside, CA 92519
(909) 685-2200 • Fax (909) 361-1593

Rock Springs
Chamber of Commerce

Sweetwater County
This is the Life . . .

August 28, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams,

As President of the Rock Springs Chamber of Commerce, I am very aware of the value of rail transportation service in our area. Union Pacific Railroad is important to our community.

We are strongly opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Coast area. The STB established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions would disrupt the competitive balance by altering a key portion of the original merged system, thereby weakening Union Pacific when it is recovering its operational capability.

At the time of the merger, Southern Pacific was close to collapse. Union Pacific has been struggling to improve operations of the combined system and has made great strides, ending the service crisis. To continue the progress, Union Pacific has to make further investments to improve service and infrastructure throughout the system. The proposed conditions would deprive Union Pacific of the revenue necessary to make these investments and would make it more difficult for the Company to continue the service improvements we have seen in recent months.

In addition, it would be unfair to grant special access conditions in one part of the country at the expense of shippers elsewhere. In particular, I am concerned that our community and economy will be adversely impacted if Union Pacific competitors are granted concessions in another part of the UP system. Certainly, if Union Pacific's competitors want direct access to Union Pacific customers, they can use their own capital to build the necessary track and facilities.

Our area has benefited from our association with Union Pacific Railroad. The service progress and community partnership should not be hindered by the imposition of new conditions that will harm Union Pacific, our community, and others around the country. The Rock Springs Chamber of Commerce Board of Directors urges Secretary Williams to please take action to correct this situation.

Sincerely,

Larry K. Hill, ED.D.
President

1897 Dewar Drive. P. O. Box 398. Rock Springs. Wyoming 82902-0398
Phone: (307) 362-3771. (800) 46-DUNES Fax: (307) 362-3838
E-mail: rschamber@wyoming.com

Ross Logistics, Inc.

2311 S.E. Park Crest Ave. Vancouver, WA 98683 (360) 254-1842

VERIFIED STATEMENT
of Thomas J. Ross, Ross Logistics Inc.
Vancouver, Washington

My name is Thomas J. Ross, President of Ross Logistics, Inc. We are a logistics company and provide professional transportation services to our clients.

Ross Logistics is opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong Union Pacific competing against a strong Burlington Northern Santa Fe. The requested conditions would dramatically upset the competitive balance by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. The new conditions would directly hurt our business through the degradation of rail options. To further weaken UP by imposing further conditions would be a mistake and would create more problems than solutions.

Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability and intent to invest in service and infrastructure throughout its system. These conditions will interfere with UP's operations by infusing additional trains of other railroads on UP's already crowded tracks. This will not solve service issues, but will only expand service problems. It doesn't make sense to disrupt UP's operations when the need is to improve their service and create better service for their customers.

We do not believe that further conditions are necessary to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. There has been aggressive competition against UP by BNSF, KCS, and Tex Mex since the merger. While these railroads may want more opportunities, competition is working without imposing further conditions that would further weaken UP during a time that they need to be strengthened.

For these reasons, Ross Logistics opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement.

Dated September 9, 1998.

Thomas J. Ross

Thomas J. Ross, Ross Logistics, Inc.

RSG
FOREST PRODUCTS, INC.

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

Re: Houston/Gulf Coast Oversight Proceedings
Finance Docket No. 32760 (sub-No. 26)

Dear Secretary Williams:

My name is James D. Smith, Jr. and I am the Traffic Manager for RSG Forest Products. RSG Forest Products manufactures green Doug fir and green Hem fir random length dimension framing lumber. We produce over 6,500 carloads per year with the majority shipping via rail to destinations all over the United States.

RSG Forest Products is extremely opposed to the STB allowing the BNSF and or the KCS/TEX MEX to take over some of the current UP routes in the Houston/Gulf Coast area or elsewhere. By allowing a break-up of the UPRR's current routes, there would be an increase in train congestion and less than efficient use of railroad assets. The UPRR is finally seeing results from several months of aggressive restructuring and a clear trend increasing efficiencies. Any attempt by the STB to break-up the current UPRR rates would drastically alter this trend that we have all so patiently been waiting for. The UPPR has lost over $230 million in the last three-quarters while trying to fix the old SP in fractures. It would be a tragic mistake to kick sand in the UPRR's face now that they are down and struggling to get back up to the position they where in.

RSG Forest Products strongly opposes their request for conditions on UP's operations around Houston/Gulf Coast area, and urges that the STB reject them.

Sincerely,

James D. Smith, Jr.

James D. Smith, Jr.
RSG Forest Products Traffic Manager

985 Northwest Second Street, Kalama, Washington 98625, (360) 673-2825

SAMUELS
RECYCLING
COMPANY

CORPORATE
DIVISION

P O BOX 8800 (53708)
4400 SYCAMORE AVENUE (53714)
MADISON, WISCONSIN
PHONE (608) 241-7191
FAX (608) 241-2641

August 26, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I understand the Surface Transportation Board, as per the afore mentioned Oversight Proceeding, is considering requests to impose further conditions on the Union Pacific Railroad Company around Houston and in the Gulf Coast area. We would appose such actions.

Our service on our outbound scrap shipments to various destinations on their system have improved to where we have no problems with any of our moves.

The UP/SP merger did not reduce competition and the service crisis did not result from loss of competition. The UP has reported large financial losses and has lost large volumes of traffic. Their projection to invest over $1.4 billion over the next five years in the Houston/Gulf Coast infrastructure cannot be funded with reduced traffic base and revenues.

Emergency service relief is proper in appropriate circumstances, but such relief should not be granted as a permanent condition to a merger, especially where normal operations have been largely restored. I urge the STB to allow the UP to continue to aggressively implement its service improvement steps.

Sincerely,
Samuels Recycling Company

Gary Bachus

Gary Bachus
Vice President of Operations

Robert S. Koenig
National Marketing Manager

Savage Industries Inc.
Industrial & Rail Division
5250 South Commerce Drive
Suite 200
Salt Lake City, Utah 84107
(801) 264-7900
(801) 261-6577 FAX
(801) 694-2205 Mobile

August 25, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20433

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

My name is Robert Koenig and I am National Marketing Manager of the Industrial and Rail group for Savage Industries. Headquartered in Salt Lake City, UT, Savage operates over 60 facilities nationwide of which several are located within Texas.

While there have been disappointments with the UP's service over the past year, improvements over the [redacted] consistent with pre merger levels. The UP has worked diligently with our operations to respond to problems and through this climate of partnership allowed Savage and UP to grow in their ability to service numerous markets.

Effective western rail competition depends on a strong UP competing against a strong BNSF. The requested conditions will upset the competitive balance that now exists in the west and undermine the substantial progress UP has made to provide a high quality service. The requested conditions will interfere with UP's operations and actually diminish advances in service made over the last several months.

Emergency service relief may be proper in certain circumstances, but under the current situation should not be granted.

Respectfully,

Robert S. Koenig
National Marketing Manager

Cc: K. Hall
R. Davidson
J. Colletti

SHINTECH

Shintech Inc., Wesleyan Tower, #24 Greenway Plaza, Suite 811, Houston, Texas, 77046, (713) 965-0713

September 2, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., 7th Floor
Washington, DC 20423-0001

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 16720 (Sub-No. 26)

Dear Secretary Williams:

We are writing to support Union Pacific's position with respect to the current oversight hearings for increased access by other carriers in the Houston area.

Shintech produces and ships a significant amount of polyvinyl chloride plastics, on the UP out of our Freeport, TX plant to destinations throughout the United States and Canada. Some of our rail shipments are handled by UP direct, but most are interlined with other rail carriers. Our major gateways are New Orleans, East St. Louis, Memphis, Chicago, Kansas City, and Sweetwater, TX. Our shipments are interlined with all of the major rail carriers including BNSF, CSXT, NS, CR, KCS, IC, CPRS, and CN.

We, like virtually all shippers in the Gulf Coast area, experienced service difficulties with the UP following its merger with the SP. However, contrary to what some parties have stipulated, we have not experienced a significant reduction in competition due to the merger. This may be due to our captive status, but the fact is, UP has committed to keep us competitive with other shippers in our industry, even though we are a captive shipper on their line.

UP proclaimed that its merger with SP would result in better service and increased cost savings and efficiency. Obviously, due to problems encountered by UP in integrating SP's operations with its own, those benefits have not yet been realized. However, progress is apparently being made, and we understand that UP has been making major investments to improve bottlenecks in the Houston

area and system wide. So far, we have not seen any rate increases (and would hope not to see any increases), due to such investments.

However, we are worried that allowing greater access to other carriers in the Houston area could further weaken a struggling UP. UP needs increased revenues, through increasing volume, to fulfill its commitment to the STB and to the shipping community. It would be a disaster to shippers if that increased revenue comes from higher freight rates instead of increased volume. This is not the time to divert traffic away from UP.

There is also the potential that access to other carriers could cause further disruptions to UP's operations in the Houston area which will make delays worsen rather than improve for all shippers on the UP.

Very truly yours,

By: _____
Y. Saitoh

SLATER STEELS
HAMILTON SPECIALTY BAR
A DIVISION OF SLATER STEEL INC.
319 SHERMAN AVE. N., P.O. BOX 2648, HAMILTON, ON L8N 3R5 TEL.:(905) 548-4774, FAX: (905) 548-3765

SLATER STEELS

USR ISO 9002 CERT. 1074

September 3, 1998

VERIFIED STATEMENT

of

R. GLEN C. HARVEY

on behalf of

SLATER STEELS
HAMILTON SPECIALTY BAR DIVISION

My name is Glen Harvey and I am the Manager of Transportation for Slater Steels, Hamilton Specialty Bar Division located in Hamilton Ontario. We are a mini steel mill and have been in business since 1910 at this location. We use electric arc furnace technology to produce bar products for the automotive industry.

Slater Steels presently moves a substantial quantity of bar products to Mexico across the Union Pacific system using the Eagle Pass gateway. Union Pacific also supplies all the gondola cars for loading our material for this movement.

Slater Steels is opposed to the proposal presently presented by competitors of the Union Pacific to introduce additional conditions and trackage rights in the Houston area and along the Gulf Coast.

We feel we have been subjected to the worst of the Union Pacific's service difficulties as all of our traffic must move through the southern tier of their system and, in particular, the state of Texas. We have endured car shortages, weeks long delays at terminals, grid lock in San Antonio caused by the Laredo interchange problems, cut-over issues with the SP/UP computer systems, and the conversion to directional running in lanes our traffic travels through. We are very happy with the tremendous improvements we have been seeing in the past few months. By evidence of this dramatic improvements in the area of car supply and transit times over the course of the past several months, we believe these problems are finally behind us. Slater Steels would urge the STB not to risk upsetting this apparently delicate balance that a change in trackage rights could cause.

Additionally, we are aware of a proposal by BNSF to our customer in Mexico to handle their steel requirements. We are told that this proposal is extremely competitive both in terms of price and service levels. We are therefore highly

suspicious of BNSF's claim that they are at a disadvantage in this market area.

The Union Pacific has already well begun the process of restoring the former Southern Pacific right of way to a state of relative health. We fear that additional conditions will slow the process by harming the UP financially.

In short, we feel the appropriate action is to simply leave the UP alone and let them run their business. There is ample evidence that the original conditions to the merger between the UP and SP have been more than sufficient to preserve competition in that service territory and that there is not need for any "fine tuning".

For these reasons, Slater Steels opposes the request for conditions to the Union Pacific's operations in and around the Houston and Gulf Coast area and ask the STB to reject them.

VERIFICATION

I, R. Glen C. Harvey, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further I certify that I am authorized to file this verified statement.

Executed on September 3, 1998

Slater Steels
Hamilton Specialty Bar Division

R. G. Harvey
Manager, Transportation

SCIA

South
Central
Industrial
Association
of Wyoming

P.O. Box ~~700~~ 2377
Rawlins, WY 82301

September 2, 1998

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

Dear Secretary Williams;

South Central Industrial Association of Wyoming is writing this letter to oppose the Surface Transportation Board's impostion of additional federal regulatory conditions on the operations of the Union Pacific Railroad near Houston and the Gulf Coast area. It is our understanding that the Surface Transportation Board will commence oversight proceedings next month to decide whether to impose additional conditions on these rail operations of Union Pacific. We oppose this action and urge the Board to resist limiting Union Pacific's ability to resolve service and traffic problems by your imposing more federal rules and regulations on their operations.

Additional federal regulatory conditions will not benefit rail service and train movements on the southern corridor of Union Pacific operations. Additional regulations could also have a negative impact on Union Pacific's financial and operational abilities and limit their progress and improvements in the southern corridor and throughout their system, including Carbon County and the State of Wyoming. Union Pacific Railroad is already weakened from the financial and traffic volume losses resulting from congestion problems.

Union Pacific Railroad will need the ability to invest significant funds on its infrastructure in a twenty-three state system. Additional regulations imposed on the southern corridor could have the potential to weaken the railroad's operations across the system. Union Pacific has made significant improvements in movements across Wyoming and all indications show that the service crisis in the Houston and Gulf Coast area has ended.

South Central Industrial Association urges the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Sincerely,

Margaret Brown, Executive Secretary

Margaret Brown

StateLine Cooperative

MAIN OFFICE 120 WALNUT PO BOX 67 BURT, IA 50522

PHONE: 515-924-3555 • FAX: 515-924-3560

Armstrong 712-864-3150 Bancroft 515-885-2642 Burt 515-924-3241 North Burt 515-924-3266 Fenton 515-889-2251
Halfa 712-866-2671 Ledyard 515-646-2135 Lone Rock 515-925-3590 Ringsted 712-866-0581 Titonka 515-928-2515

September 1, 1998

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

Ref: Verified Statement of StateLine Cooperative Co.

Dear Secretary Williams:

I am Derald A. Goetz, The Grain Operations Manager for StateLine Cooperative of Burt, Iowa. We are a Licensed Grain Dealer in the State of Iowa. StateLine Cooperative has 10 grain locations and only one of those locations is on the rail. That rail line being the Union Pacific. We have storage capacity for 12 million bu. of grain and in the past few years we have shipped 16 to 18 million bu. of grain out of our facilities using this one UP rail line. Needless to say, this would not be possible without the Union Pacific working with us and providing us good service.

StateLine Cooperative is opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening the UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, StateLine Cooperative opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 1, 1998.

Sincerely,

Derald A. Goetz

Derald A. Goetz
Grain Operations Manager

stelco
mcmaster ltée

Siège social — Head Office
2050, route des Aciéries
C.P. 249
Contrecoeur, Qc J0L 1C0

Téléphone : (514) 652-1100
Sans frais : 1-800-465-3881
Télécopieur : (514) 652 1101

VERIFIED STATEMENT OF
Jean Rock Buralle
Stelco McMaster Ltée

I am Jean Buralle, Assistant Manager, Stelco Mcmaster Ltée. S.M.L. is in the business of manufacturing steel using electric arc furnace technology.

S.M.L. is involved in a movement of bar products which uses the Union Pacific system from Chicago to Eagle Pass Texas for export to Mexico. It is our understanding that Burlington Northern Santa Fe and other competitors of UP have filings before the STB which seek to alter the competition in the area in and around Houston TX and the Gulf Coast region with requests for additional trackage rights over the UP and additional conditions. S.M.L. is vigorously opposed to these new proposals.

While there is no question that we have met with many challenges from a variety of root causes in dealing with the UP in connection with the traffic to Mexico. However, from our standpoint, none of these problems had anything to do with the ability of BNSF, KCS or Tex Mex to compete for traffic in this area. In fact, by way of observation, it seems obvious from the traffic losses UP has suffered during their difficulties and the gains made by these other carriers that there is very effective competition in these areas.

Further, we have in the past several months experienced dramatic improvement in the service provided by the UP in and through the state of Texas. While we are grateful to the STB for their involvement in the service crisis, we feel it is time to let the Union Pacific Railroad get back to the business of running their railroad without further interference. We are pleased with the efforts and dollars UP has spent to address capacity issues in the Southwest and fear that further encroachment on their traffic base will hamper their ability to continue the work that needs to be done.

For these reasons, Stelco McMaster Ltée opposes the requests for conditions to the Union Pacific's operations in and around the Houston and Gulf Coast area and ask the STB to reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement dated September 18, 1998

Signed : J. R. Buralle

STROH

THE STROH BREWERY COMPANY
100 RIVER PLACE
DETROIT, MICHIGAN 48207-4291
(313) 446-2000

September 15, 1998

VERIFIED STATEMENT
OF
VICTOR N. CONSIGLIO
on behalf of
THE STROH BREWERY COMPANY

Union Pacific Railroad Company-Houston, Texas Area Conditions

I am Victor N. Consiglio, Director, Transportation with The Stroh Brewery Company of Detroit, Michigan. My company is involved in the business of producing and marketing high quality alcoholic .on-alcoholic beverages for worldwide distribution. I am responsible for all logistics/transportation matters as they relate to our seven breweries, two distribution centers, and 1,300 customers. I have been involved in the logistics/transportation industry for over 25 years and have been authorized by The Stroh Brewery Company to act on it's behalf in this matter.

The Stroh Brewery Company is opposed to the proposals to impose new conditions on UP's operations around the Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in the Houston, the Gulf Coast, and throughout the West, is to let the UP work its way out of them. Weakening the UP with further conditions will not improve their overall service. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine the UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our ability to ship via rail. The Stroh Brewery Company ships via rail to four large wholesalers in the Houston and Gulf Coast area. We are concerned that if the UP does not invest in service and infrastructure our wholesalers may loose their ability to accept rail shipments. If wholesalers loose their ability to accept rail cars it will force Stroh to ship via truck which will put a huge financial strain on our ability to compete with other brewers in the region. Since the UP serves our brewery in Longview, Texas we feel that no other railroad can offer the service or competitive rate levels into the Houston area due to circuitous routing on their part.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS, and Tex Mex since the merger.

Furthermore, the new Burlington Northern/Santa Fe merger provides for the ability of that newly formed railroad network to access our plant location, therefore providing Stroh with the ability to route shipments via an alternate railroad in any direction. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken the UP.

For these reasons, The Stroh Brewery Company, opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I, Victor N. Consiglio, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on September 15, 1998.

Victor N Consiglio

cc: J. Curtin
F. Ralko

nc/uphoustb

SUN VALLEY ENERGY, INC.

Verified Statement of Sun Valley Energy, Inc.

I am Joseph H. Pettus, President of Sun Valley Energy, Inc. Since 1987 Sun Valley has been in the business of propane distribution; primarily by rail. The single largest storage location of propane in the United States is in the Houston area. The timely and competitive movement of propane by rail from the Houston area into our markets in Northern California is critical. Since the primary use of propane in our markets is for home heating, any delay in movement of this product could create life-threatening situations to our customers.

While Sun Valley Energy, Inc. is disappointed with past performance of the Union Pacific, we are openly suspicious of the motives of Burlington Northern-Santa Fe (BNSF). The Union Pacific has made strong efforts to remedy its past problems, and in our opinion is making acceptable headway in this direction. It appears to us that the BNSF has gone beyond its primary intentions of assisting the Union Pacific and is now clearly into an area which will impede both the Union Pacific, and the marketplace.

The past actions taken by the Surface Transportation Board (STB) were both justified and well intentioned. However, the BNSF may now be taking advantage of the STB's past cooperation for its own political and financial gain. Sun Valley is concerned that any additional sanctions against the Union Pacific will only result in further profit and service deterioration. The BNSF is the clear beneficiary of such an outcome, and would leave the West Coast vulnerable to a single rail carrier for our product and customers.

Enough is enough. The Union Pacific has made mistakes, but has demonstrated it can put these behind them. Further sanctions will only aggravate the situation and cause unfair competitive advantages for the BNSF. Sun Valley strongly urges that the STB reject any further sanctions.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 10, 1998.

Joseph H. Pettus, President

3353 Bradshaw Road, Suite 210, Sacramento, CA 95827
Office (916) 364-8100 • Fax (916) 364-8193

Superior Cooperative
SCEC
Elevator Company

Superior, Iowa 51363 Gruver, Iowa 51344

August 7, 1998

Dear Sirs:

My name is Gary Strube. I am the General Manager of the Superior Cooperative Elevator Company. We have shipping locations at Superior, Iowa and at Gruver, Iowa, both on the Union Pacific Railroad Company's line. My purpose of this letter is in support of the UPRR. Currently the UPRR is showing operating losses due mainly to conditions arising out of mandatory joint operating rights imposed by the STB because of past service problems in the Houston, Texas area. My concern in this deal arises from the fact that continued negative earnings will either, or both, force the UPRR to raise current rates to us, or postpone proposed badly needed upgrading of rail lines.

I have read the operational access requests from the competing railroads, and quite frankly, I have trouble understanding where they come from. The other rail lines request to use UPRR privately owned lines to come in and take hauls away from the UPRR. In my business if you want to get into another area or business, you get out your checkbook and get involved that way. Why wouldn't they want this done. They have no investment and take away the gravy. The UPRR is paying the taxes and the upgrade for their lines and they should have the business that is generated from them.

The Superior Cooperative Elevator Company has done business with the Union Pacific ever since their acquisition of the CNW. Everything has not been as smooth as maybe it could have been, but what I see with the UPRR is that they will try to solve the problem. The rail shortages of 2 years ago came from the price of grain going higher late in the marketing season and farmer selling late with it. This also made the price of the newly harvested crops higher pushing sales earlier in that crop year. It hit everyone in this area the same. We suffered financial setbacks just like everyone else. I did not then, or do not now blame the rail services for our problems. I saw the rail people going our of their way to accommodate, but there was no way to ship everything that needed to be shipped. The crews were working 7 days per week with no time off. I personally know some of the crewmen, and they went in excess of 3 months without one single day of rest.

Well to make a long story short, if these other railroads want the business that is generated on current UPRR owned lines, let them get their checkbook out and put in the needed lines. If the Houston Coalition wants to ship on the other rail lines, let them buy property on those lines and expand their business on the other lines. Please do not penalize our rail carrier for this situation. Their have been problems in the past, and their will be some in the future, but once the plans are in place and the ability to rebound has been proven, UPRR should not be penalized to give away revenue that rightfully belongs to them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 7, 1998.

Respectfully yours,

Gary L. Strube

SWEETWATER ECONOMIC DEVELOPMENT ASSOCIATION

SWEDA

P.O. Box 1168
Rock Springs, Wyoming 82902
(307) 352-6874
Fax (307) 352-6876

August 20, 1998

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

Dear Secretary Williams;

The Sweetwater Economic Development Association is writing this letter in opposition to the Surface Transportation Board's effort to impose additional regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area.

The Association believes that the federal regulatory conditions would not be in the best interest of the Union Pacific, nor would these additional conditions improve rail service throughout Union Pacific's system, including Sweetwater County and the State of Wyoming. We have experienced problems as a result of the service crisis in the south. More federal conditions would weaken Union Pacific after it has incurred significant losses due to the costs of the service crisis and the need to invest in expanded capacity.

The Sweetwater Economic Development Association would like to urge the Surface Transportation Board not to impose additional regulatory conditions upon Union Pacific. Thank you.

Sincerely,

Den Costantino

TAMKO
ROOFING PRODUCTS

TAMKO Roofing Products
220 W. 4th Street
PO Box 1404
Joplin, MO 64802-1404

Phone: 417-624-6644 ext. 2137
FAX: 800-841-1925
e-mail: Roger_Edwards@Tamko.com

Sunday, August 16, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

TAMKO Roofing Products is opposed to the proposals to impose new conditions on Union Pacific's operation around Houston and in the Gulf Coast area. As I understand the new conditions would further complicate the flow of traffic in that area. More restrictions would negatively effect Union Pacific's ability to continue service improvements.

As a large consumer of rail services TAMKO can confirm that Union Pacific has made great strides at improving their service levels to our plants and our customers.

BNSF is one of the least customer service friendly railroads I have had an occasion to deal with. Their adversarial attitudes and service failures are acute with respect to TAMKO. Their proposals for new conditions should be rejected.

While Union Pacific has experience extreme service difficulties their business conduct has always been honest and professional in matters with TAMKO.

Roger Edwards

Roger Edwards

Distribution Specialist

TAYLOR FORGE ENGINEERED SYSTEMS, INC.
208 N. Iron • Paola, Kansas 66071
Tel: 913-294-5331 • Fax: 913-294-5337
E-mail: engineered@tfes.com

August 10, 1998

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

Re: Houston/Gulf Coast Overnight Proceeding
Fincance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Manager of Estimating at Taylor Forge Engineered Systems Inc. in Paola, Kansas. We manufacture large pressure vessels for the petro-chemical industry, among other things.

I get involved in rail transportation issues involving the transportation of pressure vessels all over the country. I was here when the UP took over the MP, and I was very happy with the new rates that they imposed in their UP-3435-D which were about half the MP's rates. The UP's reasonable rates have been instrumental in our success in projects all over the world. They help us compensate for being land locked.

However, the continuation of reasonable rates is dependent upon the financial health of the UP, and I am afraid that if further restrictions are placed on the UP in the Houston-Gulf Coast region that that financial health may be endangered. I believe that the restrictions that the STB placed on the UP/SP merger have worked well, and that no further restrictions are necessary.

I encourage the STB not to burden the UP with further restrictions and to allow it to finish the job of absorbing the SP. Just as I was delighted with the transition from the MP to the UP years ago, I'll bet that many former SP customers will soon be delighted, too!

Cordially,

D. G. N.

Dennis G. Norris
Manager of Estimating

September 14, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am James F. Jumbrello, the Transportation Manager of TETRA Technologies, Inc. We are in the business of chemical manufacturing. TETRA has chemical plants served by Union Pacific railroad at Westlake, Louisiana and warehouses at the Port of Lake Charles, Louisiana.

TETRA Technologies Company is opposed to the proposals to impose new conditions on UP's operations in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in the Gulf Coast, and throughout the West, is to let UP continue to upgrade capacity and improve resources to meet the Gulf Coast requirements. Weakening UP with further conditions is a mistake since it would put more stress on the existing resources. Furthermore, we are very concerned that added conditions in the Gulf Coast will undermine UP's ability to invest in service and

infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. TETRA has seen excellent response from the Union Pacific service department. They continue to provide resources to solve problems. They are trying to address issues of service and capacity limitations. Let's let them do it. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, TETRA Technologies, Inc. opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September _____, 1998.

_____

James F. Jundzilo, Transportation Manager

TEXAS GAS AND OIL. LTD.

Nassau, Bahamas

VERIFIED STATEMENT
OF ROSALEE WILLIAMS
TEXAS GAS AND OIL, LTD.

To Whom it May Concern:

My name is Rosalee Williams. I am the (Asst. Purchasing Manager) for Texas Gas and Oil ,Ltd.

Texas Gas and Oil distributes LPG in Mexico, and delivers natural gas principally to users in the border cities of Tijuana, Mexicali and Ciudad Juarez. We are a well known and well established supplier of natural gas, but we are facing increasing competition from private and government gas suppliers in Mexico.

Reliable, cost-effective transportation is a critical component of successfully distributing our gas and keeping it price competitive. Texas Gas and Oil requires delivery service, as well as timely returns of its empty tankcars, in order to serve its customers' demands. We also require that rail carries offer us competitive rates so that we may keep our prices at a level that meets or beats our competition's prices.

Texas Gas and Oil opposes the request for new conditions in the Houston and Gulf Coast area. BNSF has been an effective competitor with UP to deliver our gas to end users. BNSF has offered favorable rates to our delivery points, particularly to El Paso /Ciudad Juarez and Tijuana , that have allowed us to keep our transportation costs low. If the requested conditions are granted, Up will be weakened , and may not be able to raise to compete with BNSF on some of the routes we use. If Up cannot compete, then BNSF will be able to raise the rates it charges us , and that would compromise our ability to compete with other suppliers of natural gas.

Texas Gas and Oil also opposes the requests for conditions because they will greatly weaken UP. Up has suffered extensive losses from the past year's service crisis. Imposition of these conditions will make its recovery all the more difficult and slow. In particular, it will hamper UP's ability to invest in new equipment and upgrade its service. We are gravely concerned that UP will not be able to improve its border gateways, which are critical to our shipping needs, unless the requests for conditions are rejected.

For these reasons, Texas Gas and Oil urges the STB to reject the requests for new conditions.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to files this verified statement.

Dated August 18 ,1998

Rosalee Williams

Lamont House on Marlborough Street, General Delivery, Nassau, Bahamas Phone:(242) 328-4380/4381 Fax: (242) 323-4871 Telex: 20368 PETROL

VERIFIED STATEMENT
OF
JOSEPH E. ALDERMAN

On behalf of
TEXAS PETROCHEMICALS CORPORATION

My name is Joe Alderman, and I am the Director of Marketing Services for Texas Petrochemicals Corporation. TPC is a manufacturer of petrochemical products and ships roughly 7,000 tank cars annually from our sole production facility located on the Houston ship channel. As part of my duties, I have management responsibilities for transportation and logistics. On October 27 of last year, TPC gave oral testimony at a STB hearing in Washington, D.C. regarding rail problems in the western part of the United States. On July 8 of this year, TPC provided the STB with a verified statement on the status of TPC rail operations. This statement addresses proposals to impose conditions on the UP in the Gulf Coast area.

One proposal under consideration is to have a neutral third-party provide switching services in the Houston area. With TPC designated as an open industry, we currently have access to the UP, BNSF and PTRA through reciprocal switching arrangements. The addition of a switching company would not help or hurt TPC, as this would be pretty much the same set-up we have now (UP switches our cars to the UP, BNSF and PTRA main lines).

Another proposal calls for the divestiture and/or opening of certain UP tracks to enhance competition between the various railroads. With the above switching arrangements, the level of competition among our rail carriers is acceptable. From our vantage point, the predicted UP monopoly has never developed; in fact, the UP has lost quite a bit of TPC business to the BNSF since the merger.

Bottom-line, Texas Petrochemicals Corporation does not see the need to impose the aforementioned conditions. Relative to our rail operations, we are satisfied with existing switching arrangements and the level of competition.

I declare under penalty of perjury that the foregoing is true and correct. Furthermore, I certify that I am qualified and authorized to file this verified statement, executed on August 28, 1998.

Joseph C. Alderman
Joseph E. Alderman

Date: 8/28/98

JEA-98-005-sjt

VERIFIED STATEMENT

OF ROBERT RIVAS, PRESIDENT

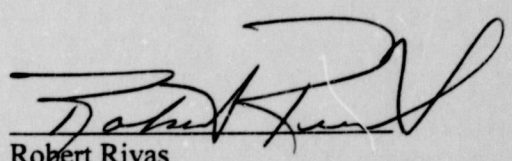
TEXPAR ENERGY, INC

I am Robert Rivas, the President of TexPar Energy, inc. . We are in the energy marketing business, with the bulk of our products being transported by rail, and have been effected by the Union Pacific's problems in the Houston and Gulf Coast area.

TexPar Energy, inc. is opposed to the proposals to impose new conditions on the UP's operations around Houston and in the Gulf Coast area.

The original conditions of the merger between UP and SP should be given a fair chance to become fully impacted by the service development through proper investment in infrastructure and other capacity issues that UP failed to provide for; which led to the service disruptions and ensuing crisis. Additional access should be negotiated in the private sector or in a broader forum where access would be reciprocal. The UP problems should not be viewed as an opportunity to open up merger related issues that were already ruled upon, using service failures as a valid reason to seek additional permanent access by other carriers. The temporary access that was granted was effective to help alleviate some of the problems that UP created , but should not be extended by the STB; effectively bypassing private negotiations.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September, 8, 1998,



Robert Rivas
President, TexPar Energy, inc.

file;stbup

Transit Mix CONCRETE & MATERIALS COMPANY

A subsidiary of TRINITY INDUSTRIES, INC.

Serving Southeast Texas Since 1939

September 1, 1998

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

Reference: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub - No. 26)

Dear Secretary Williams:

The Union Pacific Railroad has made tremendous strides over the past year. The last two months our rail service has improved to a level almost to where it was when you established September 11, 1996, as the effective date of the decision to approve the merger.

We are strongly opposed to the proposals to impose new conditions on Union Pacific operations around Houston and the Gulf Coast areas. In order to have effective competition among railroads there must be a competitive balance between the railroads. I believe that was achieved under the September 26th Comprehensive Agreement with the Burlington Northern Santa Fe Corporation. The BNSF can serve our plants in Southeast Texas that were on the Southern Pacific line.

When the Union Pacific and Southern Pacific merged, Southern Pacific was close to financial collapse. The UP has projected more than $1.4 billion dollars in capital improvements over the next five years in the Houston and Gulf Coast areas. These funds must be generated from UP current and future revenues. If the Surface Transportation Board imposes new conditions on the Union Pacific Railroad then these funds may not be available to be invested in the infrastructure.

To impose any additional conditions would erode the competitive balance between the UP and BNSF. This would give the BNSF disproportionate advantages and further weaken the UP at a time when the UP is striving to regain strength.

850 PINE STREET • BEAUMONT, TX 77701 • P.O. BOX 5187 • BEAUMONT, TEXAS 77726-5187
409-835-4933 • FAX 409-654-3399

Again, I want to emphasis the improvements over the past month. This progress should not be hindered by imposing any new conditions that will harm the Union Pacific Railroad. Let the conditions already imposed continue and let the UP continue to improve their service.

Sincerely,

William L. Hammond

William L. Hammond
Purchasing Manager

WLH/kl
ap:uprr4

TEL: (970) 870-9393
FAX: (970) 870-9784

TRANSLOAD SERVICES, INC.

P.O. Box 775608 • 2145 Resort Drive, Suite 204 • Steamboat Springs, CO 80477

September 10, 1998

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

Dear Secretary Williams:

VERIFIED STATEMENT OF
Richard Voldness
Transload Services, Inc.

I am Richard Voldness, National Accounts Manager, Transload Services, Inc. We are in the business of transloading and trucking and, also, steel fabrication.

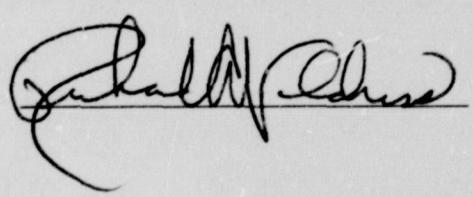
Transload Services opposes the idea proposed by competitors of the Union Pacific for additional conditions in Houston and the Gulf Coast area. We feel very strongly that conditions already in place which the STB approved in the UP's merger with the SP have provided adequate protection of the competitive balance in the areas the UP serves. Given the financial difficulties UP faces in light of the necessary investment in their system, further infringement on their traffic base could cause long term harm and sway the competitive balance in favor other the BNSF.

Transload Services works very closely with the Union Pacific in coordinating transloads of material from rail cars into trucks. We depend upon a strong, healthy, reliable UP for our business. While admittedly UP has gone through some difficult times, we believe that in the past several months they have turned the corner and have returned to the kind of performance we have been accustomed to over the years. It seems senseless to me to undo the progress they have made by creating unnecessary obstacles such as additional trackage rights awards to their competitors.

Further, it does not seem to me to be in the greater public interest for the STB to focus on short term problems Gulf Coast area while risking damage to customers in other parts of the country by weakening the UP.

For these reasons, Transload Services, Inc,. is opposed to the requests for conditions on the UP system around Houston and in the Gulf Coast area and ask that the STB to reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to filed this verified statement Dated September 10, 1998.



Transportation Consultants Co.

11072 West 98th Street • Overland Park, Kansas 66214-2808 • 913 888-7774 • Fax: 913 888-4464

September 2, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. St., N.W. Suite 760
Washington, D. C. 20423-0001

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (sub-No 26)

Dear Secretary Williams:

I am Thomas D. Williamson, President of Transportation Consultants Co. Transportation Consultants represents several companies in the agricultural and food industries, assisting them in the transportation of their products. We represent Azteca Milling Co. and have been authorized by their President to make this statement on their behalf. Transportation Consultants represents Azteca in all of their business dealings with Union Pacific, Burlington Northern Santa Fe and all other railroads in the movement of their shipments including corn, corn flour and packaging materials. Azteca is the largest processor of masa flour in the United States and have operations in Plainview and Edinburg, Texas and affiliated operations in Houston, Dallas and San Antonio which will be affected by any decisions the Surface Transportation Board makes. We represent Azteca in negotiations for side track agreements, rail rate contracts, demurrage agreements, car supply, leased railcar negotiations and operations. etc.

The Surface Transportation Board is holding a hearing on the status of the rail service in the Houston/Gulf Coast and to consider proposals for solving the service problems which existed. I ask you to consider my views on this issue and include this letter as a part of the record in this proceeding.

The service problems in the Western United States have been widely publicized. I am very familiar with many of the problems the Union Pacific has faced in the Gulf Coast and Houston area, particularly as they relate to Azteca Milling and their sister company Mission Foods.

Azteca Milling is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective

competition depends on a strong Union Pacific to achieve viable competition against BNSF. Union Pacific has already been weakened by it's large financial losses; the resulting depressed stock price which will hamper its ability to raise capital and any new conditions would work to further hurt UP.

We believe all railroads, especially UP, will have to make huge capital expenditures in infrastructure and service in the near future to handle the level of business demanded of them. We are very concerned that added conditions in the Houston and Gulf Coast area will undermine UP's ability to make the necessary capital investments, and this will affect their ability to adequately handle our business. This will hurt our business and reduce our rail options.

The conditions imposed by the STB on the UP/SP merger are working well. The BNSF, KCS and TM have become aggressive competitors in the Houston and Gulf Coast area. No further conditions are necessary.

Union Pacific's efforts in implementing their plans have shown results in solving the service delays congestion. In virtually every instance, the Union Pacific has responded to our service delays and have resolved every problem within a reasonable time from our requested assistance. This spring and early summer, shipments of corn cars from Illinois and Missouri to Texas experienced delays, but recent service is now better than we have had in years to our plant at Edinburg, Texas, a former Southern Pacific destination.

For these reasons Azteca Milling opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement.

Dated: September 2, 1998.

Sincerely,

Thomas D. Williamson
President

LOGISTICS DIVISION
3210 Airway Drive
Mississauga, Ontario L4V 1Y6
Telephone (416) 621-9111
Fax (416) 621-6458

CANADA U.S.A. MEXICO

VERIFIED STATEMENT

OF

MARY E FORNDRON

TRI LINE FREIGHT SYSTEMS LOGISTICS DIVISION

I am Mary Forndron, the Traffic Supervisor of Tri Line Logistics Company. We are a Shipper's Agent providing service via Rail, Over the Road and LTL. We move freight within Canada and between the United States and Canada, and also Mexico. We are the Logistics Division of a large Canadian Transportation Group.

Tri Line Logistics is opposed to the proposals to impose new conditions on UP's operation around Houston Tx and in the Gulf Coast Area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston Tx and the Gulf Coast, and throughout the West, is to let UP fight its way our of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston Tx and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston Tx and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS, and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, Tri Line Logistics opposes the requests for conditions on UP's operations around Houston Tx and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 14/98

M K Tomlinson Traffic Supervisor

Name Title

TRINITY CHEMICAL
INDUSTRIES INC
GLOBAL TRANSPORTATION, STORAGE & DISTRIBUTION LOGISTICS

August 14, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Daniel Kittinger, the Controller of Trinity Chemical Industries, Inc. (Trinity). Trinity is in business of chemical transportation and we move a significant volume of rail traffic each year on the railroads.

Trinity is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

It appears that the best answer to the service problems system wide, is to let the UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS, and Tex Mex since the merger. While these railroads may want more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, Trinity opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

Thank you for your consideration in this matter.

With kind regards,

TRINITY CHEMICAL INDUSTRIES, INC.

Daniel K. Kittinger

DKK/wp

P.O. BOX 701436 • TULSA, OK 74170 • (918) 495-3500 • FAX (918) 495-3561

TWIN FALLS
AREA
CHAMBER OF COMMERCE

ACCREDITED

8/28/98

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Secretary Williams:

As Chamber Exec here in Twin Falls, I am acutely aware of the value of rail transportation service in our area and the rest of the State of Idaho. Union Pacific Railroad is important to our community because of service to local and area businesses, and contributions to the community through taxes, purchases and corporate giving. In fact, we are working now with UPRR, Eastern Idaho Railroad and a private developer in the development of the area's only Intermodal Transload Center.

We are opposed to proposals that impose new conditions on Union Pacific's operation in Texas in the Gulf Coast area and around Houston. The STB established competitive conditions that were integrated into its approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions would only serve to disrupt the competitive balance by altering a key portion of the original merged system, thereby weakening UPRR when it is recovering its operational capability.

When the merger took place, it was our understanding that Southern Pacific was near collapse. UP has worked diligently to improve operations of the combined system and has made significant progress. To continue going forward, UP needs to make continuing investments to improve service and their infrastructure. The proposed conditions would deprive UP of needed revenues to make these necessary investments and would hamper their efforts to continue service improvements.

In addition, it would be unfair to give special access conditions in Texas at the expense of shippers in Idaho and other states. I am particularly concerned that Twin Falls will be adversely impacted if this takes place. If UP's competitors want direct access to UP customers they should use their own capital to build the necessary track and facilities.

858 Blue Lakes Blvd. N. • Twin Falls, Idaho 83301 • (208) 733-3674 • FAX (208) 733-9216

Twin Falls has benefited from our longstanding association with Union Pacific Railroad, and we want the business relationship to continue. Therefore, we request that the STB not impose new conditions on UPRR.

Sincerely,

J. Kent Just
Executive Vice President

VERIFIED STATEMENT
OF
Louis R. Mastandrea
on behalf of
UNIMIN

My name is Louis R. Mastandrea, I am Vice President/Distribution for Unimin Corporation, whose world headquarters are at 258 Elm Street, New Canaan, Connecticut 06840.

Unimin Corporation is a multi-national industrial minerals company with facilities throughout the United States, and affiliates in Canada, and Mexico as well as Europe. Unimin will ship on a world-wide basis approximately 15 million tons of product in 1998. Our transportation freight costs exceed 100 million dollars per year.

As a supplier to a number of industries such as the glass, automotive, semiconductor, foundry, and ceramic industries, rail plays a significant role in the supply chain to our customers. Unimin Corporation uses the services of the UP Railroad on both an inbound and an outbound basis at a number of our facilities.

Like many other customers of the Union Pacific, Unimin Corporation has suffered through the many service problems the carrier has exhibited since its merger with the Southern Pacific. Union Pacific Railroad management should be grossly disappointed in the implementation of the pre-merger and implementation plans for this and other parts of their new system.

As one of the largest industrial minerals shippers in the country, Unimin utilizes rail service as an integral part of its overall marketing and service strategies. The severity of the problems with the Union Pacific as it relates to the Gulf Coast region have been well documented. A more comprehensive operating plan must be initiated by the carrier in order to remedy the problems that do exist.

Dispite its many woes, the Unimin Corporation doesn't believe that the Surface Transportation Board should selectively modify specific segments of the overall Union Pacific/Southern Pacific merger. While the STB clearly shares its responsibility for ensuring that the merger meets its stated goals, it would not be appropriate to impose conditions that would in fact inhibit Union Pacific in its recovery programs.

As part of its stated multi-step program, the Union Pacific has indicated that it would invest an additional 1.4 billion dollars over the next five years in the Houston and Gulf Coast infra-structure. That investment would in fact be somewhat jeopardized should the business base that supports it be less than what has been forecasted.

It is however our opinion, that the STB should in fact continue to impose unprecedented oversight scrutiny in all aspects of the Union Pacific/Southern Pacific merger. The Union Pacific's management must in fact respond regularly on the progress of their stated recovery programs. Should the STB decide that further more specific reviews be implemented, they will be supported by the shipping community.

Recent and future mega-mergers which have been and will be reviewed by the Surface Transportation Board have dramatically changed the landscape of rail transportation throughout North America. Inherent in those modifications are increased expectations from purchasers of rail transportation services. In the specific case of the UP/SP merger, the carrier should be permitted the opportunity to make the necessary modifications to the overall business and operating plans, as well as the necessary investments in the infrastructure. With the continuing review process underway, the STB should possess the information necessary to assess whether the strategies implemented by the Union Pacific are in fact successful.

The Union Pacific Railroad should be allowed a reasonable opportunity to revitalize service in the Gulf and to improve their rail network there and in other parts of the country.

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

Executed on September 3, 1998.

Louis R. Mastandrea
Vice President, Distribution

UPR Union Pacific Resources

Thomas R. Blank
Vice President
State, Regulatory and
Public Affairs

September 3, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

Union Pacific Resources Group Inc. (UPR) is an independent oil and gas exploration and production company based in Fort Worth, Texas. We have extensive operations in several states including Texas, Louisiana, and Wyoming. In addition, we have a strong international presence in Canada, Venezuela, and Guatemala. Contrary to a popular misconception, UPR is no longer affiliated with Union Pacific Railroad (UP) or its parent Union Pacific Corporation. However, we are a customer of UP.

I am writing to express UPR's opposition to the proposals by Burlington Northern Santa Fe (BNSF) and TexMex Railroad to impose new conditions on UP's operations around Houston and in the Gulf Coast area.

While there have been challenges with UP's service over the past year, it has improved substantially over the past several months. The conditions imposed on the UP/Southern Pacific merger by the Surface Transportation Board in 1996 have worked extremely well. They have preserved competition and allowed BNSF to be a vigorous competitor against UP throughout the western United States.

Furthermore, the newly requested conditions would upset the competitive balance and undermine UP after it has already suffered large traffic and financial losses. We believe this could diminish UP's ability to make critical infrastructure investments. Emergency service relief is proper in appropriate circumstances, but such relief should not be granted as a permanent condition to a merger, especially where normal operations have been largely restored.

Thank you for your consideration of UPR's concerns relating to the these requested conditions.

Sincerely,

Thomas R. Blank

801 Cherry Street Fort Worth, Texas 76102-6803 (817)877-7553 (817)877-7566 Fax

United Clays

WBB

September 8, 1998

Honorable Vernon A. Williams
Secretary
SURFACE TRANSPORTATION BOARD
1925 K Street, N.W.
Washington, D.C. 20423

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

VERIFIED STATEMENT
OF
UNITED CLAYS, INC.

I am Joseph L. Kiney, the Traffic Manager of United Clays, Inc. We are in the business of mining and selling clay.

United Clays, Inc. is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For those reasons, United Clays, Inc. opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 8, 1998.

Joseph L. Kiney
Traffic Manager

bcc: W. E. Christman

United Clays
7005 Chadwick Drive, Suite 100, Brentwood, TN 37027 USA
Tel: (615) 370-4500 Fax: (615) 370-0802

United States Gypsum Company
P. O. Box 806278
Chicago, IL 60680-4124
312 606-4000 Fax: 312 606-4093

USG

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

Re: Houston / Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub- No. 26)

Sept. 11, 1998

Dear Secretary Williams:

My name is Robert J Zonar and I am Director Of Global Logistics for United States Gypsum Company hereinafter referred to as USG. My company produces and distributes building products throughout the United States and has sales in excess of $2,500,000,000. In my position I am responsible for all transportation matters involving my company and I am authorized to make this statement.

USG has 10 manufacturing facilities served directly by the Union Pacific Railroad hereinafter referred to as UPRR. Three of those facilities are in the state of Texas and one is in the Houston area at Galena Park, TX. USG pays UPRR over $10,000,000 in freight charges annually.

USG supports the UPRR position that no further restrictions growing out of the recent UPRR service problems in Texas should be placed by The Surface Transportation Board on the UPRR. When compared to our situation earlier this year, USG has experienced significant improvement in service levels at our Texas plants.

This statement of support is limited in scope to our Texas facilities only and should not be construed as applying to our locations outside of the state of Texas.

Robert J Zonar

Robert J Zonar

Director Of Global Logistics
United States Gypsum Company

125 South Franklin Street
Chicago, IL 60606-4678

A Subsidiary of USG Corporation

VERIFIED STATEMENT
OF United States Shippers, Inc.

I am the President of United States Shippers, Inc. We are in the business of providing intermodal/rail and highway transportation services. United States Shippers, Inc. is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against the UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, United States Shippers, Inc. opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 2, 1998.

Harry D. Beresford, President

Harry D. Beresford

UNIVERSAL EASTERN DIVISION

VERIFIED STATEMENT
OF MARGE VOLK
UNIVERSAL FOREST PRODUCTS, INC.

My name is Marge Volk, Manager of Transportation for Universal Forest Products, Inc., with our Corporate Headquarters being in Grand Rapids, Michigan. We are a major lumber and building-products manufacturer. We have 54 plants located in 20 States, Canada and Mexico. Our product lines include treated lumber for do-it-yourself projects, trusses for manufactured homes, and other construction and wholesale lumber for industrial uses. Transportation for raw materials is an important part of our business. We insist on reliable, competitively priced transportation so that we may provide our products to our customers at competitive prices in the quantities they demand.

Universal Forest Products, Inc., has several facilities located in Texas, including the Dallas/Ft. Worth area and San Antonio. We also do business in and out of the Houston/Gulf Coast area. In general, we ship substantial quantities of lumber and wood products from mills in East Texas to destinations throughout the nation. We use Union Pacific for a majority of our shipments, but we have seen strong competition from BNSF on many of the routes we use. Consequently, the proceedings regarding conditions in the Houston and Gulf Coast Area are of critical importance to our business.

During the past year, we have struggled with Union Pacific's service problems in Texas. But during the past several months, Union Pacific has dramatically improved its service and we are no longer experiencing any problems there. We have also benefited greatly from the *UP/SP* merger, because it has enabled Union Pacific to offer more competitive single-line rates and service. This has opened up additional markets for us, the benefits of which we have passed along to millions of consumers in Texas.

Universal Forest Products, Inc., opposes the proposals to impose new conditions on Union Pacific's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong Union Pacific competing against a strong BNSF, KCS and Tex Mex. These new conditions would weaken Union Pacific at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. Weakening Union Pacific would harm the competition created by the original conditions placed on the merger. Hurting the competition will cause the loss of important benefits we and consumers have received from the merger.

Universal Forest Products Georgia Ltd. Partnership
Transportation Department
P.O. Box 757 5200 Highway 138 Union City, GA 30291-0329 Tel: (770) 306-2101 Fax: (770) 306-9707

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. We have seen aggressive competition between Union Pacific and KCS since the merger. KCS has made strong efforts to secure our shipping business by offering competitive rates. UP has responded effectively, and has retained much of our shipping business through its efforts. The requested conditions would upset this competitive balance, and would therefore hurt, not help, competition.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Not imposing the requested conditions will allow UP to keep the strength it needs to complete its recovery from the service crisis.

Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. Adding the requested conditions will force UP to direct its resources to meeting the conditions instead of investing in upgrades to its system. This will hurt our business and degrade our rail options.

For these reasons, Universal Forest Products, Inc., opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement.

Dated September 1, 1998.

Marge Volk

Marge Volk

U.S. COMMODITIES, INC.
15500 WAYZATA BLVD. #907
WAYZATA, MN 55391
612-473-9745
FAX: 612-473-3252

August 7, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Secretary Williams,

I am Linda Brown, the Trading Assistant in the Corn Gluten Meal/Feed Department of U.S. Commodities, Inc. We are feed merchandisers who purchase feed ingredient commodities from processing plants, and in turn sell them to blenders and end users.

U.S. Commodities, Inc. has been working with the Union Pacific Railroad for many years, and it is our opinion that the service we receive, from timely shipments of railcars to customer service, has consistently improved since the UP/SP merger. The Union Pacific Railroad's customer service and marketing departments have been very helpful in answering questions, and providing information. We have also been very pleased with the accuracy as well as the speed at which our cars are being moved to their destinations.

It has come to our attention that a request has been made to impose new conditions on the UP's operations around Houston and in the Gulf Coast area. We feel that placing more conditions on the UP anywhere in the country would result in less effective rail competition by weakening the UP. This could result in reduced performance in service, as well as damaging competitive rate structures. This would hurt our ability to ship railcars to our customers at reasonable rates, causing a decline in our rail business. Many rail customers would be effected in a similar way, which could cause rates to increase dramatically.

U.S. Commodities opposes the requests for these reasons, and urges that the STB reject them.

Linda J Brown

Linda G. Brown
Corn Gluten Department

MEMBER:
NATIONAL GRAIN & FEED ASSOCIATION
TEXAS GRAIN & FEED ASSOCIATION

VISTA TRADING

A division of SK Global America, Inc.
16800 GREENSPOINT PARK DRIVE
SUITE 185 NORTH
HOUSTON, TEXAS 77060

TEL: (281) 876-8110
FAX: (281) 876-8115

August 24, 1998

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

Dear Mr. Williams:

Vista Trading is engaged primarily in the export of U.S. grains (corn, milo, sorghum, wheat and soybeans) into Mexico. Vista has been in this business for over 7 years. The Texas Mexican Railway has been the main railroad for Vista Trading since its inception. Vista also ships grain from the other major rail carriers.

It has come to my attention that the Burlington Northern Santa Fe has made a request for trackage rights between San Antonio, Texas and Laredo, Texas. This proposal causes great concern for Vista Trading as outlined below.

The main area of concern is increasing the traffic on the existing UP line. The UP line is already under severe pressure. The UP is constantly having trouble getting cars into Mexico. This is evidenced by the fact that the UP has had to embargo Laredo, TX several times this year. Further, you currently need a permit on the UP to go to Mid-Bridge Laredo. I have to question why the UP would want to add further congestion to an already over burdened line.

Another area of concern is with the BNSF. As you know the BNSF currently brings all of the railroads Laredo business to the Tex-Mex in Corpus. This has been an excellent option for all shippers. First, the TM route bypasses all of the UP congestion, and second the TM route gives shippers more than one option to Laredo. The BN-Tex Mex route to Mexico is beneficial to all involved because it levels out the traffic to Laredo. In fact, many of our customers in Mexico are currently refusing to buy grain from Vista if it is delivered by the UP. This is a result of UP congestion problems. It is hard to imagine what it would be like if both the BN and the UP used the same line to Mexico.

Allowing the two largest shippers to use one small route to Laredo is a big mistake. Just like the UP thought they could handle the existing SP business prior to the UP-SP merger, they think they can handle BNSF business. This is not the case. Shippers must be given other options.

It is for the reasons stated above Vista Trading strongly objects to the above mentioned proposal.

Please let me know if there is anything further I can do in this matter.

Regards,

Howard K. Stone
Traffic Supervisor

Guy Brady, Jr.
General Manager

SHARON SPRINGS OFFICE 852-4241
SHARON SPRINGS STATION 852-4279
WALLACE, KANSAS 891-3535
WESKAN, KANSAS 943-5422
MCALLASTER, KANSAS 846-7890
ARAPAHOE, COLORADO 719-767-5508

WALLACE COUNTY CO-OP EQUITY EXCHANGE

P. O. Box 280 - 102 North Front
Sharon Springs, Kansas 67758
Watts: 1-800-434-8052
Fax: 913-852-4286

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

VERIFIED STATEMENT OF WALLACE COUNTY COOP

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams,

I am Ralph Stolz, the General manager of The Wallace County Co-op. We are a farm supply cooperative and a 100 car unit grain train shipper in Western Kansas. The Wallace County Co-op is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. the conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against the UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, The Wallace County Co-op opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 19, 1998.

Sincerely,

Ralph Stolz

VERIFIED STATEMENT

OF RICHARD B. WEBB

WATCO

I am Richard B. Webb, Vice President of WATCO with corporate offices at 315 West 3rd Street, Pittsburg, KS 66762. Our primary business is rail transportation services with emphasis on locomotive and railcar maintenance and repair.

WATCO is opposed to the proposals to impose new conditions on the UP's operations along the Gulf Coast and the Houston, TX area. Rail competition depends on a strong UP competing against a strong BNSF. Any new conditions would go in the wrong direction, by weakening UP at a time when they have already suffered large financial and traffic losses over the last year due to their service problems.

The best answer to service problems along the Gulf Coast and the Houston, TX area is to let UP continue on their course of improvement. Weakening UP with further conditions will only undermine their ability to invest in service and infrastructure throughout its system. This will impact our company's goals and working conditions with them.

I do not believe that further conditions are needed to protect competition along the Gulf Coast and the Houston area. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would restrict the UP.

For the reasons listed above, WATCO opposes the requests for conditions on UP's operations around the Gulf Coast and Houston, TX area and urges that the STB reject them.

I declare under penalty or perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 20, 1998.

Richard B. Webb

Richard B. Webb

316-231-2230 315 W. 3rd • Pittsburg, KS 66762 FAX 316-231-2568

1855 EAST 122nd ST.
CHICAGO, IL 60633
773/646-4500
800/733-5683
FAX 773/646-6128

September 3, 1998

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

Reference: Houston/Gulf Coast Overnight Proceeding; Finance Docket No. 32760 (Sub No. 26)

Dear Secretary Williams,

Allow me to introduce myself I am the traffic manager at Welded Tube Company of America located in Chicago, Illinois. We are manufacturers of steel tubing and we ship hundreds of railcars on the Union Pacific.

Welded Tube Company of America has been working with the Union Pacific for many years and we have been pleased with the results we have seen from UP/SP merger. For example, our car supply has been more than adequate and we have received competitive rates that allow us to compete in the marketplace.

It is our understanding that a request has been made to impose new conditions on the UP's operations around Houston and the Gulf Coast area. We believe that effective rail competition depends on a strong UP competing against a strong BNSF. Weakening UP with additional conditions is a mistake. Added conditions in Houston and the Gulf Coast area will undermine the UP's ability to invest in service and infrastructure throughout the system as well as the potential to damage competitive rates.

For these reasons, Welded Tube Company of America is opposed to the proposals to impose new conditions on UP's operations around the Houston and Gulf Coast area.

Sincerely,

Alex J. Karagias
Traffic Manager

nkc

WEST BEND ELEVATOR COMPANY

Algona Ayrshire Dickens Hobarton Mallard West Bend Whittemore

Honorable Vernon A. Williams
Secretary for the STB
1925 K St. N.W,
Washington, D.C. 20423

Re: Houston/Gulf Coast Oversight Proceeding
Dear Secretary Williams: Finance Docket No. 32760 (Sub-No. 26)

VERIFIED STATEMENT OF THE WEST BEND ELEVATOR COMPANY

I am the Grain Merchandiser of the West Bend Elevator Co. We are a Northern Iowa farmer-owned cooperative serving grain and farm supply needs for over 2,300 members. WBEC handles over 20,000,000 bu of corn and 5,000,000 bu of soybeans each year. We have 3 locations that ship 75 to 100 car rail units on the UP along with 2 locations capable of shipping 25 to 50 car rail units on the IMRL (the old Soo Line). WBEC relies very heavily on the UP to move our members grain to market. In the past 2 years, the UP has been able to move our grain in a very timely manner. We are pleased with their service and the UP has exceeded our expectations

West Bend Elevator Co is opposed to the new conditions proposed by competing rail lines for the UP's Houston Texas operations. We believe that the UP is very close to getting the service in the Houston area up to the acceptable level we have been experiencing in Iowa. It has been reported that the UP has lost $ 230 million over the last 3 quarters. We feel allowing competing rail lines to run traffic on the UP's lines would weaken it's financial position, and further bottleneck service in the Houston corridor. The UP has complied with the conditions imposed by the STB and has worked aggressively to improve service in the Houston and Gulf Coast area.

For the above reasons, West Bend Elevator Co opposes the requests asked for by the competing rail lines in the UP's Houston area. We urge the STB to reject these requests.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. August 5, 1998.

Harry Bormann Grain Merchandiser
West Bend Elevator Co.

P.O. Box 49 West Bend, Iowa 50597 Phone 515-887-7211 Fax 515-887-7291

WEST CENTRAL

Ron Finck
Executive Vice President — Grain

West Central Cooperative
406 First Street
P.O. Box 68
Ralston, Iowa 51459-0068
Phone (712) 667-3200
FAX (712) 667-3215

August 17, 1998

VERIFIED STATEMENT OF RON FINCK WEST CENTRAL COOPERATIVE

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (sub-No. 26)

My name is Ron Finck, and I am the Executive Vice-President of Grain for West Central Cooperative. My responsibilities include overseeing the grain marketing and transportation activities for West Central's 15 grain-handling facilities (5 on the UP Railroad). We are owned by the 3653 farmer-members of West Central, each of whom depend on orderly rail transportation to provide market access for their annual grain production.

West Central is opposed to the proposals to impose new conditions on the UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening the UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

Weakening the UP with further conditions is a mistake. This will undermine their ability to invest in service and infrastructure not only in the Houston and Gulf Coast areas, but throughout the entire UP system. Our company has three pending projects on rail sidings that depend on participation from the UP. It is wrong to give special conditions to shippers in one area of the country, because other shippers throughout the country will be adversely affected and relatively disadvantaged.

While there have been disappointments with UP's service over the past year, service has improved over the past several months. Shuttle and cycle service in Iowa is running on time and without delay. We are weeks away from a bountiful harvest, and will require a strong transportation partner to move our farmer's grain over the next year.

For these reasons, West Central Cooperative opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges the Surface Transportation Board to reject them.

I declare under perjury that the foregoing is true and accurate and that I am authorized to file this verified statement. Dated August 17, 1998.

Ron Finck

WHEELER BROTHERS GRAIN COMPANY
INCORPORATED

Telephone: (580) 623-7223 Fax #: (580) 623-2686
P.O. Box 29 • Watonga, Oklahoma 73772

Grain Merchants - Cattle Feeders - Since 1917

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

VERIFIED STATEMENT
MIKE MAHONEY
WHEELER BROTHER GRAIN COMPANY, INC.

I am Mike Mahoney, the Executive Vice President of Wheeler Brothers Grain Company, Inc. We are in the grain merchandising business. We load unit trains (100 cars) of Hard Red Winter Wheat that go to the Texas and Louisiana Gulf Ports from our inland loading facility at Watonga, Oklahoma.

Wheeler Brothers Grain Company is opposed to the proposals to impose new conditions on the UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, Wheeler Bros. Grain Company opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 20, 1998.

Mike Mahoney
Executive Vice President
Wheeler Bros. Grain Co.

WHEELER BROTHERS GRAIN COMPANY
INCORPORATED

Telephone: (580) 623-7223 Fax #: (580) 623-2686
P.O. Box 29 • Watonga, Oklahoma 73772

Grain Merchants - Cattle Feeders - Since 1917

VERIFIED STATEMENT
MIKE MAHONEY
WHEELER BROTHERS GRAIN COMPANY, INC.

My name is Mike Mahoney, and I am the Executive Vice President of Wheeler Brothers Grain Co.,Inc. My responsibilities include merchandising and coordination of hard red winter wheat shipments to Gulf Ports in Louisiana and Texas.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 20,1998.

Mike Mahoney
Executive Vice President
Wheeler Brothers Grain Co.

White Sands Forest Products, Inc.

P. O. BOX 209
ALAMOGORDO, NEW MEXICO 88310

Telephone: (505) 437-1671

VERIFIED STATEMENT
OF
MICHAEL J. HESS
PRESIDENT AND GENERAL MANAGER
WHITE SANDS FOREST PRODUCTS, INC.

I am Michael J. Hess, the President and General Manager of White Sands Forest Products, a lumber manufacturing firm in Alamogordo, New Mexico. Presently we produce 32 million board feet of lumber per year. A by-product of this effort is the production of 30,000 tons of wood chips, which are all being shipped via the Union Pacific Railroad to Pasadena, Texas. (Houston area) Combined with chips which we reload onto rail cars at our plant for another firm, over 50 rail cars per month are loaded on our siding, destined for the Pasadena/Houston area.

White Sands Forest Products, Inc. is strongly opposed to the proposals to impose new conditions on the Union Pacific's operations around Houston and the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. The new conditions proposed would go exactly in the wrong direction, by weakening the UP at a time when it is just starting to work its way out of the service problems which caused large financial and traffic losses over the past three years.

The best answer to service problems in Houston and the Gulf Coast, and throughout the west, is to let the UP continue to fight it way out of them, and keep the rail system truly competitive. We have seen big improvements in the UP's service, track, and equipment over the past year, and want that to continue. We are concerned that added restrictions, and conditions that would create advantages for another line in the Houston and Gulf Coast area, will undermine all the progress made recently by the UP, and undermine the UP's ability to further invest in service and infrastructure throughout its system, which we depend on. We are on the UP, and are depending on these improvements. Anything to the contrary will hurt our business, and our community, and degrade our rail service.

We do not believe that any new or further conditions are needed to protect or enhance rail competition in the Houston and the Gulf Coast. The conditions already in place which were imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against the UP by the BNSF, KCS, and the Tex Mex since the merger, and hope that it continues. But it should continue through marketing, and service, and not be influenced by new conditions which weaken the UP.

White Sands opposes the requests for conditions on the Union Pacific's operations around Houston and the Gulf Coast, and urges the STB to reject them.

I declare, under penalty of perjury, that the foregoing statement is true and correct, and that I am authorized by Corporate Resolution to file this verified statement.

Dated August 28, 1998

Michael J. Hess
President and General Manager

WINNEBAGO INDUSTRIES

VERIFIED STATEMENT
OF WINNEBAGO INDUSTRIES, INC.

I am Clay Kilgore, the Traffic / Distribution Manager of Winnebago Industries, Inc. located in Forest City, Iowa. We are in the business of producing and distributing motorhomes (self-contained, motorized recreational vehicles).

Winnebago receives approximately 1000 railcars annually from the Union Pacific Railroad and ships out approximately 50 railcars per year, also on the UP. I have responsibility for all inbound and outbound freight from our facility, which had annual revenues in excess of $500,000,000 in our recently completed fiscal year. We rely heavily on the UP to deliver product to and from our facility on a timely basis. When the UP merged with the Southern Pacific there were several service disruptions across their system. I do not claim to know what happened to cause the massive problems that occurred but I do know that transit times throughout their system became unacceptable. The transit times for product coming to us from Laredo grew from about 14 days to as high as 39 days in one instance. We also discontinued the use of rail shipments on our outbound products. The main product delivered to us by the UP is the chassis on which we build motorhomes and obviously we are unable produce without these chassis. I communicated daily with many members of the UP staff in St. Louis and in Omaha concerning issues that we had with their transit times and reliability of delivery. The UP worked with me and had several cars enroute to us transloaded and trucked to our plant at their cost in order to prevent any interruption to our operations. **I commend the UP for the extra effort and expense they put forth in order to provide service to their customer (Winnebago).** Things have changed significantly over the last few months. We have resumed rail shipments on outbound products and are very satisfied with transit times on the UP system. Destination points on these outbound shipments include the Los Angeles, San Francisco, Portland and Seattle areas. Transit times on inbound freight have also improved and are now equal to or better than prior to the merger. We are now experiencing transit times from 10 to 14 days consistently from Laredo. I believe that the UP has turned the corner and is leaving behind the woes that beset them after the merger.

Winnebago is an important player in the motorhome marketplace but we do have several competitors. We would not like to be forced to provide a share of our plant or marketplace to any of these competitors, making them stronger and us weaker. We do not believe that new conditions are required to protect competition in the Houston and Gulf Coast areas. That is exactly why we are opposed to the imposition of **any** new conditions on the UP's operations in either the Gulf Coast or Houston areas. The solutions to service problems in those regions and throughout the West should be left to the UP to handle, not by weakening their competitive position but in the same way they have handled the problems with traffic coming to Iowa. Winnebago urges the STB to reject any new conditions on the operations of the UP in the Houston and Gulf Coast areas.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 3, 1998.

Clay Kilgore

Clay Kilgore
Traffic/Distribution Manager
Winnebago Industries, Inc.

P. O. Box 152 • 605 West Crystal Lake Road • Forest City, Iowa 50436 • PH: 515/582-3535 • FAX: 515/582-6966

WTD

INDUSTRIES inc.

September 2, 1998

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

Dear Secretary Williams :

Our company is a large forest products organization located in the state of Oregon. We ship each year approximately 4,000 plus carloads of lumber, primarily originating on UP or BNSF lines. These cars once leaving our facilities, travel on many other rail lines prior to reaching their final destination. Our experience is that most all rail lines suffer their own problems from time to time. The UP situation has been exasperated by the merger with the Southern Pacific, but as far as we are concerned at this company, the UP continues to be up front in communicating their difficulties and continues to improve operationally.

We are opposed to proposals to impose new conditions on the UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against its competition. New conditions would go in the wrong direction by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in the Houston and Gulf Coast areas, and through out the west, is to let UP fight its way out on its own. Weakening the UP with new conditions will only undermine the UP's ability to continue to strengthen its infrastructure throughout its system.

Sincerely,

John C. Stembridge
Interim Chief Operating Officer

Lincoln Tower 10260 S.W. Greenburg Road Suite 900 Portland, OR 97223 (503) 246-3440
Post Office Box 5805 Portland, OR 97228-5805

YARBROUGH'S MATERIAL & CONSTRUCTION, INC.

P.O. Box 952
Sour Lake, TX 77659
Phone: (409) 287-2105

FAX: (409) 287-3550

P.O. Box 276
Merryville, LA 70653
Phone: (800) 894-6078

VERIFIED STATEMENT

I am Newal Yarbrough, the President of Yarbrough's Dirt Pit, Inc. dba Yarbrough's Material & Construction. We are in the business of supplying limestone materials to the Southeast Texas area.

Yarbrough's Material & Construction is opposed to the proposals to impose new conditions on UP's operations around Houston and the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS, and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, Yarbrough's Material & Construction opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated: September 10, 1998.

NEWAL YARBROUGH
President
Yarbrough's Material & Construction
Phone: (409) 287-2105
Fax: (409) 2[illegible]-3550

EST 1911

Zeb Pearce Companies

Beer & Beverage Distributors
Serving
PHOENIX & TUCSON METROPOLITAN AREA

I am Norman D. Pearce, the Secretary/ Treasurer of Zeb Pearce Companies. We are in the business of wholesale beer distributing.

Zeb Pearce Companies is opposed to the proposals to impose new conditions on UP's operations around Houston and the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS, and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, Zeb Pearce Companies opposes the request for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is to the best of my knowledge, true and correct and that I am authorized to file this verified statement. Dated September 2, 1998.

Norman D. Pearce
Secretary/ Treasurer

CORPORATE OFFICE • POST OFFICE BOX 1239 • MESA, ARIZONA 85211 • (602) 834-5527

ZENECA

VERIFIED STATEMENT
OF JIM VOLOVICH
ZENECA AG PRODUCTS

My name is Jim Volovich. I am the Export and Logistics Lead for Zeneca Ag Products.

Zeneca Ag Products manufactures a variety of crop protection chemicals. Zeneca is a Delaware corporation but we have production facilities in several states, including Alabama, Louisiana, Texas, Arkansas, Nebraska and export through West Coast ports. We receive raw materials and ship some product with UP on trains from North Little Rock, AR, Greens Bayou, TX and Bayport, TX through Houston, and on intermodal trains from Bayport and Mobile, AL to the West Coast, where our products are shipped to Asia. Reliable, cost-effective transportation is a critical component of successfully distributing our products, receiving raw materials and keeping their pricing competitive.

Zeneca has been and continues to be substantially affected by the service crisis. We are eagerly awaiting a solution from UP. UP has recently proposed to undertake massive capital investment in the Houston area, and we expect that those improvements will help alleviate the service problems UP has had. In contrast, to my knowledge, BNSF, Tex Mex and KCS have not made similar proposals, but instead plan to use whatever capital improvements UP makes.

We oppose the requests for new conditions in the Houston and Gulf Coast area. We much prefer to see what will happen once UP commences its capital improvements. If the requested conditions are imposed, UP will not earn the revenues that it needs to improve its infrastructure in Houston. Giving UP's competitors in Houston the advantages they request will not help the service problems in the long run because those competitors do not plan to improve the area's infrastructure. We think that we will be better served in the long run if UP is allowed to make upgrades in the Houston area, but this will not happen if the conditions are granted. However, if UP fails to invest then Zeneca would support new conditions.

Service in other parts of the country, particularly the Sunset line, is also important to our business. In addition to hampering UP's potential infrastructure investment in the Houston area, the requested conditions will hinder UP's ability to improve its service elsewhere in the country. If UP cannot continue to generate adequate revenue, it will not be able to improve the service it provides us to the West Coast.

In short, Zeneca has substantial concerns about UP's service, but opposes the requests for conditions on UP's operations around Houston and the Gulf Coast because it will prevent UP from upgrading its infrastructure and improving its service there and elsewhere. Zeneca urges the STB reject the requested conditions.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement.

Dated August 20, 1998

J. Volovich
Jim Volovich
Zeneca Ag Products
25 Aug. 1998

820981jav

RAILROADS

VERIFIED STATEMENT
OF David A. Burleson
ACADIANA RAILWAY COMPANY INC.

I am David Burleson , the General Manager of Acadiana Railway Company Inc. We are in the business of Hauling & Switching rail freight.

Acadiana Railway Company Inc. is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. Acadiana Railway operates 63 miles of railroad in South Central Louisiana. In 1997 we handled 9,294 rail cars and in 1998 through the end of August 8124 cars. Up interchanges approximately 95 % of our traffic to Acadiana, as you can see we have increased in volumes despite the service problems.

The best results to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP work their way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will determine UP's ability to invest in service and infrastructure throughout its systems. Results to date proves UP's ability to work through the service problems.

We do not believe that further conditions are needed to protect competitions in Houston and the Gulf Coast. The conditions imposed by the STB on the UP / SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, Acadiana Railway Company Inc. opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 8, 1998.

David A. Burleson

David A. Burleson

Post Office Box 751 • Opelousas, LA 70571-0751 • (318) 942-4085 • FAX (318) 942-4096

VERIFIED STATEMENT
OF LARRY P. BOUCHET

ARKANSAS & MISSOURI RAILROAD

I am Larry P. Bouchet, the CEO/Executive Vice President of the Arkansas & Missouri Railroad. We are in the railroad business in Northwest Arkansas with 142 miles and approximately 80+ customers. We interchange with all three Class 1 carriers; BNSF, UP and KCS.

The Arkansas & Missouri Railroad is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing in a fair market system. These new conditions would go in the wrong direction by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, the Arkansas & Missouri Railroad opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 19, 1998.

L P Bouchet

Larry P. Bouchet
CEO/Executive Vice President
Arkansas & Missouri Railroad

306 East Emma • Springdale, AR 72764 • Phone: (501) 751-8600 • Fax: (501) 751-2225

ARKANSAS-OKLAHOMA RAILROAD CO.

103 SOUTH CENTRAL P.O. BOX 485 WILBURTON, OK 74578

VERIFIED STATEMENT
OF B.D. DONOLEY
ARKANSAS-OKLAHOMA RAILROAD CO., INC.

I am B.D. Donoley, President and C.E.O. of the Arkansas - Oklahoma Railroad Co. Inc., The "A-OK". We are a short-line railroad Operating a rail line 70 miles long, between Howe, Oklahoma and McAlester, Oklahoma. Our connections are with the Kansas City Southern, "KCS", at Howe, and the Union Pacific, "UP" at McAlester.

The Arkansas-Oklahoma Railroad is opposed to the request to impose new conditions on UP'S operations around Houston and in the Gulf Coast area. Effective rail competition depends on strong UP competing against a strong BNSF, KCS, and TexMex. These new conditions would go in the wrong direction by weakening the UP at a time when it has already suffered large financial and traffic losses over the last year, due to its service problems.

Services problems in the Houston and Gulf Cost area are nothing new to the rail industry. The best answer for years has been to let carriers work out their own problems. Weakening UP with further conditions is a mistake. We are concerned that further conditions will undermine UP's ability to invest in services and infrastructure in Houston/Gulf Cost and throughout the rest of its system. Reduced investment in infrastructure will hurt our services and degrade our rail options. Currently, UP operations are improving daily on the Choctaw subdivision and south into this area. Plastic is flowing from this area right on schedule to our customers with no delay just as before the merger. A-OK Railroad is continually working with the Union Pacific storing plastics cars to avoid congestion. UP has worked hard to solve its problems. New conditions would interfere with its efforts, and should be rejected. I am confident the UP did not start railroading yesterday. They have years of experience and are dedicated to the railroad industry and solving these problems.

The Conditions already imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS, and TexMex since the merger. While these railroads may still want more opportunities granting trackage right and access to UP customers on congested UP track, that is not going to solve the problem. The true solution to the problem of the UP congestion would be to allow UP trackage rights over KCS, BNSF, and TexMex lines, to flow their carloads from UP customers.

The railroad industry is in one of its greatest times of abundant business. Not in the past 50 years have all the railroads seen carloads as high, and the economy moving so much product by rail. The requested conditions will hurt the rail industry and its customers.

A-OK RAILROAD

ARKANSAS-OKLAHOMA RAILROAD CO.

103 SOUTH CENTRAL P.O. BOX 485 WILBURTON, OK 74578

For these reasons, the Arkansas - Oklahoma Railroad opposes the requests for additional conditions on UP's operations around the Houston and Gulf Coast area, and urges the STB to reject them.

I declare under penalty of perjury that the foregoing is true, and that I am authorized to file this verified statement.

Dated September 5, 1998

B. D. Donoley

AT&L RAILROAD CO.
2nd STREET & NASH BLVD.
P.O. BOX 29
WATONGA, OKLAHOMA 73772
PHONE (405) 623-5477
FAX (405) 623-2686

MEMBER

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

VERIFIED STATEMENT
S. STEVEN SMOLA
WHEELER BROTHER GRAIN COMPANY, INC.

I am S. Steve Smola, the President of AT&L Railroad. We are in the Shortline Railroad business and connect with the Union Pacific Railroad at El Reno, Oklahoma. Our customers ship Hard Red Winter Wheat to Gulf points in Louisiana and Texas, mostly in 100 car unit trains.

Wheeler Brothers Grain Company is opposed to the proposals to impose new conditions on the UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, Wheeler Bros. Grain Company opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 20, 1998.

S. Steven Smola
President
AT&L Railroad

AT&L RAILROAD CO.

2nd STREET & NASH BLVD.
P.O. BOX 29
WATONGA, OKLAHOMA 73772
PHONE (405) 623-5477
FAX (405) 623-2686

MEMBER

VERIFIED STATEMENT
S. STEVEN SMOLA
AT&L RAILROAD

My name is S. Steven Smola and I an the President of AT&L Railroad.My responsibilities are operating a Shortline Railroad that ships Hard Red Winter Wheat to the Gulf ports in Texas and Louisiana.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to fi'e this verified statement. Dated August 20,1998.

S. Steven Smola
President
AT&L Railroad

CENTRAL OREGON & PACIFIC RAILROAD
P.O. Box 1083, Roseburg, OR 97470 (541) 957-5966, Fax (541) 957-0686

VERIFIED STATEMENT
OF ROBERT W. LIBBY
CENTRAL OREGON & PACIFIC RAILROAD

I am Robert W. Libby, General Manager of the Central Oregon & Pacific Railroad, ("CORP"). CORP operates 449.6 miles of former SP branch lines in the states of California and Oregon. In 1997 CORP handled 41,095 and $19,604.278 in line haul revenues. In 1998, through July, these figures were 26,555 and $12,678,288 respe ively.

CORP is opposed to the proposals to impose new conditions on UP's operations around Houston and the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

Due to customer dissatisfaction with UP's car supply and transit difficulties, CORP, since the beginning of 1998, has lost approximately 1450 carloads of business which have either been diverted to truck or transloaded on the BNSF. Any actions which further weaken the UP's existing revenue base may have a detrimental effect on UP's service recovery efforts. Unless these service recovery efforts are successful, CORP will continue to see erosion in our traffic base. All of the marketing and sales people we have soliciting business can not compete with the current level of customer dissatisfaction.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let the UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine the UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS, and TEX Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, CORP opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 21, 1998.

Robert W. Libby

Dallas, Garland & NorthEastern Railroad, Inc.
425 N. 5th St. • Garland, Texas 75040
(972) 487-8180 • Fax (972) 487-7980

VERIFIED STATEMENT

OF THE DALLAS, GARLAND & NORTHEASTERN RAILROAD COMPANY

I am Lisa Pattison, the General Manager of the Dallas, Garland & Northeastern Railroad Company. We are a short line railroad serving freight customers in the Dallas Metroplex area.

Dallas, Garland & Northeastern Railroad is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and the Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroads may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For these reasons, the Dallas, Garland & Northeastern Railroad opposed the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 9, 1998.

Lisa Pattison

Lisa Pattison

DSR

Delta Southern Railroad Company

VERIFIED STATEMENT
OF DELTA SOUTHERN
RAILROAD COMPANY

I am William P. Wainright, the president of Delta Southern Railroad Company. We are in the business of common carrier rail operations.

Delta Southern Railroad Company is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

We have experienced a slow but steady improvement of service under their current service plans. To place conditions or change U.P.'s ability to fight their way out, would undermine their service plan and infrastructure throughout it's system. Furthermore, we are concerned that added conditions would increase the service problems especially in Houston and The Gulf Coast, as well as throughout the Southwest, because of too many trying to control rather than one. This could hurt our business and certainly degrade our rail options.

Although we have seen aggressive competition with BNSF, KCS and TEX MEX toward U.P. since the merger, and these railroads may want still more opportunities, let them compete without further conditions that could possibly weaken U.P.

For these reasons, Delta Southern Railroad Company opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 17, 1998.

William P. Wainright
President

P. O. Box 1709 – Madison Parish Port – Tallulah, Louisiana 71282
Telephone 318-574-5420 – FAX 318-574-4029

VERIFIED STATEMENT
OF

JAVIER TELLO SANDOVAL

1. My name is **JAVIER TELLO SANDOVAL**. I am employed by Ferrocarril Mexicano (known as "FERROMEX") as Vicepresident of Transportation[1]. My office is located at **Bosques de Ciruelos No. 99, Col. Bosques de las Lomas, Deleg. Miguel Hidalgo, 11700 México, D.F.**

2. I worked for Ferrocarriles Nacionales de México ("FNM") in different positions such as executive officer of railroad projects, manager of planning and general manager of transportation from 1966 up to 1997, when I joined FERROMEX. I attended several courses concerning railroading organized by the World Bank and participated in seminars held, in Japan and the United States.
Currently I am in charge of the transportation area of FERROMEX, among others my responsabilities in this company consist of operating the railroad according to international standards and regulations.

3. I am submitting this statement to the Surface Transportation Board to address the request BNSF has made for trackage rights over UP's line between San Antonio, Texas, and the Nuevo Laredo (Laredo) gateway. Were the Board to grant BNSF's request, BNSF would shift a considerable amount of traffic away from the Piedras Negras (Eagle Pass) gateway which FERROMEX serves, to the Nuevo Laredo (Laredo) gateway. That loss of traffic at Piedras Negras (Eagle Pass) would significantly impair FERROMEX's ability to provide meaningful competition with TFM for the movement within Mexico of U.S.-Mexico railroad traffic. Strong competition within Mexico was one of the driving forces behind Mexican rail privatization and is essential if international railroad

[1] Union Pacific has a minority ownership interest in FERROMEX (13%) However, FERROMEX is submitting this statement based on its own interest, and that of competition, not because of UP's ownership stake.

shippers throughout North America are to receive the benefits of true competition.

4. FERROMEX started operations in February 1998 as a result of the sale by the Mexican government of several lines of the government-owned FNM railroad system. FERROMEX's principal lines extend from the border gateways- especially Ciudad Juarez (El Paso) and Piedras Negras (Eagle Pass)- in the north to Mexico City in the south, and reach the important industrial centers around Monterrey and the important agricultural center of Guadalajara. FERROMEX also serves two Gulf of Mexico ports -Altamira and Tampico - and four Pacific Ocean ports -Guaymas, Topolobampo, Mazatlan and Manzanillo. A map of FERROMEX's system is attached.

5. Among the central purposes of the Mexican government's privatization of FNM's rail lines was to create competition among independent, privately owned railroads within Mexico, both for domestic traffic and for international trade with the United States and Canada. Within Mexico, FERROMEX competes directly with Transportación Ferroviaria Mexicana ("TFM"). Like FERROMEX, TFM's route structure extends from the U.S. border through Monterrey to Mexico City. For much traffic between the central and eastern United States (as well as Canada) and Mexico, FERROMEX and TFM compete head to head. FERROMEX handles this traffic via the Piedras Negras (Eagle Pass) gateway, while TFM uses the Nuevo Laredo (Laredo) gateway. (Both FERROMEX and TFM serve additional gateways -Ciudad Juarez (El Paso) in FERROMEX's case[2] and Matamoros (Brownsville) in TFM's case - but these gateways are not used extensively for traffic flows between the major industrial areas of Mexico and the central and eastern United States.

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[2] Ferromex also serves three other gateways that play no role in traffic between Mexico and the central and eastern United States - Nogales, on the Arizona border, Mexicali (Calexico), on the California border; and Ojinaga (Presidio), where FERROMEX connects with South Orient railroad.

6. In its submission to the Board asking for trackage rights between San Antonio and Nuevo Laredo (Laredo), BNSF asserts that privatization of the Mexican railroad system has not achieved the expected level of direct railroad competition between privatized railroads within Mexico. We at FERROMEX disagree with this statement. TFM and FERROMEX were both carved out of the FNM monopoly. Although it is true that FERROMEX's efforts to provide strong and effective competition against TFM have gotten off to a slower start than we would have liked, we are making steady progress and have already introduced new railroad -to- railroad competition within Mexico where none previously existed. BNSF's request for trackage rights to serve Nuevo Laredo (Laredo) directly would squelch this competition before it has a fair chance to become more robust.

7. FERROMEX's early efforts to develop a strong competitive alternative to TFM were hampered by the fact that our privatization did not get underway until February 1998, more than eight months after TFM became operational. As a result, we have had less time than TFM to work out the operational bugs that affect any newly created railroad operating hundreds of miles of rail lines.

8. Despite these hurdles, FERROMEX has been able to make steady improvements in our service and operational improvements throughout our system. One of our major areas of focus has been on improving our competitiveness in order aggressively to pursue U.S. Mexico traffic in competition with TFM via the Piedras Negras (Eagle Pass) gateway. One of the principal objectives of the Mexican government's railroad privatization program was to create railroad competition within Mexico for the international traffic flows. That traffic is important to FERROMEX as well, comprising roughly 30% of our total system traffic.

9. FERROMEX's connections with the UP and BNSF at the Piedras Negras (Eagle Pass) gateway are absolutely

essential to our ability to provide meaningful competition with TFM within Mexico. Since FERROMEX's creation, we have worked diligently and closely with both UP and BNSF to develop more efficient operations at Piedras Negras (Eagle Pass) and market our joint services to railroad customers. As part of these efforts, and to accommodate anticipated future traffic growth, FERROMEX and each of its interline partners north of the border are engaged in discussions about ways to improve the efficiency of the Piedras Negras (Eagle Pass) gateway. Some of the approaches involve expansion in physical capacity. For example, FERROMEX is upgrading its Piedras Negras yard and BNSF is constructing several staging tracks near Piedras Negras (Eagle Pass) to facilitate the handling of its cross border grain and other traffic at that gateway. In addition the railroads at Piedras Negras (Eagle Pass) have also been working together to improve the border clearance process and the coordination of their operations north and south of the border, so that Piedras Negras (Eagle Pass) can more closely approximate the level of efficiency that has been achieved at Nuevo Laredo (Laredo).

10. Equally important to the overall success of FERROMEX's competitive efforts, FERROMEX is in the process of making significant improvements to its lines within Mexico - with special focus on the line serving Piedras Negras (Eagle Pass) to sustain efficient train operations in competition with TFM. Significant capital projects are underway between Piedras Negras (Eagle Pass) and Ciudad Frontera, and further work is planned. FERROMEX needs to sustain its current levels of traffic via Piedras Negras (Eagle Pass) to support these investments.

11. Continued cooperation and mutual efforts to improve the Piedras Negras (Eagle Pass) gateway and the continued revenue flows from traffic via that gateway are thus

vital to FERROMEX's ability to strengthen the level of competition it provides TFM within Mexico. BNSF's proposed trackage rights operations over UP's line between San Antonio and Nuevo Laredo (Laredo) represent a dangerous threat to FERROMEX's ability to continue its focus on international traffic and thus endangers the development and preservation of true competition within Mexico for U.S. Mexico traffic. BNSF explains that if it gets the rights it has asked for it will shift the grain traffic that currently moves via Piedras Negras (Eagle Pass) to the Nuevo Laredo (Laredo) route. In addition, there is no doubt that the same considerations that would lead BNSF to prefer a new direct route to Nuevo Laredo (Laredo) over Piedras Negras (Eagle Pass) would also cause it to attempt to shift its other traffic moving via Piedras Negras (Eagle Pass) to the Nuevo Laredo (Laredo) gateway, for instance, grains, chemical products, paper scrap or automobiles. The traffic that BNSF interchanges with FERROMEX at Piedras Negras (Eagle Pass) represents a significant percentage of all FERROMEX's international traffic.

12. Loss of this important BNSF traffic to TFM would deprive FERROMEX of a significant source of revenue and drastically undermine the efforts that FERROMEX and BNSF are currently taking to improve the Piedras Negras (Eagle Pass) gateway and strengthen competition for U.S. Mexico traffic. FERROMEX would be forced to shift its emphasis to developing traffic opportunities within Mexico, and deemphasize the international traffic via Piedras Negras (Eagle Pass). No longer would the parties have the necessary financial incentives to invest in new infrastructure at Piedras Negras (Eagle Pass). Similarly, FERROMEX's ability to invest in needed improvements to its line to the Piedras Negras (Eagle Pass) gateway would also be undermined. Were FERROMEX's service to degrade as a result of its reduced ability to make needed investments in maintenance and

infrastructure, FERROMEX would suffer still further erosion of its traffic base and ability to compete against TFM.

13. KCS's formation of the so called "NAFTA Railroad" comprised of TFM, KCS (with Gateway Western) and Tex Mex, and its recent announcement of an extensive marketing and operating "Alliance" with both Canadian National and Illinois Central, make it even more important that the Board not give BNSF rights that reduce its incentives to work with FERROMEX via the Piedras Negras (Eagle Pass) gateway. These developments have further strengthened TFM at the expense of FERROMEX's nascent competitive efforts.

14. The only way true competition for US Mexico traffic can flourish and achieve the benefits the Mexican government anticipated when it privatized the FNM rail network is for shippers to have the ability to chose alternate carriers north and south of the border. We therefore urge the Board not to cripple FERROMEX's efforts to develop a meaningful competitive presence at the Piedras Negras (Eagle Pass) gateway by granting BNSF its own direct route to Nuevo Laredo (Laredo).

VERIFICATION

I declare under penalty of perjury that the foregoing statement is true and correct and that I am qualified and authorized to provide this statement.

JAVIER TELLO SANDOVAL

Dated: September 14,1998.

V-050


Ferromex
Ferromex
Trackage rights
UP
Calexico
UP
Nogales
BNSF
UP
El Paso
Ciudad Juárez
SO
Presidio
UP
BNSF
Eagle Pass
Piedras Negras
Laredo
Nuevo Laredo
Brownsville
Matamoros
Los Mochis
Topolobampo
Culiacán
Mazatlán
Victoria
Altamira
Tampico
Gulf of
Mexico
Guadalajara
JALISCO
Manzanillo
Veracruz
Pacific Ocean
Ferrocarril
Mexicano

GEORGETOWN RAILROAD COMPANY
5300 South IH-35
Georgetown, Texas 78627-0529
512-863-2538
Fax: 512-869-2649

JAMES E. ROBINSON
President

August 12, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

We wish to offer our support to the Union Pacific and oppose the requests to impose further conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

It would be completely counterproductive to add more burdens to the merger at a time when we are seeing real progress. Effective rail competition depends on a strong railroad competing against another strong railroad. Union Pacific has been seriously weakened by this merger and needs the support of their customer base in order to recover. There is no basis for taking away even more traffic and revenue from the Union Pacific. Further weakening of the Union Pacific is the wrong approach.

While there have been disappointments with UP's service over the past year, their service has improved considerably over the past months. Turn around times on Georgetown Railroad shipments have improved from as bad as 30 days at the worst to 8 to 10 days currently. Normal is probably in the 6 to 8 day range to fully satisfy our customer base. Union Pacific has over the last month been supplying us with 100 to 150 addition gondolas per week for shipment of aggregates.

In summation, we feel the crisis is over and Union Pacific is on the road to recovery. Let's all give it a chance to work without any further intervention.

Sincerely,

J. E. Robinson

J. E. Robinson

VERIFIED STATEMENT OF
THOMAS F. STEINIGER, PRESIDENT
GUILFORD RAIL SYSTEM

September 16, 1998

1. My name is Thomas F. Steiniger. I am the President of the Guilford Rail System, a regional railroad system operating throughout New England and eastern New York State and composed of the Boston and Maine Corporation, Maine Central Railroad Company, Portland Terminal Company and Springfield Terminal Railway Company.

2. I have prepared this Verified Statement in order to express the views of the Guilford Rail System with respect to the proposals to impose certain new conditions on UP's operations around Houston and in the Gulf Coast as part of the Board's ongoing oversight of the UPSP merger.

3. The Guilford Rail System, and in particular the Maine Central Railroad Company, have had a previous encounter with the subject of open access, including proposals by competing railroads to be given access to Guilford's lines, and so we can comment with some measure of experience on its potential impact upon other railroads, as well as itself.

4. In late1986 and into 1987, as Maine Central and the other members of the Guilford Rail System endured the financial and operational strain of strikes on the part of their agreement personnel, the Canadian National Railway initiated proceedings before the Interstate Commerce Commission in an effort to force itself on to our lines via a theretofore insignificant branch line, which has since been spun off as the shortline St. Lawrence & Atlantic Railroad. Their efforts were unsuccessful and, as time has shown, their objective unneccessary to ensure fairly priced competetive rail service to the region.

Left to deal with its customers and other competitors in a natural business environment, Guilford weathered its storm and emerged well positioned to invest capital and time in reestablishing old markets and developing new ones.

5. In our view, there are several reasons why it would be inappropriate for the Board to consider granting UP competitors additional access to UP's lines around Houston and in the Gulf Coast under the guise of its oversight function in the UPSP merger proceeding.

6. First, it is our position that the subject of "open access", with its potentially catastrophic impact on the viability of the railroad industry as a whole, through the elimination or curtailment of the ability to price differentially, is one which must be addressed, if it is to be considered at all, in a forum much broader than this individual merger proceeding. It is a subject more approriate for legislative, rather than regulatory action.

7. Second, even if the Board believes this forum to be appropriate, the competetive issues raised by this particular case have already been considered, analyzed and decided. In doing so, the Board followed its time-honored standard of conditioning mergers only to address harmful loss of competition. The Board's analysis of Houston-area competetive issues resulted in the preservation of competition for so-called "2-to-1" shippers, concluded that competition would be stronger, not weaker, for "3-to-2" shippers, and refused to open up "1-to-1" shippers to a second railroad. The Board also analyzed source competition issues and found that the merger would maintain strong source competition, especially for Gulf Coast chemicals. We are advised that UP's annual oversight reports (July 1, 1997 and July 1, 1998) indicate that the conditions

previously granted in favor of BNSF and Tex Mex have been effective in preserving competition. With competition preserved and working well, there is no basis for imposing further conditions on the UPSP merger.

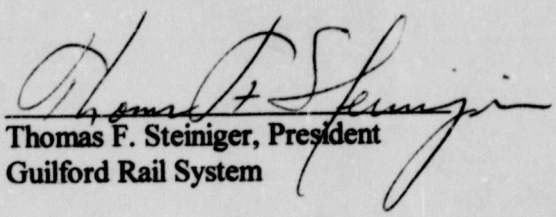
8. Finally, the present situation strikes a particular chord with Guilford in that certain parties are apparently seeking to utilize another carrier's temporary service difficulties as a platform from which to gain an unwarranted competetive advantage. The major conditions being sought include (i) KCS/Tex Mex's proposal to open up UP's exclusively-served Houston-area traffice and (ii) BNSF's proposal to insert a second single-line route to Laredo, where only one existed pre-merger (and where, by BNSF's own admission, the BNSF-Tex Mex joint route line is handling more traffic than did the pre-merger SP-Tex Mex line). These proposals reach beyond the Board's standard of taking action to avoid abuse of market power. The UP situation is not about market power being abused, and starting down the slippery slope by imposing thereon an "open access" agenda by giving competitors forced access to UP's facilities, where not otherwise justified by any failure or reduction of competition, will not be in the best interests of UP or the industry as a whole.

9. Accordingly, Guilford urges the Board to reject the condition requests being advanced in the Houston/Gulf Coast Oversight Proceeding.

VERIFICATION

I, Thomas F. Steiniger, declare under penalty of perjury that the foregoing is true and correct, to the best of my knowledge, and that I am authorized to provide this Verified Statement on behalf of the Guilford Rail System.

Executed as of September 16, 1998.



Thomas F. Steiniger, President
Guilford Rail System

Ironhorse Resources, Inc.

Ironhorse Resources, Inc. acting as agent for Texas Railroad Switching, Inc., Railroad Switching Service of Missouri, Inc. Southern Switching Co. & Rio Valley Switching Co.

102 WILLOW DRIVE • P.O. BOX 99 • O'FALLON, ILLINOIS 62269 • 618/632-4400
FAX 618/632-4562

August 21, 1998

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

RE: Houston/Gulf Coast Ovesight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

Our company manages the Rio Valley Switching Company in McAllen, TX and the Southern Switching Company in Abilene, TX. Both of these companies operate short line railroads and they interchange traffic to Union Pacific Railroad at these locations. I am writing in regards to the above referenced item.

It is my opinion that the requested conditions are not necessary. Union Pacific is operating more efficiently than in the past. We have seen cars moving to our customers in a more consistent and timely manner. I do not think it would be of benefit for the STB to impose more conditions on Union Pacific since they are improving their ability to meet shipping demands.

We have taken over a former Southern Pacific line that serves Edinburg, TX since the UP/SP merger has been completed. The customers on this line would tell you that they are currently having the best service for their facilities that they have experienced in many years. This would not have been the case if Union Pacific did not purchase the Southern Pacific.

It is essential that the STB leave the Union Pacific with a strong railroad competing against the BNSF. This will only enhance both railroads ability to improve service and pricing through time. It is time for the STB to allow the Union Pacific to operates its railroad under the same conditions as the STB allows all the other Class 1 carriers to operate their railroads.

If you have any questions or comments, please feel free to call me at the above number.

Sincerely,

Greg Cundiff

Greg Cundiff
President

VERIFIED STATEMENT
OF
LOUISIANA & DELTA RAILROAD, INC.

I am the President & General Manager of the Louisiana & Delta Railroad, Inc.. We are in the business of owning and operating 112 miles of former Southern Pacific branch lines in south-central Louisiana. Louisiana & Delta handles 15,000 car loads of business a year and interchanges traffic with both Union Pacific and Burlington Northern Santa Fe.

Louisiana & Delta is opposed to proposals to impose new conditions on Union Pacific's operations which, in and of themselves, may erode Union Pacific's traffic base and lessen Union Pacific's ability to make needed capital investment.

Since mid 1997 Louisiana & Delta has lost over 2,000 carloads of business because of Union Pacific's inability to supply cars to load and because of customer dissatisfaction with Union Pacific's transit time. We have also not gotten some of the work and revenue which was anticipated when we originally supported the merger. Those issues have had to be addressed by cutbacks in personnel, as well as planned improvements on Louisiana & Delta.

As a result of our own experience, we are convinced captial investment by Union Pacific, and others, is an essential part of the long term solution to the problem. This capital investment appears to require both acquisitions of rolling stock and improvements to facilities.

We are very concerned that Union Pacific not be weakened with traffic conditions that will hinder its ability to make needed investments. Significant financial strength, built upon a good traffic base, will be required if Union Pacific is to maintain the confidence of financial institutions which will be asked to support the new investment.

Louisiana & Delta urges the Surface Transportation Board not to impose conditions on Union Pacific that will simply result in a handoff of Union Pacific traffic to other carriers where Union Pacific has the potential to invest to handle the traffic safely and efficiently. We urge the Surface Transportation Board to focus on

mechanisms by which the physical handling of traffic can be improved.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 1, 1998.

F. L. Becht

Forrest L. Becht
President & General Manager

Metra
547 W. Jackson Boulevard Chicago, Illinois 60661 Phone: 312 322-6900 TDD# 312 322-6774

August 19, 1998

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

RE: Finance Docket No. 32760 (Sub-No. 26)
Oversight Proceeding

Dear Secretary Williams:

Metra is responsible for operating, or contracting for operation of, rail service on most of the railroad lines emanating from Chicago, the largest commuter operation in the United States. Our most extensive Purchase of Service arrangement is with Union Pacific, which operates commuter trains for Metra on three former Chicago and NorthWestern routes: the North Line from Chicago to Kenosha, Wisconsin; the Northwest line from Chicago to Harvard and Crystal Lake to McHenry, Illinois; and the West line from Chicago to Geneva, Illinois. On each of these routes, Metra runs 60 or more trains on weekdays and fewer trains on weekends and holidays.

Metra was dissatisfied with UP's service shortly after the UP/CNW merger, but UP brought its service levels back up to pre-merger standards. While we have not been as satisfied with UP service levels during the last few months, we are working together to make improvements.

One area of success over the many years we have worked together with CNW/UP has been the Metra Railroad capital program. Our joint program improves the track structure, makes capacity enhancements that will help service issues, and we have planned for a 10-mile extension of commuter service on UP's West line. In these projects, UP contributes the freight allocation of the capital costs in instances where freight is benefited. It is not in Metra's best interest to have UP's capital budget constrained in the future, as UP may not be able to participate in the capital program on as timely a basis, if at all.

Therefore, this letter is in response to the various requests filed by shippers and others requesting increased access to Union Pacific's traffic base in Texas and the Gulf Coast. I am opposed to the proposals to impose new conditions on the Union Pacific's operations in Texas and the Gulf Coast areas, as this action could harm UP and its future ability to make joint capital improvements with Metra on track structure used by Metra in Chicagoland.

It seems that the initially-imposed pro-competitive conditions of the UP/SP merger have been working. I do not want Union Pacific to be financially weakened by the imposition of additional conditions not contemplated in the initial merger with Southern Pacific, specifically the loss of large amounts of traffic. the initial merger with Southern Pacific, specifically the loss of large amounts of traffic. Metra wants UP to have the ability to contribute to the annual joint track capital program, which benefits both the commuter operation and UP's freight operation. The success of this joint capital program has allowed large numbers of freight trains operate in the same corridor with commuter trains, while providing at 96%-98% on-time performance for the commuter trains. If UP does not stay financially sound, this joint capital program could be delayed or canceled.

While we at Metra have not tried to understand the technicalities of what is happening in Texas and the Gulf Coast, we do not want any changes made if it will affect Metra's Chicago commuter operations on UP. Do not make this change.

Sincerely,

Philip A. Pagano
Executive Director

sy

James W. Benz
President

Rail Link, Inc.

VERIFIED STATEMENT

OF JAMES W. BENZ

RAIL LINK, INC.

My name is James W. Benz and I am president of Rail Link, Inc., a nationwide provider of contract switching and related rail car handling services. Rail Link serves twenty-three major industrial companies in nine states and operates six shortline railroads, one of which is Corpus Christi Terminal Railroad, which serves the Port of Corpus Christi, TX. Seven of our industrial switching contracts are in the state of Texas; at each customer location we deliver to or receive rail cars from Union Pacific. At Corpus Christi, our railroad interchanges with both Union Pacific and Tex Mex, who also operates as authorized agent for Burlington Northern Santa Fe.

In recent months we have seen improvements in Union Pacific service in the Texas area and a reduction of the congestion problems which had previously hampered rail service on Union Pacific over the past year. We have also noticed an improvement in the yard congestion and operational performance of Union Pacific in Corpus Christi. Because of these factors, we are opposed to the proposals to impose conditions granting operating rights to competing railroads in the Houston, TX area. It is our opinion that Union Pacific is taking the steps necessary to return service to acceptable levels and with improvements being shown, should be allowed to continue this effort without distraction. We therefore recommend that the Surface Transportation Board reject this plan.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 17, 1998.

James W Benz

James W. Benz

8711 Perimeter Park Boulevard, Suite 1; Jacksonville, Florida 32216
(904)620-9454 Facsimile (904)620-9460

sabine river & northern

VERIFIED STATEMENT
OF
JERRY MONTGOMERY
On behalf of
SABINE RIVER & NORTHERN RR

My name is Jerry Montgomery. I am President of the Sabine River & Northern RR, P.O. Box 5000, Orange, Texas 77632. The SRN serves as it's major customers two paper mills and a sawmill. We ship paper and lumber across the United States and into Mexico.

As President I am responsible for all phases of our operation. I have been in this position for eight years.

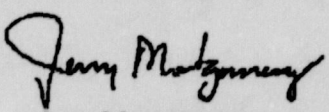
Our railroad is unique as a shortline in that we interchange with four Class I railroads. We have worked closely with the UP,SP,KCS and BNSF for the past twenty five years. We have interchanged thousands of cars over this period and feel that we are eminently qualified to evaluate the service provided by Class I railroads.

The UP has consistently outperformed the BNSF and KCS in every respect. Their service since the UP/SP merger has been better than the BNSF. Our Evadale, Tx. paper mill has gone days without service due to the congestion in the BNSF's Silsbee, Tx. yard.

Our hope would be that the STB will view the past years service problems as an industry problem and not single out the UP. The UP has acknowledged their problems and has made great strides to improve customer service.

In our view, granting "open access" in the Houston and Gulf Coast would not improve service and in the long term be counter productive. We believe that the KCS/Tex Mex and the BNSF are only using this opportunity to gain a competitive edge. In light of the progress made by the UP in the pasted three months and considering the possible long term negative effect on competition we strongly recommend that the STB not take any further action at this time.

I, Jerry Montgomery, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am authorized to file this verified statement. Executed on August 26,1998.



Jerry Montgomery
President
Sabine River & Northern RR

VERIFIED STATEMENT
OF THE
SALT LAKE GARFIELD & WESTERN RAILWAY COMPANY

I am Donald M Hogle the President of the Salt Lake Garfield & Western Railway Company. We are in the business of movement of freight interchanged to us by both the UP and BN railroad.

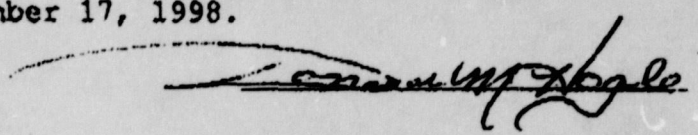
It was brought to my attention that there is an attempt to divert a portion of present UP business to other railroads. UP has been weakened by loss of some business and they have reported substantial losses in these resent periods. They have substantial requirements for investment needs over the near future in the Houston and Gulf areas. To divert current business today to other railroads would be devastating to their present agenda and program which are in progress.

When I review time movement by other railroads compared to that of UP there is no great, if any, difference other than the UP getting the brunt of bad publicity. By putting further restrictions and diversion of their current business to other railroads, in my opinion, can develop into a situation that could be catastrophic to the entire industry.

Let there be fair market competition between UP and the other railroads. Those others do not deserve it handed to them on a silver platter. At this time the UP does not need to be weakened by further restrictions, conditions, and transfer of current freight business.

For these reasons, the SLGW Company opposes the request for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September 17, 1998.



VERIFIED STATEMENT
OF ROBERT I. MELBO
WILLAMETTE & PACIFIC RAILROAD, INC.
PORTLAND & WESTERN RAILROAD, INC.

I am Robert I. Melbo, the President & General Manager of Willamette & Pacific Railroad, Inc. ("W&P") and Portland & Western Railroad, Inc. ("P&W). W&P and P&W together operate a regional system of 444 miles of former SP and BN branch lines in northwestern Oregon providing quality railroad service to more than 135 customers. In 1997, these railroads combined handled 55,751 carloads grossing $16,947,034 in revenues. Approximately 80 per cent of the carloads were received from or delivered to Union Pacific, thus making W&P/P&W combined UP's largest short line connection, in terms of carloads, on the entire West Coast. In 1998, through July, carloads totaled 37,455 and gross revenue $11,975,826.

W&P and P&W are opposed to proposals to impose new conditions on UP's operations that will erode UP's traffic base and lessen UP's ability to make needed capital investment.

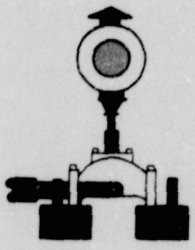
Since the beginning of 1998, W&P and P&W have lost about 1,800 carloads because of UP's inability to supply cars to load and because of customer dissatisfaction with UP's transit time. We have addressed a small part of this problem ourselves by acquiring 100 new centerbeam cars to handle lumber. But the problem continues, and slow service means that even our own cars cannot be used productively and that the loss of traffic therefore continues. We are convinced that capital investment by UP is an essential part of the long-term solution to the problem. This capital investment appears to require both the acquisition of rolling stock and improvements to physical facilities, particularly in Texas.

We are very concerned that UP not be weakened with traffic conditions that will hinder its ability to make this needed investment. UP will need significant financial strength built upon a robust traffic base if it is to be able to hold the confidence of the financial community that will be called upon to support the new investment.

We urge the STB not to impose conditions on UP in Texas or elsewhere that will simply result in a handoff of UP traffic to other carriers where UP has the potential to invest to handle the traffic efficiently. We urge the STB to focus instead upon the mechanisms by which the physical handling of traffic can be improved and its cost reduced. We know that UP itself is committed to this effort, and we support them in it.

I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated September __, 1998.

_____
Robert I. Melbo



WILLAMETTE VALLEY RAILWAY COMPANY

P.O. Box 917
McMinnville, OR 97128
800-495-2300

VERIFIED STATEMENT OF

WILLAMETTE VALLEY RAILWAY COMPANY

I am David P. Root, Secretary-Treasurer of Willamette Valley Railway Company. We are in the business of providing rail freight service to customers in Linn and Marion Counties in the State of Oregon. We employ 13 employees and handled over 3500 cars a year. Our company needs a strong Union Pacific and wants to see them recover from the service problems as fast as possible.

Willamette Valley Railway Company is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Effective rail competition depends on a strong UP competing against a strong BNSF. These new conditions would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

The best answer to service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of them. Weakening UP with further conditions is a mistake. Furthermore, we are very concerned that added conditions in Houston and Gulf Coast will undermine UP's ability to invest in service and infrastructure throughout its system. This will hurt our business and degrade our rail options. Our company has already lost to much business to trucks.

We do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the STB on the UP/SP merger have worked well. We have seen aggressive competition against UP by BNSF, KCS and Tex Mex since the merger. While these railroad may want still more opportunities, competition is working without imposing further conditions that would weaken UP.

For those reasons, Willamette Valley Railway Company opposes the requests for conditions on UP's operations around Houston and the Gulf Coast and urges that the STB reject them.

I declare under the penalty of perjury that the foregoing is true and correct and that I am authorized to file this verified statement. Dated August 28, 1998.

David P. Root

Wisconsin & Southern Railroad Co.
P.O. Box 9229
5300 N. 33rd Street
Milwaukee, Wisconsin 53209-0229
Phone 414-438-8820 Fax 414-438-8826 Web Site www.wsorrailroad.com

VERIFIED STATEMENT
OF
WISCONSIN AND SOUTHERN RAILROAD COMPANY

My name is Jim Lombard, and I am the Director of Marketing for the Wisconsin and Southern Railroad Company (WSOR). WSOR is a short-line carrier that runs North as far as Oshkosh, WI, South to Chicago, IL, West to Prairie Du Chien, WI and East to North Milwaukee, WI. WSOR interchanges with UP Railroad at three points: Granville, WI; Janesville, WI; and Chicago, IL. In addition, WSOR leases from UP Railroad a 55-mile segment of track between Madison and Reedsburg, WI.

WSOR is opposed to the proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. UP Railroad needs to generate sufficient revenue to make necessary investments in its infrastructure throughout its system. UP Railroad has already been weakened financially by the recent service crisis, and the proposed conditions will inflict further financial harm on UP Railroad. UP Railroad needs time to fight back from its service problems in order to recover and remain a viable competitor for BNSF. The proposed conditions would harm this process.

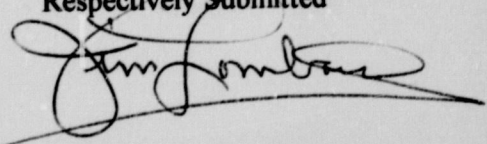
Furthermore, it is not fair to grant special conditions to shippers in one part of the country at the expense of shippers elsewhere. Our customers ship and receive canned goods, lumber, chemicals, aggregates, grain, paper and paper products on our railroad as well as UP Railroad. Our customers (along with shippers throughout the country) would end up bearing the costs of the proposed conditions. The need right now is to allow UP to continue its work on improving its service, not to impede its efforts.

If the Board perceives a need for emergency relief as UP Railroad works its way out of its service crisis, this should be granted on a temporary basis, not as permanent conditions to the merger. The proposed conditions are at cross-purposes to the goal of improving service and preserving balanced competition, because they would weaken UP Railroad even further. This would harm connecting short-line railroads like WSOR, and shippers like our customers, across the country.

I declare to the best of my knowledge that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on September 10, 1998.

Respectively Submitted



GOVERNMENT OFFICIALS

CHUCK HAGEL
NEBRASKA

348 RUSSELL SENATE OFFICE BUILDING
(202) 224-4224
(202) 224-9083 TTY/TDD

United States Senate

WASHINGTON, DC 20510-2705

FOREIGN RELATIONS
CHAIR, SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, EXPORT AND TRADE PROMOTION

BANKING, HOUSING, AND URBAN AFFAIRS

SPECIAL COMMITTEE ON AGING

September 8, 1998

The Honorable Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, N.W. Suite 700
Washington, D.C. 20423-0001

Dear Madame Chairman:

I am writing to express my concerns about possible permanent changes to rail operations in Houston, Texas. My concerns are for the financial health of the Union Pacific Railroad and how that directly relates to the overall level of rail service in Nebraska and the rest of the country.

As you noted in your decision allowing the Emergency Service Order of October 31, 1997, to expire, service in the Houston area has improved significantly. The problems that began in Houston and spread to the rest of the Union Pacific system did not result from the lack of competition in the Houston area. Rather, they were operational in nature, and Union Pacific has made great strides to correct them. However, Union Pacific has been financially weakened by the service crisis over the past year. Union Pacific operates in 23 states, one of which is Nebraska. The financial health of Union Pacific and its ability to be a viable competitor are vital if Nebraska shippers are to be competitive in the world market.

The fundamental reason behind the Union Pacific/Southern Pacific merger was to create a strong competitor in the rail industry. However, Southern Pacific was a very weak railroad. In order to provide true competition, Union Pacific will need to spend huge amounts of capital to upgrade its system. The diversion of revenue associated with these possible changes in the Houston area could seriously impact the ability of Union Pacific to invest in its entire system and provide adequate competition in the western United States.

Union Pacific, over the past year, has demonstrated the ability to solve many of the congestion problems that have plagued its system, and is committed to ensure a safe, efficient and competitive railroad. The possible changes to operations in the Houston area will severely hamper Union Pacific's ability to reach these goals. The diversion of traffic and the corresponding revenue will adversely affect Union Pacific's ability to make investments in its system and offer competitive services, which in turn will hurt not only Nebraska shippers, but shippers in all states served by Union Pacific. I urge you to reject any operational changes in the Houston area.

Thank you for your consideration and diligence in improving rail service across America.

Sincerely,

Chuck Hagel

4009 6TH AVENUE
SUITE 9
KEARNEY, NE 68847
(308) 236-7602

294 FEDERAL BUILDING
100 CENTENNIAL MALL, NORTH
LINCOLN, NE 68508
(402) 476-1400

300 EAST 3RD STREET
ROOM 304
NORTH PLATTE, NE 69101
(308) 534-2008

11301 DAVENPORT STREET
SUITE 2
OMAHA, NE 68154
(402) 758-8981

1010 AVENUE I
SCOTTSBLUFF, NE 69361
(308) 632-6032

STATE OF ARKANSAS
MIKE HUCKABEE
GOVERNOR

August 27, 1998

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
1925 K. Street, NW,
Washington, D.C. 20423-0001

Dear Chairman Morgan:

As Governor of Arkansas, I recognize the importance of responsive and efficient rail transportation connecting Arkansas with worldwide markets.

A large portion of Arkansas' transportation needs is served by Union Pacific Railroad company. I am well aware of problems experienced by Union Pacific and its customers following the Union Pacific/Southern Pacific merger. Acute shortages of equipment and crews coincided with accelerated demand which resulted in rail traffic problems of an unusual nature.

After careful consideration of the issues, I believe Union Pacific is making conscientious efforts to realize the operating improvements envisioned as goals of its merger with Southern Pacific. Marked progress in recent days is a product of those efforts.

It is my understanding that long term system improvements are directly linked to a comprehensive plan to offer service and realize revenues from the combined routes of Union Pacific and Souther Pacific as envisioned when the merger was approved. I hope that routes and traffic essential to Union Pacific's ability to support large investments for improvement will not be taken from Union Pacific. We understand some are using the service problems that Union Pacific has been experiencing as an opportunity to seek additional access to Union Pacific's traffic base in Texas, thereby, weakening a railroad our state depends upon.

The original merger pan should be given a chance to work. The sooner it is permanently in place, the better.

Sincerely yours,

Mike Huckabee

CITY OF HOPE
P. O. BOX 667
HOPE, ARKANSAS 71801

August 27, 1998

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

Dear Chairman Morgan:

The City of Hope, Arkansas is served by Union Pacific Railroad. Our rail service is essential to existing shippers and is a critical consideration for new industries seeking to locate here.

I am aware of the railroad's needs for sufficient revenue to support improvements in areas such as ours. Unless we are connected to world markets by adequate rail transportation, we know that we cannot compete with those who are.

I urge you to resist efforts to take needed revenues from Union Pacific in the Houston and Gulf Coast areas as a result of temporary problems with service in those areas.

Sincerely,

Dennis E Ramsey

DENNIS RAMSEY,
MAYOR

DR/na

City of Little Rock

Jim Dailey
Mayor

City Hall, Room 203
500 W. Markham
Little Rock, AR 72201-1427
(501) 371-4516
FAX (501) 371-4498

September 1, 1998

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
1925 "K" Street, NW
Washington, D.C. 20423-0001

Dear Chairman Morgan:

Every major commercial area today is well aware of the need to be served by a financially strong rail carrier. When circumstances threaten the strength of a serving carrier, the entire community has reason to be concerned.

As mayor of the City of Little Rock, Arkansas, it concerns me to read that Union Pacific Railroad has lost money for three quarters. Since Union Pacific is the major rail carrier for most of Arkansas, including Little Rock, I am further concerned with the knowledge that requests have been made to require Union Pacific to give trackage rights in Houston and south Texas to other carriers. Obviously, if granted, these petitions would result in further revenue losses for Union Pacific.

Please consider this letter as a petition opposing any measures that would weaken Union Pacific's financial ability to address capital and operating needs by depriving it of revenues from its own routes.

Yours truly,

Jim Dailey
Mayor

JD:lm

OFFICE OF THE MAYOR

PATRICK HENRY HAYS
MAYOR

PHONE (501) 340-5300
FAX (501) 340-5333

CITY HALL
P.O. BOX 5757
NORTH LITTLE ROCK, ARKANSAS 72119-5757

August 27, 1998

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
1925 "K" Street, N.W.
Washington, D.C. 20423-0001

Dear Chairman Morgan:

The City of North Little Rock, Arkansas, is an important service point for Union Pacific Railroad. North Little Rock is home for UP's Jenks Shop, a major locomotive repair facility, a hump yard for making up trains, and an intermodel facility. Union Pacific is one of Central Arkansas' largest employers and is North Little Rock's largest employer.

As Mayor of North Little Rock, I have followed closely the issues before the Safety Transportation Board before and after the merger of Union Pacific and Southern Pacific.

I believe we had a good understanding of the long term strategy of the merger when it was approved. Our present concern is that temporary problems experienced by Union Pacific following the merger may be used to frustrate plans for long term improvements in our area.

It is clear that large investments in equipment, facilities and personnel must be made by Union Pacific in order for it to be competitive in today's transportation environment.

It is equally clear that heavy capital expenditures cannot be made without adequate revenues envisioned by Union Pacific in its original merger concept. These revenues are largely dependent upon routes in the Houston and Gulf Coast areas, which are now coveted by other rail carriers.

In the interest of long term, soundly-based rail transportation in Central Arkansas, I respectfully request your consideration for further relief of Union Pacific from interference with its service in the Houston/Gulf Coast area.

I remain,

Sincerely,

Patrick H. Hays
Mayor

PHH:bt

CITY OF PINE BLUFF, ARKANSAS

OFFICE OF THE MAYOR

JERRY TAYLOR
Mayor

September 9, 1998

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

Re: *Houston/Gulf Coast Oversight Proceeding*
Finance Docket No. 32760 (Sub-No.26)

Dear Secretary Williams:

As Mayor of Pine Bluff, I submit this letter out of concern over certain requests made by Texas interests to gain access on Union Pacific Railroad property there that could possibly create adverse conditions here and elsewhere.

We recognize the importance of rail transportation in our area and in our state. Union Pacific is our state's largest railroad and is very critical to our transportation needs. Pine Bluff is also a beneficiary of Union Pacific's community relations program that supports numerous non-profit organizations here.

I am aware that difficulties arose as the Union Pacific-Southern Pacific began to merge their operations and serious congestion developed as a result of shortages including personnel and equipment. Increased demand for rail services also contributed to these problems. However, Union Pacific has made a strong effort to correct these conditions and your board has already recognized this as you have terminated the emergency order in place over the past few months.

Union Pacific continues to make the investments necessary to obtain the benefits in the approved merger. Those interests seeking benefits in Texas at Union Pacific's expense can only jeopardize future investments here and other areas of Union Pacific revenues are diminished and unable to provide a return on their expenditures. We are encouraged by all the improvements that have been made throughout the Union Pacific system and I urge the board to avoid any actions that would weaken the Union Pacific's recovery and it's services to our area.

Sincerely,

Jerry Taylor
Mayor

200 EAST EIGHTH AVENUE / PINE BLUFF, ARKANSAS 71601 / TELEPHONE (870) 543-1855 / FAX (870) 543-5198

Pulaski County

F.G. "BUDDY" VILLINES
COUNTY JUDGE / CHIEF EXECUTIVE OFFICER

ADMINISTRATION BUILDING
201 SOUTH BROADWAY, SUITE 400
LITTLE ROCK, ARKANSAS 72201
501-340-8305
501-340-8282 FAX

August 27, 1998

CITIES
ALEXANDER
CAMMACK VILLAGE
JACKSONVILLE
LITTLE ROCK
MAUMELLE
NORTH LITTLE ROCK
SHERWOOD
WRIGHTSVILLE

UNINCORPORATED AREA
600 SQUARE MILES

MILITARY BASES
LRAFB
CAMP ROBINSON

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Dear Chairman Morgan:

For many years, Pulaski County, Arkansas, and its principal cities, Little Rock and North Little Rock, have been privileged to have been served by the Union Pacific Railroad and its predecessor, the Missouri Pacific Railroad. In addition to providing reliable service to area businesses, Union Pacific is also one of Central Arkansas' largest employers.

Because of its significance to Pulaski County, I find it distressing to hear of plans by Union Pacific's competitors to take advantage of short-term circumstances in South Texas and the Houston area by suggesting proposals that could deprive Union Pacific of revenues it needs to maintain consistent service across its entire system. A financially weakened Union Pacific will not be able to maintain its heavy capital investment in equipment, facilities and personnel. It is clear that this result will adversely affect Pulaski County, as well as any other community served by Union Pacific.

I believe it is in the best interest of my County and other communities served by Union Pacific to reject this attempt to force Union Pacific to give its competitors usage rights over portions of its tracks, and I respectfully oppose any such attempts.

Sincerely,

Floyd G. Villines

F.G. "Buddy" Villines
County Judge/Chief Executive Officer

FGV:dp

CITY OF Searcy
401 West Arch Avenue
SEARCY, AR 72143-5202
(501) 268-2483

DAVID EVANS
Mayor

BELINDA LaFORCE
City Clerk-Treasurer

MIKE MILLAR
City Attorney
(501) 268-8220

August 24, 1998

Ms. Linda J. Morgan, Chairperson
Surface Transportation Board
1925 K. Street, NW
Washington, D. C. 20423-0001

Dear Ms. Morgan:

The City of Searcy, Arkansas is one of the fastest growing cities in Arkansas. We feel that having Union Pacific Railroad in very close proximity to our city and a spur rail that brings goods to and from our large industrial area has been conducive to our ability to secure new and expanding industries.

Therefore, on behalf of the City of Searcy, I urge you to resist any measures that would weaken this exceptional corporate citizen financially. I believe any loss of Union Pacific's earning power would inevitably result in a degradation of the outstanding service we have enjoyed in Searcy for decades.

Please give this situation your careful consideration.

Best regards,

David Evans

David Evans
Mayor

DE/fd

SACRAMENTO OFFICE
STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0001
TELEPHONE (916) 319-2067

DISTRICT OFFICE
16052 BEACH BLVD., #160
HUNTINGTON BEACH, CA 92647
TELEPHONE (714) 843-4966

Assembly
California Legislature

SCOTT BAUGH
ASSEMBLYMAN, SIXTY-SEVENTH DISTRICT

COMMITTEES:
VICE-CHAIR, HEALTH
JUDICIARY
INTERNATIONAL TRADE AND DEVELOPMENT
JOINT LEGISLATIVE AUDIT COMMITTEE

August 24, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K St. N.W
Washington, D.C. 20423-0001

Dear Mr. Williams:

The undersigned members of the California Legislature are writing to express our considerable concern regarding proceedings at the STB to reexamine the previously approved Union Pacific-Southern Pacific merger. We understand that a number of Texas participants in the proceedings have filed requests for special privileges. These requests concern us because of the impact they could have on Union Pacific operations in our state.

Union Pacific is a major employer in California and serves our economy in a myriad of ways. Union Pacific has invested considerable sums to increase the number of employees and improve the capacity of their railroad to combat the service difficulties that arose after the operating functions of the two railroads were merged. In California in the last 18 months, UP has filled more than 1,100 jobs and has spent over $195 million dollars on capital improvements.

Union Pacific's ability to continue this level of investments depends on its continued financial health. Competitors have capitalized on UP's service difficulties and have enjoyed dramatic increases in their earnings. UP, meanwhile, has posted three quarters of losses. These competitors, who now seek additional advantages, could create even more losses in Union Pacific operations. This would impact Union Pacific in all service areas, including California.

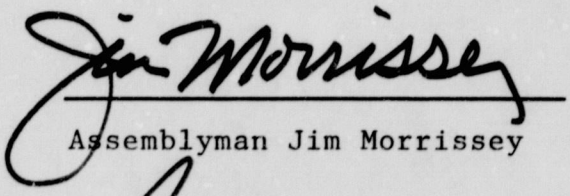
We do not believe that allowing successful competitors more access on Union Pacific tracks promotes competition in the railroad industry. Rather, it can only weaken UP's position throughout its system. We urge you to exercise considerable caution in your consideration of the rather self-serving request of these competitors.

Thank you for your consideration.

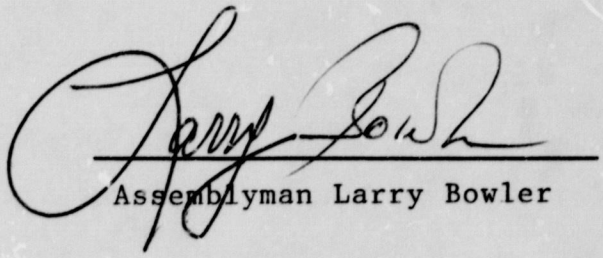
Sincerely,

Scott Baugh

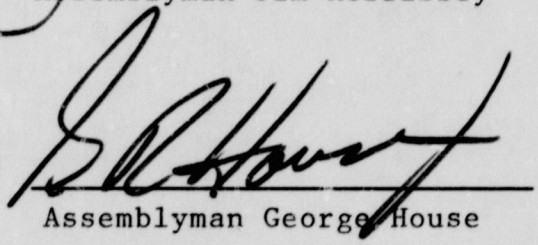
Assemblyman Scott Baugh
67th District



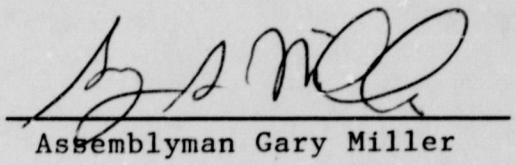
Assemblyman Jim Morrissey



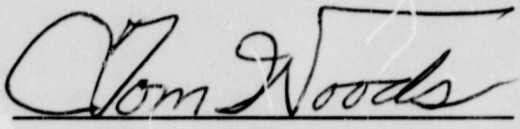
Assemblyman Larry Bowler



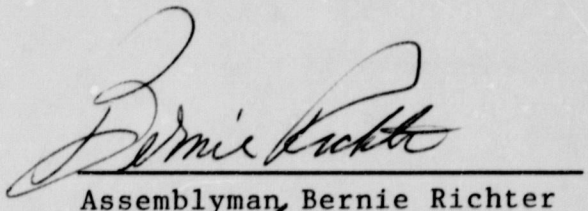
Assemblyman George House



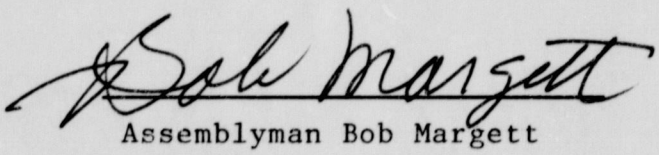
Assemblyman Gary Miller



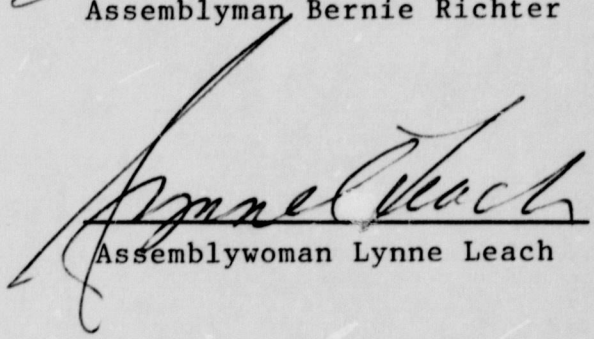
Assemblyman Tom Woods



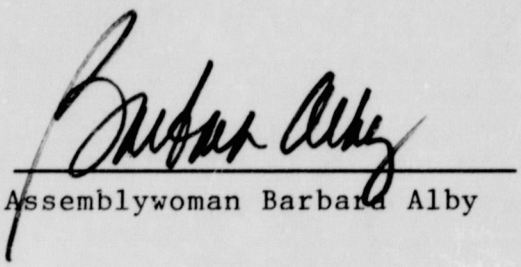
Assemblyman Bernie Richter



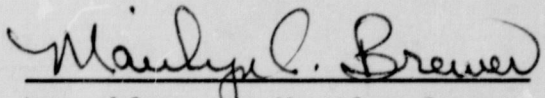
Assemblyman Bob Margett



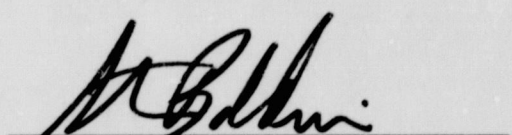
Assemblywoman Lynne Leach



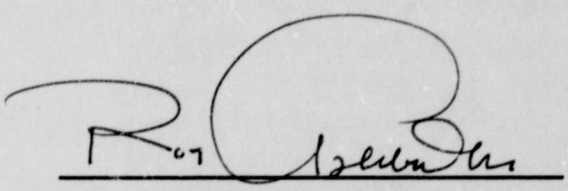
Assemblywoman Barbara Alby



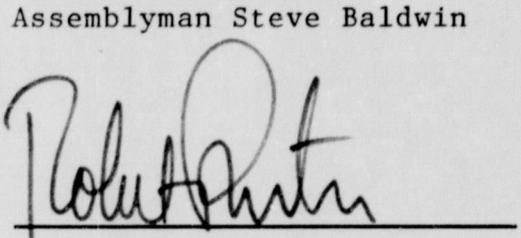
Assemblywoman Marilyn Brewer



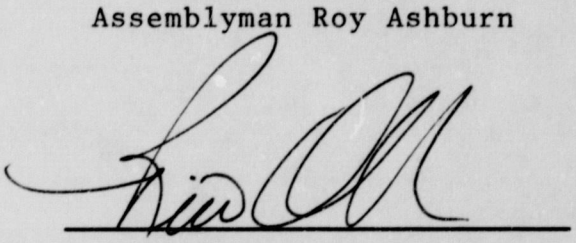
Assemblyman Steve Baldwin



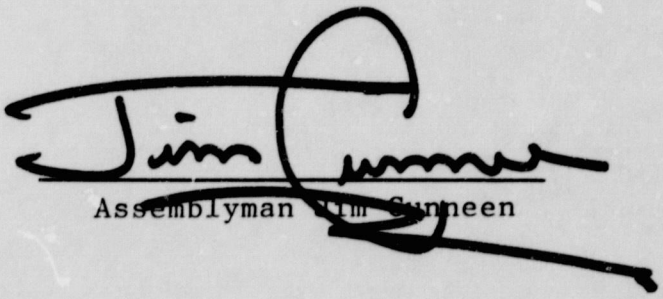
Assemblyman Roy Ashburn



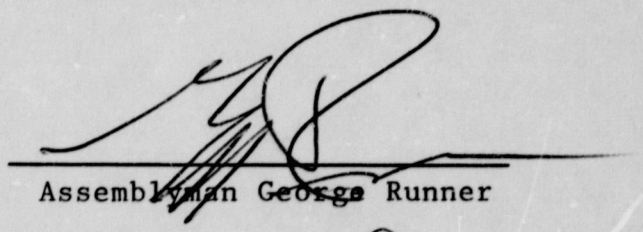
Assemblyman Robert Prenter



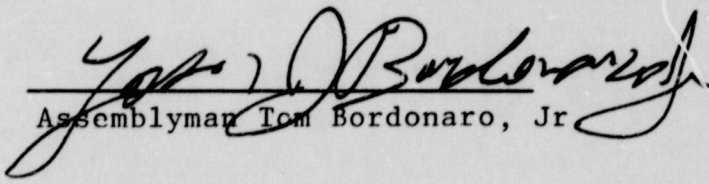
Assemblyman Rico Oller



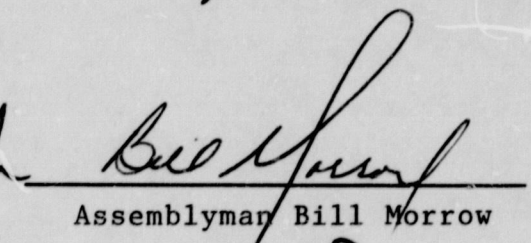
Assemblyman Jim Cunneen



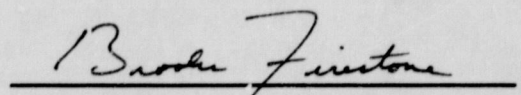
Assemblyman George Runner



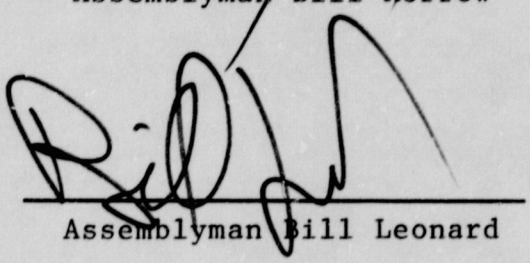
Assemblyman Tom Bordonaro, Jr



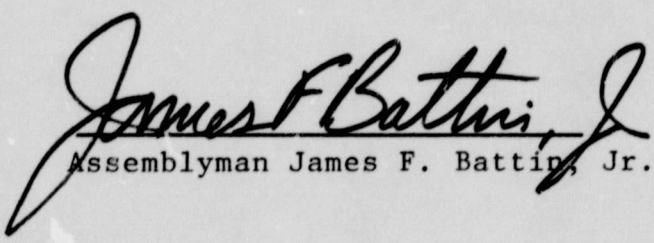
Assemblyman Bill Morrow



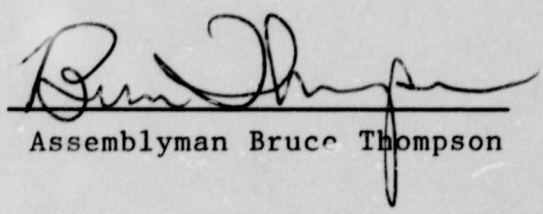
Assemblyman Brooks Firestone



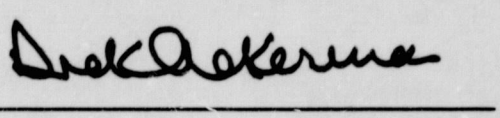
Assemblyman Bill Leonard



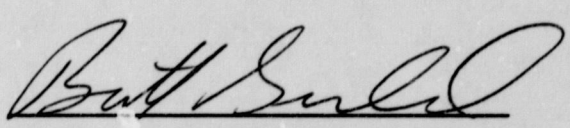
Assemblyman James F. Battin, Jr.



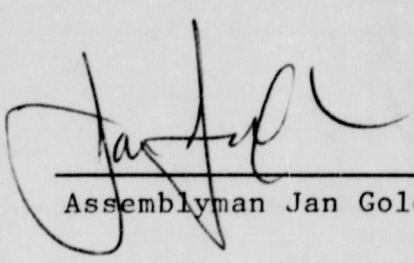
Assemblyman Bruce Thompson



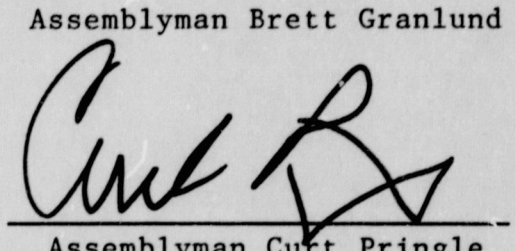
Assemblyman Dick Ackerman



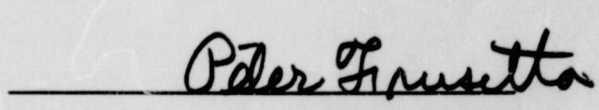
Assemblyman Brett Granlund



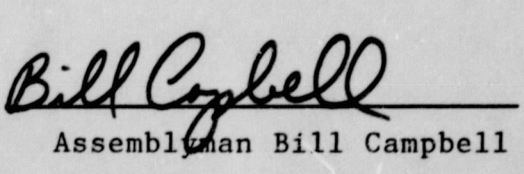
Assemblyman Jan Goldsmith



Assemblyman Curt Pringle



Assemblyman Peter Frusetta



Assemblyman Bill Campbell

P.O. Box 702
33 S. Main Street
Colfax, CA 95713

916-346-2313
Fax 916-346-6214

CITY OF COLFAX

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

The birthplace of our community is at and surrounding the railroad transfer established in 1865. Therefore as Mayor of the City of Colfax, I am very aware of the value of rail transportation. In a cooperative venture with the Union Pacific Railroad we are embarking on a Renaissance that will propel us into the twenty first century as a focal point of regional transportation in northern California. Not only is our railroad heritage an integral part of our community's being, it provides employment for our citizens whose payroll enhances our economy along with direct involvement with many businesses and payment of taxes to local governments.

Understanding that the Union Pacific Railroad Company operates in a large geographic area that covers most of our nation and that significant constraints placed in one area affect all of the systems operations I must express my concerns.

I am strongly opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Cost area. The STB established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions would disrupt the competitive balance by altering a key portion of the original merged system, thereby weakening Union Pacific when it is recovering its operational capability.

At the time of the merger, Southern Pacific was close to collapse. Union Pacific has been struggling to improve operations of the combined system and has made great strides, ending the service crisis. To continue the progress, Union Pacific has to make further investments to improve service and infrastructure throughout the system. The proposed conditions would deprive Union Pacific of the revenue necessary to make these investments and would make it more difficult for the Company to continue the service improvements we have seen in recent months.

In addition, it would be unfair to grant special access conditions in one part of the country at the expense of shippers elsewhere. In particular, I am concerned that our community and economy will be adversely impacted if Union Pacific competitors are granted concessions in another part of the UP system. Certainly, if Union Pacific's competitors want direct access to Union Pacific customers they can use their own capital to build the necessary track and facilities.

Our area has benefited from our association with Union Pacific Railroad. The service progress and community partnership should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country

Sincerely,

Scott Peery
Mayor

~0831

CITY OF DUNSMUIR

DUNSMUIR, CALIFORNIA 96025

PHONE (916) 235-4822

September 1, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street, NW
Washington, D.C.

Subject: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As Mayor of the City of Dunsmuir, I am very aware of the value of rail transportation service in our area. Union Pacific railroad is important to our community for a variety of reasons, including employees, businesses served and the overall contribution to the community through taxes, wages and corporate giving.

We are strongly opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Coast area. The STB established competitive conditions that were integrated into its approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions would disrupt the competitive balance by altering a key portion of the original merged system, thereby weakening Union Pacific when it is recovering it's operational capability.

At the time of the merger, Southern Pacific was close to collapse. Union Pacific has been struggling to improve operations of the combined system and has made great strides, ending the service crisis. To continue the progress, Union Pacific has to make further investments to improve service and infrastructure throughout the system. The proposed conditions would deprive Union Pacific of the revenue necessary to make these investments and would make it more difficult for the Company to continue the service improvements we have seen in recent months.

In addition, it would be unfair to grant special access conditions in one part of the country at the expense of shippers elsewhere. In particular, I am concerned that our community and economy will be adversely impacted if Union Pacific's competitors are granted concessions in another part of the UP system. Certainly, if Union Pacific's competitors want direct access to Union Pacific customers they can use their own capital to build the necessary track and facilities.

Our area has benefited from our association with Union Pacific Railroad. The service progress and community partnership should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and other communities around the country.

Very truly yours,

Ivan Young

Mayor Ivan Young

CITY COUNCIL
CITY OF ROSEVILLE
TRADITION • PRIDE • PROGRESS

311 VERNON STREET, #208 • ROSEVILLE, CA 95678
PHONE: (916) 774-5362 • FAX: (916) 786-9175

August 19, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As Mayor of the City of Roseville, California, I am very aware of the value of the railroad industry to the Roseville community. Roseville was founded, in large part, to serve the railroad industry and at one time featured the largest railyard in the western United States. In 1996, Union Pacific Railroad became a member of our community through its merger with the Southern Pacific Railroad Company. Currently, Union Pacific is one of the five largest employers within the City of Roseville and is investing $140 million+ in renovating the Roseville railyard into a state of the art facility.

I have become aware of efforts within the railroad industry to have the Surface Transportation Board require Union Pacific permit their competitors access to their tracks and facilities in the Texas Gulf Coast Region. It is my understanding that requiring such access to competing rail operators is not typical within the industry and could create significant financial strains within the Union Pacific Railroad Company.

This information causes great concern, as the Roseville community has first hand experience with the disruption that occurs to local economies and individual families when a railroad operator does not have the financial ability to properly maintain and operate their facilities. Prior to the merger with Union Pacific, the Southern Pacific Railroad Company was not able to maintain the Roseville railyard facility. Due to an antiquated design, aging equipment, and deferred maintenance, the Roseville railyard was operating at 33% or less of capacity. The railyard was characterized by dilapidated buildings, inadequate security, and unusable trackage. As a result, Southern Pacific was regularly closing railyard operations and transferring employees to other locations.

Union Pacific's efforts to renovate the Roseville railyard has resulted in significant new investment in the Roseville community, insured Roseville's role as a major center of rail operations, protected the jobs of the existing railroad employees, and created opportunities for increased employment. Union Pacific has regularly demonstrated their interest in acting as a responsible corporate citizen and has established excellent communications with the Roseville community. As Mayor of the City of Roseville, I request the Surface Transportation Board carefully consider the repercussions to communities such as Roseville, which could result from concessions granted to Union Pacific's competitors.

The Roseville area has benefited with the arrival of Union Pacific as a member of the community. The partnership built between the Roseville community and Union Pacific should not be hindered or jeopardized by the imposition of any new conditions which could cause financial harm to Union Pacific and, ultimately, our community.

Sincerely,

Claudia Gamar

Claudia Gamar
Mayor

cc: Roseville City Council
Congressman John Doolittle
Wayne Horiuchi, Union Pacific Railroad

TOWN OF TRUCKEE

September 2, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20510

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As Mayor of the Town of Truckee, I am very aware of the value of rail transportation service in our area. Union Pacific Railroad is important to our community because of both the employment that it provides and the business that it serves.

We are strongly opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Coast area. The STB established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions would disrupt the competitive balance by altering a key portion of the original merged system, thereby weakening Union Pacific when it is recovering its operational capability.

At the time of the merger, Southern Pacific was close to collapse. Union Pacific has been struggling to improve operations of the combined system and has made great strides, ending the service crisis. To continue the progress, Union pacific has to make further investments to improve service and infrastructure throughout the system. The proposed conditions would deprive Union Pacific of the revenue necessary to make these investments and would make it more difficult for the company to continue the service improvements that we have seen in recent months.

In addition, it would be unfair to grant special access conditions in one part of the country at the expense of shippers elsewhere. In particular, I am concerned that our community and economy will be adversely impacted if Union Pacific competitors are granted concessions in another part of the UP system. Certainly, if Union Pacific's competitors want direct access to Union Pacific customers, they can use their own capital to build the necessary track and facilities.

Our area has benefited from our association with Union Pacific Railroad. The service progress and community partnership should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country.

Sincerely,

Ron Florian

Ron Florian, Mayor
Town of Truckee

Town Administrative Center
Phone: 530-582-7700 11570 Donner Pass Road, Truckee, CA 96161-4947 Fax: 530-582-7710

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2471

Roy Romer
Governor

September 3, 1998

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

Dear Secretary Williams:

It is my understanding that the Surface Transportation Board is considering imposing additional conditions on the Union Pacific Railroad in the Texas and Gulf Coast region. Because of the potential negative impact on UP's Colorado rail service, I urge the board to approach this issue with extreme caution.

Clearly, the serious service problems encountered by UP over the past few months have affected the entire national economy. Colorado has not been immune from those problems, and I know that the board has worked closely with the railroad to address the root cause of the delays, which was centered in the Texas and Gulf Coast region. According to most national reports, the problems in this region have now been substantially addressed.

At the same time, UP needs to make significant investments in its infrastructure across the nation, including Colorado, in order to fully service its current and future shippers. For instance, UP recently removed Colorado's Tennessee Pass from the abandonment category while it studies the need to reopen the line in order to clear up congestion in Colorado. If UP decides to reopen Tennessee Pass, it will need to make capital improvements on this route. The source for this investment must come from current and future revenues generated by the company. I am concerned that the additional conditions the Board is being urged to place upon UP by its competitors in the Texas and the Gulf Coast region will undermine the railroad's ability to make those needed investments, which in turn will harm Colorado. Accordingly, I urge the board to avoid any action that would impede Union Pacific from making the necessary investments to their system.

Sincerely yours,

Roy Romer

Roy Romer
Governor

DON AMENT
State Senator
Route 1
Iliff, Colorado 80736
Capitol: (303) 866-4877
Home: (970) 522-8205

Senate Chamber
State of Colorado
Denver

COMMITTEES:
Chairman of:
Agriculture, Natural Resources and Energy
Vice-Chairman of:
Capital Development
Member of:
State, Veterans and Military Affairs
Transportation

September 2, 1998

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

Dear Secretary Williams:

It is my understanding that the Surface Transportation Board will commence oversight proceedings to decide if additional federal regulatory conditions should be imposed on the Union Pacific Railroad near Houston and the Gulf Coast area. I am writing this letter to urge the Board not to impose additional conditions upon a railroad already financially and operationally weakened from resolving the service crisis.

Union Pacific Railroad will need to substantially invest in its infrastructure throughout its system in the next few years. These funds must be generated from Union Pacific's current and future traffic base, not only in their southern corridor, but throughout their system, including Colorado. Additional federal regulatory conditions in the Houston/Gulf Coast area would badly undermine Union Pacific's ability to make these important investments. Union Pacific cannot be expected to make these investments if it loses the important southern corridor traffic base and revenues as a result of more federal conditions. Additional regulatory conditions would be counter productive and add more burdens upon an already weakened Union Pacific Railroad.

Sincerely,

Don Ament

Don Ament

DA:mf

TILMAN M. BISHOP
State Senator
President pro tem
2697 G Road
Grand Junction, Colorado 81506-8367
Capitol: (303) 866-3077
Capitol FAX: (303) 866-2012
Residence: (970) 242-9230
Residence FAX: (970) 243-9676

Senate Chamber
State of Colorado
Denver

COMMITTEES:
Chairman of:
Colorado Tourism Board
Legislative Audit
Vice-Chairman of:
Agriculture, Natural Resources and Energy
Member of:
Appropriations
Business Affairs and Labor
Legislative Council

September 1, 1998

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

Dear Secretary Williams:

It has been brought to my attention that the Surface Transportation Board will soon be commencing special oversight proceedings to determine whether additional federal regulatory conditions should be placed upon the Union Pacific Railroad in its Houston and Gulf Coast areas. Please accept this letter in opposition to any action by the Board to impose additional conditions upon the Union Pacific Railroad.

Future investments by Union Pacific Railroad into its infrastructure is vital for Western states such as Colorado. Additional federal regulatory conditions in the Houston and Gulf Coast area will erode Union Pacific's ability to invest in service and infrastructure throughout its system, including Colorado and other Western states.

I urge the Surface Transportation Board not to interfere with the progress made by the Union Pacific Railroad in resolving the service problems in their southern corridor. Additional conditions could only weaken an already financially stretched Union Pacific Railroad.

I appreciate your taking the time to read this letter and hopefully you and the Surface Transportation Board will agree with my position.

Sincerely,

Tilman M. Bishop
President pro tem

TMB:mf

RAY POWERS
Assistant Majority Leader
State Senator
5 N. Marksheffel Road
Colorado Springs, Colorado 80929
Colorado Springs: (719) 596-1055
Denver: (303) 329-6926
Capitol: (303) 866-4866

COMMITTEES:
Vice-Chairman of:
Transportation
Member of:
Legislative Audit
Legislative Council
State, Veterans, and
Military Affairs

Senate Chamber
State of Colorado
Denver

August 26, 1998

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

Dear Secretary Williams:

It is my understanding that the Surface Transportation Board may commence with oversight proceedings to determine if additional federal regulatory conditions are necessary for the Union Pacific Railroad within its Houston and Gulf Coast region. I also understand that the Union Pacific has resolved the service and rail traffic crisis it has been experiencing for the last several months. With the financial losses confronting Union Pacific as a result of efforts to resolve problems in the southern corridor, it is questionable that additional federal regulatory conditions will be of benefit to Union Pacific or Western states.

I urge the Surface Transportation Board not to impose additional conditions upon Union Pacific's operations in the Houston and Gulf Coast area. While there has been disappointment with Union Pacific's service over the past year, Union Pacific has improved conditions considerably and needs the opportunity to continue its progress.

I appreciate your consideration of my request regarding this important issue.

Sincerely,

Ray Powers

Ray Powers

RP:mp

NORMA ANDERSON
MAJORITY LEADER
(303) 866-2348

District 30
Lakewood, Colorado

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

August 25, 1998

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

Dear Secretary Williams:

As you are aware, the State of Colorado is an integral part of Union Pacific's national rail system. It is my understanding that the Surface Transportation Board (STB) is initiating oversight proceedings to determine if additional federal regulatory conditions should be imposed on Union Pacific in Texas and the Gulf Coast region. I am writing this letter to urge the board to not impose such additional conditions.

Over the next several years Union Pacific Railroad will need to make significant infrastructure investment system wide. The resources for this investment must be generated from current and future traffic bases. Additional federal regulatory conditions established in Texas will undermine the railroad's ability to make such investments in other western states. This contemplated action by the STB is anti-free market and appears to favor the "squeaky wheel" in the system. If Union Pacific loses the southern corridor traffic base, states like Colorado will feel the adverse impacts of such actions. Additional conditions will stand only to weaken an already financially stretched Union Pacific Railroad.

Sincerely,

Norma Anderson

Norma Anderson
Colorado State Representative
Majority Leader

State Representative
BOB BACON
1706 Hinry Street
Ft. Collins, CO 80526
Home: (970) 221-4552
Capitol: (303) 866-2917

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

Member:
Appropriations Committee
Education Committee

September 8, 1998

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

Dear Secretary Williams,

I have learned that the Surface Transportation Board will soon have special oversight proceedings to determine whether additional federal regulatory conditions should be placed on the Union Pacific Railroad in its Houston and Gulf Coast area. I oppose any action by the Board to impose additional conditions on Union Pacific.

Future investments by the Union Pacific Railroad into its infrastructure is vital for Western states such as Colorado. Additional conditions could only weaken an already financially stretched Union Pacific.

I urge the Surface Transportation Board not to interfere with the progress made by the Union Pacific Railroad in resolving the service problems in its southern corridor. Additional federal regulatory conditions in the Houston and Gulf Coast, I believe, will erode the railroad's ability to invest in service and infrastructure throughout its system including Colorado and the Western states.

Sincerely,

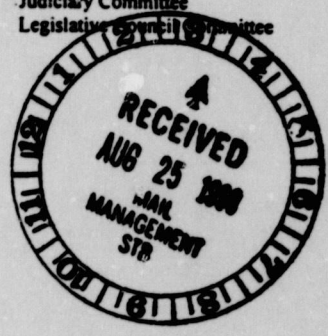
Bob Bacon

Bob Bacon
State Representative

State Representative
GARY L. McPHERSON, Esq.
3773 Cherry Creek North Drive, #900
Denver, CO 80202
Law Office: (303) 320-6100
Capitol: (303) 866-2944
Home: (303) 690-8252
E-mail: gmcp@sni.net

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

MAJORITY CAUCUS CHAIRMAN
Member:
Judiciary Committee
Legislative Council Committee



August 21, 1998

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

Dear Secretary Williams:

The State of Colorado is a vital part of the Union Pacific Railroad system, as I am sure you are aware. Recent growth in rail movements across Colorado has increased that importance. It is my understanding that the service crisis that hit Union Pacific Railroad's southern corridor has weakened Union Pacific both financially and operationally. I urge the Surface Transportation Board not to impose additional federal regulatory conditions upon Union Pacific Railroad near Houston and the Gulf Coast area at a time when an important service and competitive balance could be disrupted.

Additional federal regulatory conditions would go in the wrong direction. It would weaken Union Pacific when it has already suffered large financial and traffic losses over the past year due to the service problems. New federal regulations would also hinder Union Pacific's ability to continue to invest in important infrastructure that is extremely important to Colorado and other states throughout its twenty-three state system.

Recent reports show that the operational and service related problems have been resolved in Union Pacific's southern corridor. While there have been some disappointments with Union Pacific's service, Union Pacific has stepped forward to do what had to be done and has turned things around. These efforts by Union Pacific show that it is capable and willing to resolve its problems. However, additional federal regulatory conditions would weaken Union Pacific's continued efforts and erode the investments it must make to keep its system running. These investments are critical to Colorado and additional federal regulations in the southern corridor could have significant negative impact.

Sincerely,

Gary L. McPherson
State Representative
House District 40

State Representative
CARL MILLER
111 West 3rd St.
Leadville, CO 80461
Home: (719) 486-0636
Capitol: (303) 866-2952

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

Member:
Agriculture, Livestock & Natural Resources Committee
Local Government Committee

August 14, 1998

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street, NW
Washington, D.C. 20423

Dear Secretary Williams:

I am writing in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area.

Rail competition in the west depends on strong railroads competing against each other. It is my understanding that Union Pacific Railroad has been weakened both financially and operationally because of the service crisis in its southern corridor. However, recent reports show that Union Pacific continues to improve service in the Gulf Coast region and achieve significant gains throughout its system. Indicators in the southern corridor such as average dwell times at the major yards have improved and system train speed has increased, in Texas and Louisiana area, no blocked sidings and the number of trains held for power and trains held for crews have significantly improved along the Gulf Coast. These improvements did not occur without a price. Union Pacific has reported large financial losses and has lost large volumes of traffic in its effort to resole the service problems. Total operating losses in the last three quarters were $230 million, while Burlington Northern/Santa Fe's net income during the same period exceeded $750 million. Additional federal regulatory conditions on Union Pacific could further weaken its ability to make critical investments, not only in its southern corridor, but throughout its system, including Colorado.

The State of Colorado is a vital part of the Union Pacific system. Recent growth in Union Pacific rail movements and improved rail infrastructure across Colorado has helped increased that importance. Additional federal regulatory conditions in Houston and the Gulf Coast area can only hinder Union Pacific's continued investments in its infrastructure that is extremely important to Colorado.

I urge the Board not to impose additional conditions upon the Union Pacific in the Houston/Gulf Coast area. Thank you for your time and interest.

Sincerely,

Carl Miller

Representative Carl Miller
House District 61

State Representative
PAUL D. SCHAUER
7255 So. Jackson Court
Littleton, Colorado 80122
Home: (303) 770-3872
Business: (303) 744-5638
Capitol: (303) 866-2935

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

Chairman:
Business Affairs and
Labor Committee
Member:
Legislative Council Committee

August 27, 1998

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

Dear Secretary Williams,

As you are aware, Colorado, as a state, is an integral part of the national rail system of the Union Pacific Railroad. It is my understanding that the Surface Transportation Broad(STB) is initiating oversight proceedings to determine whether or not additional federal regulatory mandates should be imposed on Union Pacific in Texas and the Gulf Coast region. I am writing to urge the Broad to not impose such additional mandates.

Over the next several years it appears that Union Pacific Railroad will need to make significant infrastructure investments throughout their system. The resources for these investments, by necessity, must be generated from current and future traffic operations. Additional federal regulatory mandates established only for Texas will undermine the railroad's ability to make the necessary investments in other western states. This contemplated action by the STB is anti-free market and appears to favor the "squeaky wheel" in the system. If the Union Pacific loses the traffic base in the southern corridor, states like Colorado will experience adverse impacts.

Any additional operating regulations by the STB will only weaken an already financially stretched railroad. Again I encourage the STB to impose no additional regulations at this time.

Thank you for consideration of these concerns.

Sincerely,

Paul D. Schauer

Paul D. Schauer
State Representative

State Representative
House District 56
JACK TAYLOR
Box 5656
Steamboat Springs, CO 80477
Home: (970) 879-1880
Business: (970) 879-3600
Capitol: (303) 866-2949

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

Vice Chairman:
Business Affairs and Labor Committee
Member:
Agriculture, Livestock & Natural Resources Committee
Legislative Audit Committee

August 31, 1998

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

Dear Secretary Williams:

I understand that the Surface Transportation Board may commence with oversight proceedings to determine if additional federal regulatory conditions are necessary for the Union Pacific Railroad within its Houston and Gulf Coast region. I also understand that the Union Pacific has resolved the service and rail traffic crisis it has been experiencing for the last several months. Considering the financial and operational losses experienced by the Union Pacific in its efforts to resolve the problems in its sourthern corridor, I do not believe that additional federal regulatory conditions will be of any benefit to the Union Pacific or its customers.

Reports indicate that Union Pacific train speeds are up on all major corridors emanating from Houston and Memphis, speeds have increased from 8.9 mph to 14.1 mph. On lines from Houston to New Orleans, speeds are up by factors of 50% to almost 100%. Dwell times for Union Pacific trains in major Houston yards have been reduced by as much as 46% at Englewood yard and by 38% at Settegast yard, which are two Union Pacific yards critical to southern train movement. A current report indicates Union Pacific exceeded its loading targets in Colorado coal fields and has improved the cycle times.

Union Pacific has reported large financial losses and has lost large volumes of traffic as a result of resolving its service crisis. Total operating losses in the last three quarters were $230 million and Union Pacific revenues were reported down by 11% and income down by 149%. Additional federal regulatory conditions could further weaken Union Pacific by diverting well over a half-billion dollars in annual gross revenues, after it has already incurred significant losses in revenue and traffic volumes.

I urge the Surface Transportation Board not to impose additional conditions upon Union Pacific operations in the Houston and Gulf Coast area. While there have been disappointments with Union Pacific's service over the past year, Union Pacific has improved conditions considerably and needs to continue its progress and prove its ability to perform.

Your attention to this issue is very much appreciated.

Thank you.

Sincerely,

Jack Taylor

Jack Taylor
State Representative

"Voice of the Western Slope, since 1953"
A coalition of counties, communities, businesses & individuals

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August 1, 1998

Mr. Vernon Williams, Secretary
Surface Transportation Board
Department of Transportation
1925 K Street, N.W., Suite 700
Washington, D.C. 20423

Dear Secretary Williams:

We are writing to offer the comments of Western Colorado communities on issues related to the UP-SP merger, specifically Union Pacific's progress on implementing the agreements in Western Colorado, and the current STB consideration of new regulatory conditions in Texas.

CLUB 20 represents the communities of Western Colorado, and is in its 46th year as the collective voice of our region. Our members include 20 counties, 75 towns, 41 chambers of commerce, several dozen non-profits and special districts, and hundreds of businesses and individuals concerned about the economic future of the Western Slope. These comments are made on behalf of all those members.

As you may recall, Western Colorado was concerned about the economic impacts of this merger on our communities and on our regional industries. Northwestern Colorado had already lost over 700 jobs in the coal mining industry before the merger, and area leaders were concerned that rumored increases in shipping rates would destroy what remains of that industry in the region. That has not been the case, and coal continues to be shipped from that area by UP, whose rates remain competitive and whose service levels are still increasing. We were also fearful because one of the lines originally proposed for abandonment by SP, south of Grand Junction, provides the only shipping available for coal from the Somerset and Paonia areas. Again, that fear has not been realized and there is no longer any talk of abandonment in those communities. Union Pacific continues to be a positive player in those areas.

The greatest concern in Colorado was related to the abandonment of Tennessee Pass. We had expressed a fear that the vast quantity of construction supplies for this region formerly shipped over the Tennessee Pass line could result in an unacceptable increase in truck traffic on Interstate 70. That has definitely not turned out to be true. In fact, the use of the Moffat line by BN-SF has resulted in greater competition and shipping on that line has continued unabated. In fact, the rapid expansion of BN-SF's presence in Grand Junction has been an extremely positive outcome of the mergers. Numerous employees laid off by SP have been picked up by BN-SF and the community has seen not only continued heavy train traffic, but also positive increases in the employment base.

The future potential of some of these rail corridors for passenger service remains a question, and we continue to work with Union Pacific officials on such issues of mutual interest. The company has lived up to its commitments in Western Colorado and has become a positive force in this region. We now understand that because of political pressure from the State of Texas and others, STB is considering new oversight proceedings to determine if additional regulatory measures are needed in Texas and the Gulf Coast region. Such a decision would be much to the disadvantage of Colorado and other western states, and we strongly urge STB not to do so.

Union Pacific is already financially and operationally weakened from measures taken to resolve the freight service crisis in that region. Resources needed here and elsewhere were transferred to the south for that reason and this area still needs more service, not less. In fact, over the next few years UP will have to make significant investments in system-wide infrastructure upgrades. The resources for those improvements will need to be generated from a system-wide traffic base. Imposition of additional federal regulatory conditions in Texas will shift much of this burden to shippers in places like Colorado, which is contrary to the national interest. We understand why Texas might push for such a policy, but it is clearly not in the national interest for STB to agree to that. It would be unfair to the rest of the West, and would impede UP's ability to continue to make needed improvements in service and traffic movement. Such future investments are vital to Colorado and other Western States.

We strongly encourage you to consider the overall national interest before imposing further regulatory burdens designed to help one state at the expense of others. We appreciate your consideration.

Sincerely,

Greg E. Walcher
President

JOHN C. ANDREASON
SENATOR, DISTRCT 15
WESTERN ADA COUNTY

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IDAHO STATE SENATE

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Boise, Idaho 83720-0081

August 25, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses--their traffic volumes are down by nearly 10% while BNSF's are up by almost 10%--and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. My research indicates that they have had financial losses for three straight quarters and cannot afford for that to continue.

The UP/SP merger did not reduce competition and does not require new conditions. SP was weak and heading for collapse before the merger. The service crisis arose around Houston & the Gulf Coast before the SP and UP operations were merged in Texas. The merger has actually helped service by allowing directional running and other efficiencies to pull Texas out of the crisis. In my view, it would be a travesty to add more burden to the merger because of this series of events.

It doesn't make sense to disrupt UP's operations by putting other railroads to operate on UP's already crowded tracks. This would only add to the congestion and would not allow UP to further improve its service. Moreover, these types of special conditions for shippers in one area of the country would adversely affect shippers in other parts of the country, including those in Idaho, by reducing western rail competition and the overall quality of UP's service.

UP is recovering. The situation in Texas and Gulf Coast has greatly improved. Further government intervention can only serve to reverse these recovery gains. Once again, I ask that the Surface Transportation Board not impose any further conditions on Union Pacific Railroad.

Respectfully submitted,

John C Andreason

Senator John C. Andreason

EVAN S. FRASURE
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BANNOCK COUNTY

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COMMITTEES

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LOCAL GOVERNMENT &
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Idaho State Senate

State Capitol Building
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Boise, Idaho 83720-0081

August 24, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses--their traffic volumes are down by nearly 10% while BNSF's are up by almost 10%--and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. They have had financial losses for three straight quarters and cannot afford for that to continue.

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Respectfully submitted,

Evan Frasure

Senator Evan Frasure

EF:dj

GARY J. SCHROEDER
DISTRICT 5
LATAH COUNTY

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CHAIRMAN
EDUCATION

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TRANSPORTATION

Idaho State Senate

CAPITOL BUILDING
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BOISE, IDAHO 83720-0081

20 August 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, D. C. 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses –their traffic volumes are down by nearly 10% while BNSF's are up by almost10%--and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. They have had financial losses for three straight quarters and cannot afford for that to continue.

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UP is recovering. The situation in Texas and the Gulf Coast has greatly improved. Further government intervention can only serve to reverse these recovery gains. Once again, I ask that the Surface Transportation Board not impose any further conditions on Union Pacific Railroad.

Respectfully submitted,

Senator Gary J. Schroeder
IDAHO SENATE

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Idaho State Senate

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BOISE, IDAHO 83720

August 27, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses--their traffic volumes are down by nearly 10% while BNSF's are up by almost 10%--and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. They have had financial losses for three straight quarters and cannot afford for that to continue.

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UP is recovering. The situation in Texas and Gulf Coast has greatly improved. Further government intervention can only serve to reverse these recovery gains. Once again, I ask that the Surface Transportation Board not impose any further conditions on Union Pacific Railroad.

Respectfully submitted,

J. L. "Jerry" Thorne

Senator Jerry Thorne

JT:dj

LIN WHITWORTH
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Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No. 26)

Dear Secretary Williams:

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The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses--their traffic volumes are down by nearly 10% while BNSF's are up by almost 10%--and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. There have had financial losses for three straight quarters and cannot afford for that to continue.

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Respectfully submitted,

Lin Whitworth

Senator Lin Whitworth

FRANK BRUNEEL
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House of Representatives
State of Idaho

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No. 26)

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Respectfully submitted,

Frank C. Bruneel

Frank C. Bruneel
State Representative
District 6-A

RON G. CRANE
DISTRICT 10
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House of Representatives
State of Idaho

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

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UP is recovering. The situation in Texas and the Gulf Coast has greatly improved. Further government intervention can only serve to reverse these recovery gains. Once again, I ask that the Surface Transportation Board not impose any further conditions on Union Pacific Railroad.

Respectfully submitted,

Ron G. Crane
State Representative

CHARLES D. CUDDY
DISTRICT 7
BENEWAH, CLEARWATER,
IDAHO, LATAH, LEWIS
& NEZ PERCE COUNTIES

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COMMITTEES
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RESOURCES & CONSERVATION
TRANSPORTATION & DEFENSE

House of Representatives
State of Idaho

September 3, 1998

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K. Street
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 327(Sub-No. 26)

Dear Secretary Williams:

I am writing to ask that the Surface Transportation Board refrain from putting any more conditions on Union Pacific in Texas and the Gulf Coast. Union Pacific's operations would be disrupted and it would be hard for them to improve the quality of their service.

I understand that UP's traffic is down by almost 10% and BNSF's is up by almost 10%. Seems to me that there should be a competitive balance, and UP needs a chance to regain the business they have lost in the last nine months. They have had some substantial financial losses the last three quarters and can not afford for that to continue.

I believe opportunity for expansion and recuperation should be the same for all competitors. It does not make sense to put other railroad's trains on UP's crowded tracks in Texas. How are they supposed to improve service and reduce congestion if they have to accommodate the competitor's trains. Granting special favors to other railroads in Texas would only be detrimental to shippers in other areas of the UP system, including Idaho shippers.

We all understand that the major railroads have gone through a period of adjustment and we are seeing the results in Idaho. I believe we are best served by minimizing restrictions and conditions that may have outlived their applicability.

Very truly yours,

Charles D. Cuddy
State Representative
District 7

CDC:ba

c:\document\chuck98\williams.doc

JULIE A. ELLSWORTH
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ADA COUNTY

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COMMITTEES

STATE AFFAIRS

JUDICIARY, RULES & ADMINISTRATION

ENVIRONMENTAL AFFAIRS

House of Representatives
State of Idaho

August 29, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No. 26)

Dear Secretary Williams:

This letter concerns proposed policies that have the potential to weaken or negatively impact the ability of Union Pacific Railroad to continue in its role as a vital transportation link serving Idaho's agriculture and industry.

Since Union Pacific operates nationally, conditions proposed in the Houston and Gulf Coast areas have the potential to interfere significantly with operations as far away as Idaho. As an Idaho legislator I have serious concerns about any policies or conditions that could undermine Union Pacific's efforts to improve its quality of service.

We already have seen the negative impact on our state caused by a reduction in Union Pacific service. Diminished service levels have resulted in a decline of tax revenues paid to Idaho counties and a decline in the ability of Idaho agriculture and industry to transport and market their product. (see enclosed Idaho Statesman article)

I understand that Union Pacific is working to improve the service it offers following the Southern Pacific merger. Surface Transportation Board conditions imposed in the Gulf Coast area can only impede the railroad's ability to serve my state and other western interests. I respectfully request that no further conditions be imposed.

Sincerely,

Julie Ellsworth

2/28/98

The Idaho Statesman

Railroad losses may force county tax hikes

The Associated Press

SHOSHONE — Union Pacific Railroad's $8.6 billion loss last year could amount to higher property taxes for residents in southern Idaho counties.

Union Pacific's loss included $38.5 million in operating losses in Idaho, and counties with Union Pacific lines, associated equipment, shippers and allied businesses could lose between 6 and 7 percent of their assessed utilities valuation. That translates into higher tax levies for everyone else.

Lincoln County was hit the hardest. State Tax Commission records show it will lose nearly $4 million in taxable value, and Assessor Susie Edwards said the loss could climb to as much as 20 percent of total operating property valuation by the 1999 tax season if current trends in operating losses continue.

Under tax commission regulations, Union Pacific pays 40 percent of its taxes based on the station site, 20 percent on railroad track and 40 percent on operating revenue. Edwards said this formula is having a serious impact on small counties that historically have drawn a tax base from the railroad.

Lincoln County has a station site, 54 miles of mainline track and shipments to and from the West Coast along the northern route travel through Lincoln County and are included in the formula.

"Counties with mainline are penalized by the formula," she said.

The tax commission originally notified Edwards that Lincoln County would lose $8 million in assessed utility valuation, nearly identical to Bannock County where Union Pacific maintains a much larger presence.

Edwards joined five other county assessors to request a "review of value" before the State Tax Commission.

"The commission sets the operating property values and levies, and the counties have no appeal except to call for the review," she said.

During the review, the commission discovered errors and the loss to Lincoln County was reduced to $3.8 million in value, Edwards said.

Other Magic Valley counties also are affected by the decline in operating property revenues. Twin Falls will lose $1.7 million and Cassia County $904,000 in taxable value.

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses--their traffic volumes are down by nearly 10% while BNSF's are up by almost 10%--and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. There have had financial losses for three straight quarters and cannot afford for that to continue.

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UP is recovering. The situation in Texas and Gulf Coast has greatly improved. Further government intervention can only serve to reverse these recovery gains. Once again, I ask that the Surface Transportation Board not impose any further conditions on Union Pacific Railroad.

Respectfully submitted,

Representative Steven J. Hadley

Steve Hadley
Idaho State Legislature

KENT S. KUNZ
DISTRICT 34 B
BANNOCK COUNTY

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COMMITTEES
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TRANSPORTATION & DEFENSE

House of Representatives
State of Idaho

August 18, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K street, N. W.
Washington, DC 10423

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses–their traffic volumes are down by nearly 10% while BNSF's are up by almost 10%–and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. They have had financial losses for three straight quarters and cannot afford for that to continue.

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Respectfully submitted,

Kent S. Kunz

Representative Kent Kunz

BERT C. MARLEY
DISTRICT 33
BANNOCK COUNTY

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COMMITTEES
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HUMAN RESOURCES

House of Representatives
State of Idaho

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am writing this letter in support of Union Pacific Railroad. I would respectfully request that the Surface Transportation Board not impose any further conditions on UP in the Houston and Gulf Coast area.

The proposed conditions would interfere significantly with UP's operations and undermine UP's efforts to improve the quality of its service. UP has already suffered large traffic and financial losses and the requested conditions would permanently upset the competitive balance. UP needs a chance to regain their market share. They have had financial losses for three straight quarters and cannot afford for that to continue.

The UP/SP merger did not reduce competition and does not require new conditions. SP was weak and heading for collapse before the merger. The service crisis arose around Houston and the Gulf Coast before the SP and UP operations were merged in Texas. The merger has actually helped service by allowing directional running and other efficiencies to pull Texas out of the crisis. It would be a travesty to add more burden to the merger because of this series of events.

It doesn't make sense to disrupt UP's operations by allowing other railroads to operate on UP's already crowded tracks. This would only add to the congestion and would not allow UP to further improve its service. Moreover, these types of special conditions for shippers in one area of the country would adversely affect shippers in other parts of the country, including those in Idaho, by reducing western rail competition and overall quality of UP's service.

UP is recovering. The situation in Texas and Gulf Coast has greatly improved. Further government intervention can only serve to reverse these recovery gains. Once again, I ask that the Surface Transportation Board not impose any further conditions on Union Pacific Railroad.

Respectfully submitted,

Bert C. Marley

IAC™ IDAHO ASSOCIATION OF COUNTIES

700 W. WASHINGTON
BOX 1623, BOISE, IDAHO 83701
PHONE: (208) 345-9126
FAX: (208) 345-0379

September 9, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As Executive Director of the Idaho Association of Counties I have come to appreciate the contribution of rail transportation in the State of Idaho. Union Pacific Railroad is important to our communities because it not only provides services for our local businesses, but it also participates in our local economies as a purchaser of goods and services, pays taxes to local governments and contributes to local charitable causes.

We are concerned that proposals to impose new conditions on Union Pacific's operations in Texas and the Gulf Coast will weaken Union Pacific just as it is recovering its operational capability after its merger with Southern Pacific.

We are further concerned that giving special access conditions in Texas at the expense of shippers here in Idaho will unfairly affect Union Pacific's position in Idaho. A weakened Union Pacific would be unable to continue to make the significant contribution it now makes to our local tax bases and to the overall health and vitality of our communities.

The counties of Idaho have benefited from their relationships with Union Pacific Railroad. In order for these fruitful relationships to continue, I would urge the STB not to impose new conditions on UPRR.

Sincerely,

Daniel G. Chadwick

Daniel G. Chadwick
Executive Director

LINCOLN COUNTY ASSESSOR

111West B
P. O. Box 518
Shoshone, Idaho 83352

Susie Edwards
(208)886-2161
Fax(208)886-2707

September 10, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 k Street, N.W.
Washington D. C. 10423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As Assessor of Lincoln County, Idaho, I am acutely aware of the value of rail transportation service in our area of the State of Idaho. Union Pacific Railroad is very important to our community because of services to local and area businesses. Union Pacific also contributes to our small community through property taxes, purchases and corporate giving.

I am opposed to proposals that impose new conditions on Union Pacific's operations in Texas in the Gulf Coast area and around Houston. The STB established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions would only serve to disrupt the competitive balance and thereby weakening Union Pacific when it is recovering its operational capability.

Union Pacific needs to make continuing investments to improve service and their infrastructure. The proposed conditions would deprive Union Pacific of needed revenues to make necessary investments and hamper their efforts to make improvements.

It would be unfair to give special access conditions in Texas at the expense of shippers in Idaho and other states. I am concerned about the impact to Lincoln County. Our small county receives several tax dollars from Union Pacific. This year alone we lost 3.8 million in value for ad valorem purposes. With other changes taking place in the operating properties of Idaho, Lincoln County could be looking at a 20% decrease in ad valorem value again next year. This will be devastating to our three communities.

Lincoln County benefits from our longstanding association with Union Pacific Railroad. In order for these fruitful relationships to continue, I would urge the STB not to impose new conditions on UPRR.

Sincerely,

Susie Edwards
Lincoln County Assessor

MAXINE HORN
MAYOR

CITY HALL
411 3RD ST. SOUTH
NAMPA, IDAHO 83651
(208) 465-2200
FAX: (208) 465-2227

OFFICE OF THE MAYOR

September 3, 1998

Honorable Vernon A. Williams
SURFACE TRANSPORTATION BOARD
1925 K Street, N.W.
Washington, DC 10423

SUBJECT: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As Mayor of the City of Nampa, I am writing to express my concerns over the possible addition of restrictions on Union Pacific Railroad. It is my understanding that these restrictions will negatively effect the future profitability of Union Pacific's business both nationally and locally. Nampa has benefited fro . the Railroad for many ye.rs and I believe that it is in the best interest of our citizens to help protect this valuable asset.

Union Pacific Railroad is important to our community because of service to local and area businesses, and contributions to the community through taxes, purchases and corporate giving. We are opposed to proposals that impose new conditions on Union Pacific's operations in Texas and Gulf Coast areas and around Houston. The STB established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions at this time, would only serve to disrupt the competitive balance by altering a key portion of the original merged system.

When the merger took place, Southern Pacific was near collapse. Union Pacific has worked hard to improve operations of the combined system and has made great progress. To continue going forward, Union Pacific needs to make continued investments to improve service and infrastructure. As the Mayor of one of the fastest growing cities in the country, I understand the need to continue improving services and building infrastructure and how much money is needed to make these improvements. The proposed conditions would deprive Union Pacific of needed revenues to make these necessary investments.

Nampa, like many other cities, has benefited from having Union Pacific Railroad in our community. Therefore, I respectfully request that the Surface Transportation Board cancel any intentions of imposing any new conditions on Union Pacific Railroad. Thank you for your consideration of my concerns.

Sincerely,

Maxine Horn

Maxine Horn
Mayor

STATE OF ILLINOIS

OFFICE OF THE GOVERNOR

SPRINGFIELD 62706

JIM EDGAR
GOVERNOR

September 3, 1998

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

Dear Secretary Williams:

I want to voice my opposition to additional conditions being imposed by the Surface Transportation Board on Union Pacific as is now being contemplated in Finance Docket No. 32760 (Sub-No. 26).

Illinois was confronted with several issues resulting from the Union Pacific-Southern Pacific merger. However, dealing in good faith with my office and the State Legislature, the Union Pacific Railroad made a number of commitments to the State, which the Union Pacific Railroad has met and continues to work collectively with the State in dealing with ongoing post merger issues.

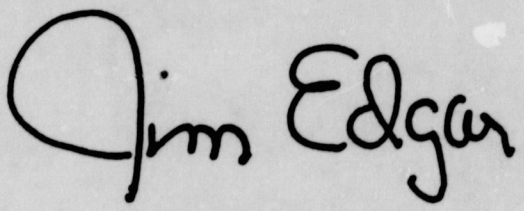
The recent service and operational problems in Union Pacific's Houston and Gulf Coast area has drawn much criticism. However, it appears that these problems have been resolved and that significant improvement in service and train movements are occurring. These accomplishments did not come without a price. I am very concerned that imposing additional federal regulatory conditions upon an already financially weakened Union Pacific Railroad cannot be in the best interest of balanced rail competition in the Western states.

Union Pacific has reported large financial losses and has lost large volumes of traffic resulting from its commitment to recover from its congestion and service crisis. Further conditions will badly curtail Union Pacific's ability to invest in its infrastructure both in the Houston and Gulf Coast area and throughout its system, including Illinois.

I hope the Surface Transportation Board will recognize the serious consequences additional conditions will have for states such as Illinois that depend on Union Pacific to provide competitive rail service.

Thank you for your consideration.

Sincerely,



Jim Edgar
GOVERNOR

JE:tel

Illinois Department of Transportation
Office of Planning and Programming
2300 South Dirksen Parkway / Springfield, Illinois / 62764

August 14, 1998

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

RE: Houston/Gulf Coast Oversight proceeding
Finance Docket No. 32760 (Sub. No. 26)

Dear Secretary Williams:

This office recently filed a letter in the annual Oversight Proceeding (Sub No. 7) of this docket commenting upon the merger of Union Pacific (UP) and Southern Pacific (SP), and its positive effects for Illinois. I am attaching a copy of that letter for this proceeding. This letter is in response to the various requests filed by shippers and others requesting increased access to UP's traffic base in Texas and along the Gulf Coast. We are opposed to the imposition of additional merger conditions on UP, fearing the impacts on UP's financial condition and impacts on Illinois shippers.

Union Pacific is Illinois' largest railroad, with 1940 miles of track (some 25% of the total track in the state). UP alone has about 4000 employees in Illinois. Illinois is concerned that changes in STB conditions on the UP/SP merger would financially weaken UP and cause it to lose additional traffic not contemplated in the merger. It appears that the initially-imposed pro-competitive merger conditions have been working, and should be allowed to continue as originally designed. UP has informed us that the proposed conditions would jeopardize at least $500,000,000 worth of UP business. These revenues, of course, would otherwise be available to flow through and allow UP to invest in infrastructure and capital needs throughout its system.

Besides cooperating in state efforts to provide a series of major grain load-out facilities, UP has invested substantial capital in its Illinois rail system, summing to over $60 million in each of 1997 and 1998. If UP does not stay financially strong, these types of improvements in Illinois could be deferred or cancelled. For Illinois' business and industry to remain competitive, UP needs to be able to continue to invest in our state. We urge the Surface Transportation Board not to make changes that would harm shippers in Illinois, and harm our economy by making UP, our largest railroad, less able to make the necessary capital expenditures to its Illinois infrastructure.

Sincerely,

Merrill L. Travis
Chief, Bureau of Railroads

☐ SPRINGFIELD OFFICE
ROOM 413
STATE CAPITOL BUILDING
SPRINGFIELD, ILLINOIS 62706
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FAX: 217/782-5613

☐ LEGISLATIVE SERVICE OFFICE
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CHICAGO, ILLINOIS 60645
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CHICAGO SUBURBAN: 847/328-2240

☐ CHICAGO OFFICE
SUITE 1505
111 W. WASHINGTON
CHICAGO, ILLINOIS 60602
PHONE: 312/346-8620

ILLINOIS STATE SENATE

ARTHUR L. BERMAN
SENATOR
9TH LEGISLATIVE DISTRICT

DEMOCRATIC SPOKESPERSON
EDUCATION COMMITTEE

MEMBER
INSURANCE & PENSIONS COMMITTEE
REVENUE COMMITTEE
INTERGOVERNMENTAL COOPERATION COMMISSION
LEGISLATIVE INFORMATION SYSTEM COMMISSION

August 17, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Arthur L. Berman, a member of the Illinois Senate. The District I represent is in the City of Chicago. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operation in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

ARTHUR L. BERMAN
State Senator

ALB/lcs

28TH DISTRICT OFFICE:
800 E. NORTHWEST HIGHWAY, SUITE 102
MOUNT PROSPECT, ILLINOIS 60056
(847) 670-0280
FAX: (847) 670-0291

SPRINGFIELD OFFICE:
M113 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
(217) 782-3875
FAX: (217) 782-0650

ILLINOIS STATE SENATE

COMMITTEES:
CHAIRMAN:
LOCAL GOVERNMENT & ELECTIONS
MEMBER:
EDUCATION
FINANCIAL INSTITUTIONS
SENATE COMMITTEE ON EDUCATION REFORM

MARTY BUTLER

STATE SENATOR · 28TH DISTRICT

August 17, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As an Illinois State Senator the 28th District I represent is in the northwest suburbs of Chicago. Good rail transportation and a sound Union Pacific is vitally important to the Chicago region's economy.

I've been told Union Pacific has plans to improve safety and efficiently of four major lines entering this region. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I'm opposed to new conditions on Union Pacific operations in Texas and the Gulf Coast area.

Union Pacific's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm Union Pacific and our communities in Illinois. I'm pleased that the railroad has increased its hiring in the Chicago area which has helped put more people to work.

The Chicago region is the rail hub of America and I don't want changes made in Texas that will adversely effect its status and Union Pacific's ability to grow and help our community.

Sincerely,

Marty Butler

OFFICES:
5943 WEST MADISON
CHICAGO, ILLINOIS 60644
773/626-2184
FAX 773/626-2407

309E STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217/782-8505
FAX 217/782-3242

COMMITTEES:
EXECUTIVE
MINORITY SPOKESPERSON
EDUCATION

ILLINOIS STATE SENATE
EARLEAN COLLINS
STATE SENATOR • 4TH DISTRICT

August , 1998

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W
Washington, DC 20423

re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Earlean Collins, a member of the Illinois State Senate. The district I represent is in the City of Chicago. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union pacific is vitally important to Chicago due to the size of their operation in the city. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the city. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial based it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Earlean Collins

EARLEAN COLLINS
State Senator-4th District

EC:jj

DISTRICT OFFICE
942 MAPLE AVENUE
DOWNERS GROVE, ILLINOIS 60515
630-969-0990
630-969-1007 (FAX)

KIRK W. DILLARD
STATE SENATOR • 41ST DISTRICT

CAPITOL OFFICE
M120 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217-782-8148
217-782-0650 (FAX)

August, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Kirk Dillard, a member of the Illinois Senate and Commerce & Industry Committee. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Kirk Dillard

6143 N. NORTHWEST HIGHWAY
CHICAGO, ILLINOIS 60631
773/774-7717
FAX: 773/774-7877

M114 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217/782-3650
FAX: 217/782-0650

WALTER W. DUDYCZ
ASSISTANT MAJORITY LEADER
ILLINOIS STATE SENATE

August 14, 1998

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

RE: Houston/Gulf Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Secretary Williams:

I am Walter Dudycz, a member of the Illinois Senate and Senate Transportation Committee. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is Vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I do not want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

WALTER W. DUDYCZ
Assistant Majority Leader

STATE OF ILLINOIS
SENATE

DORIS C. KARPIEL
MAJORITY CAUCUS CHAIRMAN

SPRINGFIELD OFFICE:
STATE HOUSE, ROOM 123
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FAX: (217) 782-4079

DISTRICT OFFICE:
400 W. LAKE STREET, SUITE 220
ROSELLE, ILLINOIS 60172
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FAX: (630) 894-2871

COMMITTEES:
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LICENSED ACTIVITIES
VICE CHAIRMAN

August 17, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

The 25th Senate District of Illinois, which I represent and the Union Pacific's main East-West Corridor runs through my district. This line is a high density freight and commute line vitally important to the entire Chicago area. The Union Pacific has plans to make major investments to improve efficiency and safety in this corridor. Metra wants to extend its commuter service 10 miles west from Geneva on this corridor. If there are freight benefits due to capacity enhancements, UP would be asked to contribute; and if UP does not have funds for its share, the project could be delayed. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of Union Pacific's plans to upgrade their east-west corridor both for freight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Thank you for your consideration.

Sincerely,

Doris Karpiel

Doris Karpiel
State Senator/25th District
DK/rak

418 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217/782-6597

COMMITTEES:
CHAIRMAN:
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LINCOLN, ILLINOIS 62656
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106 SOUTH MAIN
P.O. BOX 152
EUREKA, ILLINOIS 61530
309/467-5464

ROBERT A. MADIGAN
ILLINOIS STATE SENATE
45TH DISTRICT

August 13, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket NO. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Robert Madigan, a member of the Illinois Senate. I represent the area around Lincoln, Illinois, which is in the central part of the state. My district includes farm land and small industrial businesses. Union Pacific (UP) has been cooperating with Illinois Department of Transportation in providing a major grain load-out facility in the state of Illinois. These projects are funded by state loans, and with UP technological cooperation, in kind donations and provision of mainline switches, will earn Illinois farmers up to 10 cents per bushel more for grain. The financial strength of the UP is vitally important to the state of Illinois. The UP is the largest railroad in Illinois. A sound UP, which is able to make the necessary investment in their infrastructure, is important to Illinois. Proposals to impose new conditions on UP operations in Texas and the Gulf Coast area could result in the delay or cancellation of infrastructure improvements. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on UP operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in Illinois, which provides an opportunity to my constituents, as well as the additional industrial base in supports. Illinois is the rail hub of America, and I don't want changes made in Texas that will adversely affect Illinois' status and UP's ability to grow and help our state.

Sincerely,

Robert A. Madigan
State Senator
45th District

DISTRICT OFFICE:
191 WAUKEGAN ROAD, SUITE 210
NORTHFIELD, IL 60093
847/441-0077
FAX: 847/441-0322
E-MAIL: SENKATHYPARKER@WORLDNET.ATT.NET

CAPITOL OFFICE:
ROOM M118 STATE CAPITOL
SPRINGFIELD, IL 62706
217/782-2119
FAX: 217/782-0650

VICE CHAIRMAN:
PUBLIC HEALTH AND WELFARE

TRANSPORTATION

MEMBER:
FINANCIAL INSTITUTIONS

ILLINOIS STATE SENATE
KATHLEEN K. PARKER
STATE SENATOR · 29TH DISTRICT

August 24, 1998

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

RE: Texas/Gulf Coast Oversight Proceeding Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Kathleen Parker, a member of the Illinois State Senate and Vice-Chairman of the Senate Transportation Committee. The district which I represent is in the Chicago metropolitan area. Illinois is the rail hub of the nation and a sound rail system is important to the economy of the Chicago area and the nation.

It is my understanding that the surface Transportation Board is considering the imposition of additional conditions on the operations of the Union Pacific in Texas and the Gulf Coast. I am writing to let you know that I oppose the Surface Transportation Board requiring the Union Pacific to spend $500 million on non-safety-related projects in the Texas and Gulf Coast area if the imposition of these additional conditions will directly affect safety and service in Illinois.

Thank you very much for your consideration.

Sincerely,

Kathleen Parker

KATHLEEN K. PARKER
State Senator - 29th. District

KKP/dpm

ILLINOIS STATE SENATE

☐ DISTRICT OFFICE:
EXECUTIVE ASSISTANT
JAN ZOBUS
3050 NORTH MAIN STREET
PRAIRIE VIEW, ILLINOIS 60069
847/634-6060

☐ CAPITOL OFFICE:
307 STATE CAPITOL BUILDING
SPRINGFIELD, ILLINOIS 62706
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REVENUE
MEMBER,
INSURANCE & PENSIONS
LICENSED ACTIVITIES

WILLIAM E. PETERSON
STATE SENATOR
26TH DISTRICT

August 13, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am the Illinois State Senator for the 26th Senatorial District which is located within the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Cost area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

William E. Peterson

WEP:jz

DISTRICT OFFICE:
521 S. LAGRANGE RD., SUITE 104
LAGRANGE, IL 60525
(708) 354-6700
FAX: (708) 354-6730

CAPITOL OFFICE:
M108 CAPITOL BUILDING
SPRINGFIELD, IL 62706
(217) 782-9407
FAX: (217) 782-0650

COMMITTEES:
VICE CHAIRMAN:
COMMERCE & INDUSTRY
MEMBER:
PUBLIC HEALTH & WELFARE
REVENUE

CHRISTINE RADOGNO
STATE SENATOR · 24TH DISTRICT

August 11, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

My name is Christine Radogno, a member of the Illinois Senate and Vice-Chairman of the Commerce and Industry Committee. The district that I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. It is critical that we help keep Illinois industries competitive in our global economy. I am very concerned about proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area because they may undermine the competitiveness of UP.

The UP's service has improved in recent months and I understand that the STB has acknowledged that a service emergency no longer exists. This progress could be hindered by the imposition of the new conditions that will harm UP, our community and

others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want any changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Christine Radogno

Christine Radogno
Senator, 24th District
Illinois State Senate

CAPITOL OFFICE
103D STATE HOUSE
SPRINGFIELD ILLINOIS 62706
217 782-8066

DISTRICT OFFICE
11004 SOUTH MICHIGAN AVENUE
CHICAGO ILLINOIS 60628
312 785-3200

SUBURBAN OFFICE
3300 WEST 159TH
MARKHAM ILLINOIS 60426
708 333-4700

ILLINOIS STATE SENATE
WILLIAM SHAW
ASSISTANT MINORITY LEADER
STATE SENATOR • 15TH DISTRICT

COMMITTEES
ENVIRONMENT & ENERGY
AGRICULTURE & CONSERVATION
TRANSPORTATION
COMMISSIONS
LEGISLATIVE RESEARCH UNIT
LEGISLATIVE REFERENCE BUREAU

August 10, 1998

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

Dear Secretary Williams:

I am writing in response to the various requests filed by shippers and others requesting increased access to Union Pacific's traffic base in Texas and the Gulf Coast. Shippers are adamantly opposed to plans which impose new conditions on the Union Pacific's operations in the South.

Accordingly, I am asking you, along with the Surface Transportation Board, to reconsider these proposals, because, according to all reports, they would place a greater financial burden on Union Pacific. This in turn would impair Union Pacific's ability to upgrade its operations in terms of services and infrastructure needs throughout its entire system.

Union Pacific has already slated much needed repairs here in Illinois. As a state senator, I know firsthand of Union Pacific's improvement program here in Illinois and particularly in the South Suburbs of Chicago which serve as a major exchange for shippers. Union Pacific has slated major improvements at the Yard Center here, including a new state-of-the-art-entrance.

And I have even gone so far as to secure a state grant to assist in local rail consolidation efforts.

As you can see, the State of Illinois is committed to a vast improved rail system, as Illinois is one of the leaders in exports and in shipping throughout the nation. I would hate to see any action by the Surface Transportation Board have a negative impact on shippers and commerce in Illinois and throughout the nation, as many shippers, suppliers and merchants depend upon Union Pacific and its competitors to move their goods.

I believe, as many others do, that we should give the Union Pacific merger a chance to work before any new restrictions are placed on UP which may siphon off revenues and thus have the effect of impeding rail improvements. I would hope that you would agree and do everything in your power to prevent any further rules or regulations from hampering Union Pacific.

Sincerely,

William Shaw

William Shaw
State Senator
Mayor, Village of Dolton

DISTRICT OFFICE:
10544 W. CERMAK ROAD
WESTCHESTER, ILLINOIS 60154
708/531-0390
FAX: 708/531-0467
E-MAIL: walsht@interaccess.com

CAPITOL OFFICE:
ROOM 118 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217/782-2015
FAX: 217/782-4079

ILLINOIS STATE SENATE
THOMAS J. WALSH
STATE SENATOR · 22ND DISTRICT

VICE-CHAIRMAN:
FINANCIAL INSTITUTIONS
INSURANCE & PENSIONS

MEMBER:
APPROPRIATIONS
EXECUTIVE APPOINTMENTS

August 21, 1998

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As the State Senator in the 22nd Illinois Senate, I feel that good rail transportation and a sound Union Pacific is instrumental to the Chicago region's economy.

The Union Pacific's main east-west corridor is in my district. This line is a high-density freight and commuter line vitally important to the Chicago area. The Union Pacific has plans to make major investments to improve efficiency and safety in this corridor. Metra wants to extend its commuter service 10 miles west from Geneva on this corridor. If there are freight benefits due to capacity enhancements, UP would be asked to contribute; and if UP does not have funds for its share, the project could be delayed. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of Union Pacific's plans to upgrade their east-west corridor both for freight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on UP operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, or community and others around the country. Union Pacific has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Thank you in advance for your consideration.

Sincerely,

Thomas J. Walsh
State Senator
22nd District

DISTRICT OFFICE:
1939 SOUTH HALSTED ST.
CHICAGO, ILLINOIS 60608
(312) 829-2555

SPRINGFIELD OFFICE:
2032-J STRATTON BUILDING
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(217) 782-2855

COMMITTEES:
CONSUMER PROTECTION
JUDICIARY II - CRIMINAL LAW
LOCAL GOVERNMENT
PUBLIC SAFETY - APPROPRIATIONS

STATE OF ILLINOIS
EDWARD ACEVEDO
STATE REPRESENTATIVE • 2ND DISTRICT

August 17, 1998

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

RE: Houston/Gulf coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Edward Acevedo, a member of the Illinois General Assembly. The District I represent is in the City of Chicago. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want a change made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Edward Acevedo

Edward Acevedo
State Representative, 2nd District

JUDY BIGGERT
STATE REPRESENTATIVE · 81ST DISTRICT
ASSISTANT REPUBLICAN LEADER

August 21, 1998

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As a member of the Illinois General Assembly, I am writing regarding Union Pacific Railroad, which serves my district in the Chicago metropolitan area. Good rail transportation and a sound Union Pacific are important to the economy of the Chicago region.

Union Pacific Railroad has four major lines entering the Chicago region and, as you may know, the company plans to improve safety and efficiency on these lines. My concern is that the proposed new conditions on Union Pacific operations in Texas and the Gulf Coast area and the cost of resolving current operation problems could result in the cancellation of improvements to these lines. The proposed new conditions on Union Pacific operations in Texas and the Gulf coast area could seriously jeopardize the ability of Illinois industries to compete in the U.S. and abroad. I do not believe my constituents should pay that price.

The Chicago region is the rail hub of America, and we would not want changes made in Texas and the Gulf to adversely affect the status of the Chicago region and Union Pacific's ability to grow and help our community.

Sincerely,

Judy Biggert

Judy Biggert
State Representative – 81st District
Assistant Republican Leader

DISTRICT OFFICE: 6301 S. CASS AVE., SUITE 303 · WESTMONT, ILLINOIS 60559 · 630/852-8633 · FAX: 630/852-6530
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DISTRICT OFFICE:
114 WEST PARK AVENUE
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630-941-1278
FAX: 630-941-1285

SPRINGFIELD OFFICE:
2010-H STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217-782-6578
FAX: 217-782-5257

STATE OF ILLINOIS
BOB BIGGINS
STATE REPRESENTATIVE • 78TH DISTRICT

COMMITTEES:
REPUBLICAN SPOKESPERSON:
APPROPRIATIONS
GENERAL SERVICES

MEMBER:
EXECUTIVE
FINANCIAL INSTITUTIONS
REVENUE
LEGISLATIVE AUDIT COMMISSION

August 13, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket # 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Robert A. Biggins, a member of the Illinois General Assembly. The district I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific (UP), is important to the Chicago region's economy.

The UP's main east-west corridor is in my district. This line is a high density freight and commuter line vitally important to the Chicago area. The UP has plans to make major investments to improve efficiency and safety in this corridor. Metra wants to extend its commuter service 10 miles west from Geneva on this corridor. If there are freight benefits due to capacity enhancements, UP would be asked to contribute; and if UP does not have funds for its share, the project could be delayed. Proposals to impose new conditions on UP operations in Texas and the Gulf Coast area could result in the delay or cancellation of UP's plans to upgrade their east-west corridor both for freight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I m opposed to the proposals to impose new conditions on UP operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, providing an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Robert A. Biggins
State Representative

DISTRICT OFFICE:

2203 EASTLAND DR., SUITE 3
BLOOMINGTON, ILLINOIS 61704
309-663-2455
FAX: 309-663-7055
EMAIL: repbrady@ice.net

CAPITOL OFFICE:

2126-O STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217-782-1118

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES

BILL BRADY

STATE REPRESENTATIVE • 88TH DISTRICT

COMMITTEES:
INSURANCE
REPUBLICAN SPOKESMAN
FINANCIAL
STATE GOVERNMENT ADMINISTRATION & ELECTION REFORM
ENVIRONMENT & ENERGY
BANKS SELLING INSURANCE
ECONOMIC & FISCAL COMMISSION

August 18, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Bill Brady, a member of the Illinois General Assembly. I represent the area around Bloomington, Illinois, which is in the central part of the state. My District includes farm land and small industrial businesses. UP has been cooperating with Illinois DOT in providing a major grain load-out facility in Bloomington and Pontiac (among other places). These projects are funded by state loans, and with UP technological cooperation, in-kind donations and provision of mainline switches, will earn Illinois farmers up to 10 cents per bushel more for grain. The financial strength of the Union Pacific is vitally important to the State of Illinois. The Union Pacific is the largest railroad in Illinois. A sound Union Pacific which is able to make the necessary investment in their infrastructure is important to Illinois. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of infrastructure improvements. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in Illinois, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Illinois is the rail hub of America, and I don't want changes made in Texas that will adversely affect Illinois' status and UP's ability to grow and help our state.

Sincerely,

William E. Brady
State Representative

DISTRICT OFFICE:
3616 NORTH PULASKI ROAD
CHICAGO, ILLINOIS 60641
773/794-9444

CAPITOL OFFICE:
2089M STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-8117

COMMITTEES:
ENVIRONMENT/ ENERGY
INSURANCE
JUDICIARY II
STATE GOVERNMENT ADMINISTRATION AND ELECTION REFORM

RICHARD T. BRADLEY
STATE REPRESENTATIVE
20TH DISTRICT

August 17, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding -- Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

Allow me please to introduce myself. My name is Rich Bradley, Illinois State Representative of the 20th District in the City of Chicago. Good rail transportation, and a sound Union Pacific (UP), is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the city. In order to keep Chicago industries competitive in our global economy, I am **opposed** to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I do not want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Richard T. Bradley
State Representative 20th District

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5400 WEST ELM
McHENRY, ILLINOIS 60050
(815) 344-2019
FAX: (815) 344-2064

SPRINGFIELD OFFICE:
2001-G STRATTON BLDG.
SPRINGFIELD, ILLINOIS 62706
(217) 782-1717
FAX: (217) 782-3189

COMMITTEES:
LOCAL GOVERNMENT
ENVIRONMENT & ENERGY
HEALTH CARE AVAILABILITY & ACCESS
INSURANCE

MICHAEL J. BROWN
STATE REPRESENTATIVE · 63RD DISTRICT

August 11, 1998

Honorable Vernon A. Williams
Secretary
Service Transportation Board
1925 K Street, N.W.
Washington, DC 20423

RE: Houston/ Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Mike Brown, a member of the Illinois General Assembly. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive to our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This program should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made

in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Mike Brown
State Representative
63rd District

MJB:doh

DISTRICT OFFICE:
5839 W. BELMONT AVENUE
CHICAGO, ILLINOIS 60634
773-637-8770

CAPITOL OFFICE:
2079 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217-782-0017

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES

COMMITTEES:
CHAIRMAN:
FINANCIAL INSTITUTIONS
MEMBER:
EXECUTIVE
INSURANCE
REGISTRATION & REGULATION

ROBERT J. BUGIELSKI
STATE REPRESENTATIVE · 19TH DISTRICT

August 20, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760
(Sub-No. 26)

Dear Secretary Williams:

I am Robert J. Bugielski, a member of the Illinois General Assembly. My Representative District is within the City of Chicago. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy, which provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the city. The Union Pacific Railroad has five rail lines entering the City of Chicago, and three major intermodal terminals in the city. Because we must keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

Union Pacific's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community, and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Robert J. Bugielski

ROBERT J. BUGIELSKI
State Representative

RJB:jk

ILLINOIS HOUSE OF REPRESENTATIVES
Ralph C. Capparelli, State Representative, 13th District
Deputy Majority Leader

7452 N. HARLEM AVENUE
CHICAGO, ILLINOIS 60631
773/775-5775
FAX 773/775-5775

500 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217/782-8198

August, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Ralph Capparelli, a member of the Illinois General Assembly. The District I represent is in the City of Chicago. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Ralph Capparelli

(TAZ\STB.me3)

SPRINGFIELD OFFICE:
2119-N STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-1664
FAX: 217/782-1139

DISTRICT OFFICE:
TOWN CENTER
314 MCHENRY ROAD, SUITE D-1
BUFFALO GROVE, ILLINOIS 60089
847/520-3555
FAX: 847/520-4091

ILLINOIS HOUSE OF REPRESENTATIVES

VERNA L. CLAYTON
STATE REPRESENTATIVE
51ST DISTRICT

COMMITTEES:
SPOKESMAN
STATE GOVERNMENT ADMINISTRATION & ELECTION REFORM
EXECUTIVE
HEALTH CARE AVAILABILITY & ACCESS
TRANSPORTATION & MOTOR VEHICLES
LEGISLATIVE PRINTING UNIT

August 14, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Verna Clayton, a member of the Illinois General Assembly. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to move safety and efficiency on these lines. Proposals to improve new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides and opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely:

Verna L Clayton

Verna L. Clayton
ILLINOIS STATE REPRESENTATIVE
VLC/cjr.

GENERAL ASSEMBLY
STATE OF ILLINOIS

COMMITTEES
AGING
APPROPRIATIONS - GENERAL SERVICES
HEALTH CARE AVAILABILITY & ACCESS
INSURANCE
REGISTRATION & REGULATION

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2140-O STRATTON BLDG.
SPRINGFIELD, IL 62706
217/782-4194

DISTRICT OFFICE:
3801 W. LAKE AVE.
GLENVIEW, IL 60025
847/724-3233
847/724-8682 FAX

E-Mail:coulson@earthlink.net

Elizabeth Coulson
STATE REPRESENTATIVE
HOUSE OF REPRESENTATIVES
57TH DISTRICT

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. .32760 (Sub-No 26)

Dear Secretary Williams:

I am a State Representative in the Illinois General Assembly, representing the District which includes Glenview, Northbrook and part of Highland Park, all in suburban Chicago.

Good rail transportation has always been vitally important to the Chicago region--the nation's rail hub. Since acquiring the Chicago and Northwestern Railroad in 1995, the Union Pacific has become an important part of the Chicago-area business community. Union Pacific's financial strength, and thus its ability to move both people and freight should not be unfairly burdened.

The UP's service has improved markedly in recent months, and the railroad has plans to further enhance safety and efficiency in this area.

Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of these improvements. That would be unfair to my constituents, and to the more than 4,000 UP employees in Illinois.

I ask you not to impose changes in Texas that would adversely affect the Chicago region, and UP's ability to grow and contribute to our community.

Sincerely,

Elizabeth Coulson

Elizabeth Coulson
State Representative, 57th District

DISTRICT OFFICE:
1128 PRAIRIE STREET - A
AURORA, ILLINOIS 60506
630/896-4021
FAX: 630/896-4596

STATE CAPITOL:
2131 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-5457

COMMITTEES:
FINANCIAL INSTITUTIONS
MINORITY SPOKESMAN
GENERAL SERVICES APPROPRIATIONS
HUMAN SERVICES
PERSONNEL & PENSIONS

STATE OF ILLINOIS
SUZANNE L. DEUCHLER
STATE REPRESENTATIVE
42ND DISTRICT

August 11, 1998

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

RE: Houston/Gulf Cost Oversight Proceeding Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As a member of the Illinois General Assembly, I represent a district in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The Union Pacific's main east-west corridor is in my 42nd District. This line is a high density freight and commuter line vitally important to the Chicago area. The Union Pacific has plans to make major investments to improve efficiency and safety in this corridor. Metra wants to extend its commuter service 10 miles west from Geneva on this corridor. If there are freight beneiits due to capacity enhancements, UP would be asked to contribute; and if UP does not nave funds for its share the project could be delayed. Proposals to impose new conditions on UP operations in Texas and the Gulf Coast area could result in the dlay or cancellation of UP's plans to upgrade their east-west corridor both for frieight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I do not want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Suzanne L. Deuchler

Suzanne L. Deuchler
State Representative

SLD/dke

DISTRICT OFFICE:
10544 W. CERMAK ROAD
WESTCHESTER, ILLINOIS 60154
708/531-1444
FAX: 708/531-0467
E-MAIL: DURKINJ@INTERACCESS.COM

SPRINGFIELD OFFICE:
G-1 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-1061

JAMES B. DURKIN
STATE REPRESENTATIVE · 44TH DISTRICT

COMMITTEES:
- SPOKESMAN, HOUSE EDUCATION
- APPROPRIATIONS
- FINANCIAL INSTITUTIONS
- ENVIRONMENT & ENERGY
- PERSONNEL & PENSIONS
- PRISON MANAGEMENT REFORM

August 19, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am writing in regarding the imposition of new conditions on Union Pacific's operations in Texas and the Gulf Coast area. These conditions will have a negative economic affect on UP and Illinois customers. The financial strength of the Union Pacific is vitally important to the Chicago region's economy

The Union Pacific has four major lines entering the Chicago region. These proposed additional conditions will further weaken UP by potentially diverting well over a half-billion dollars in annual gross revenues that the UP needs to invest in expanded capacity, and improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I feel it is unfair that my constituents should pay that price. It is important that Illinois industries stay competitive in our global economy, and I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

In recent months Union Pacific's services have continued to grow to meet the economic demands. This forward progress should not be hindered by the conditions that will have an adverse affect on UP, our community, and others around the country. The Chicago region has set a precedent as the leader in the rail industry, and I do not want changes that are made in Texas to affect the Chicago region's status and UP 's ability to grow and help the community.

Sincerely,

JAMES B. DURKIN
State Representative
44th District

ILLINOIS HOUSE OF REPRESENTATIVES

DISTRICT OFFICE
3649 N. Kedzie Avenue
Chicago, Illinois 60618
773-583-3338
Fax: 773-478-8006

CAPITOL OFFICE
2069-L Stratton Building
Springfield, Illinois 62706
217-782-2458
Fax: 217-782-1333

COMMITTEES
VICE-CHAIRMAN
Executive

MEMBER
Appropriations - General Services and Government Oversight
Consumer Protection
Local Government

JOHN A. FRITCHEY
STATE REPRESENTATIVE
33RD DISTRICT

August 17, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20453

Re: Houston/Gulf Coast Oversight Proceedings
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As a member of the Illinois General Assembly representing parts of the City of Chicago, good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Golf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

John Fritchey

John Fritchey

CAPITOL OFFICE:
2090 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
PHONE: 217/782-5962
FAX: 217/782-2779

DISTRICT OFFICE:
5255 W. NORTH AVENUE
CHICAGO, ILLINOIS 60639
PHONE: 773/745-6120
708/383-9820
FAX: 773/637-1496

COMMITTEES:
AGING
ELEMENTARY & SECONDARY EDUCATION
FINANCIAL INSTITUTIONS
HIGHER EDUCATION
STATE GOVERNMENT ADMINISTRATION & ELECTION REFORM - CHAIRMAN

ILLINOIS HOUSE OF REPRESENTATIVES

CALVIN L. GILES

STATE REPRESENTATIVE • 8TH DISTRICT

August 19, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Calvin L. Giles, a member of the Illinois General Assembly. I represent a diverse District in the City of Chicago. Unfailing rail transportation, and a stable Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

With Chicago ranking as the world's largest rail center, Illinois is a key state for Union Pacific railroad. The Union Pacific Railroad has five rail lines entering the City of Chicago and three intermodal terminals in the City. In order to keep Chicago's industries competitive in our global economy, I am against the proposals to force new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The Union Pacific and Southern Pacific merger was the ultimate solution to the service crisis that arose around Houston and the Gulf Coast . This merger did not reduce competition and does not require new conditions. A Surface Transportation Board decision to give special conditions to shippers in one area of the country would not be fair, because other shippers throughout the country will be adversely affected and at a disadvantage. The proposed conditions would upset the competitive balance and financially undermine Union Pacific after it has already suffered large traffic and financial losses.

I see no benefit in disrupting Union Pacific's operations by putting additional trains of other railroads on Union Pacific's already crowded tracks. The need lies in optimizing Union Pacific's current services, not by adding more confusion. The proposed conditions will not help solve current service issues, and will instead originate incomparable problems.

Union Pacific's service has improved noticeably in recent months. This progress should not be hindered by the imposition of new conditions that will harm Union Pacific, our community, and others around the country. Union Pacific has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. I don't want changes made in Texas that will inauspiciously modify Chicago's status as the rail hub of America, or Union Pacific's ability to grow and aid our community.

Sincerely,

Calvin L. Giles

Calvin L. Giles
State Representative - 8th District

CAPITOL OFFICE:
300 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706
TELEPHONE: 217/782-0066

DISTRICT OFFICE:
230 E. BROADWAY
P.O. BOX 707
CENTRALIA, ILLINOIS 62801
TELEPHONE: 618/533-0296

KURT M. GRANBERG
STATE REPRESENTATIVE · 109TH DISTRICT

ASSISTANT MAJORITY LEADER

FLOOR LEADER

COMMITTEES:
VICE-CHAIRMAN
CONSUMER PROTECTION
AGRICULTURE
CONFLICTS OF INTEREST

August 31, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

This letter is to show my support for the Union Pacific's Dupo Yard. It is very important to my district as a source of employment. The financial strength of the Union Pacific is vitally important to the State of Illinois. The Union Pacific is the largest railroad in Illinois. A sound Union Pacific which is able to make the necessary investment in their infrastructure is important to Illinois. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of infrastructure improvements. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The Union Pacific's service has improved markedly in recent months This progress should not be hindered by the imposition of new conditions that will harm Union Pacific, our community, and others around the country. Union Pacific has increased its hiring in Illinois, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Illinois is the rail hub of America, and I don't want changes made in Texas that will adversely affect Illinois' status and Union Pacific's ability to grow and help our state.

I thank you in advance for you time, assistance, and cooperation.

Sincerely,

Kurt Granberg
Assistant Majority Leader

KG/anj

DISTRICT OFFICE:

1112 South Street
Elgin, Illinois 60123
847/622-1048
847/622-0948 Fax

SPRINGFIELD OFFICE:

2136-O Stratton Building
Springfield, Illinois 62706
217/782-8020

State of Illinois
DOUGLAS L. HOEFT
State Representative • 66th District

COMMITTEES:

Spokesman
Personnel & Pensions
Insurance
Elementary & Secondary Education
Environment & Energy

August 13, 1998

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

Topic: Houston/Golf Coast Oversight Proceeding
No: 32760 - Sub: # 26

Dear Secretary Williams:

I am the Illinois State Representative in the Cook-Kane County area of Chicago. Transportation is the reason my area is one of the leading economic regions of this nation. The combination of air, water and rail transportation systems have made Illinois an economical leader in this nation since the end of the civil war.

The backbone of the transportation system has always been the area railroads. The Union Pacific Railroad has been and continues to be one of the leaders in providing quality rail service to my constituents. Its strength is critical to Chicago's economical health. The new restriction proposal for the Union Pacific in the Texas and Gulf Costal areas can only harm this country and its future.

I strongly oppose these new conditions and ask that they be denied. Your actions to make changes in Texas will harm the economic growth and health of areas throughout the entire nation.

Yours truly,

Doug Hoeft

Douglas L. Hoeft
State Representative
66th District

DLH/dja

MUNICIPALITIES SERVED INCLUDE:
Elgin • Streamwood • Hanover Park • Schaumburg • Hoffman Estates • Bartlett

DISTRICT OFFICE:
130 E. GARFIELD BLVD.
CHICAGO, ILLINOIS 60615
773/624-2004
773/624-4450 FAX

CAPITOL OFFICE:
ROOM 2089 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-8197
217/782-3220 FAX

HOWARD KENNER
STATE REPRESENTATIVE • 24TH DISTRICT

COMMITTEES:
- APPROPRIATIONS GENERAL SERVICES
- APPROPRIATIONS HUMAN SERVICES
- HEALTH CARE AVAILABILITY & ACCESS
- INSURANCE
- LABOR & COMMERCE

August 12, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am writing on behalf of the Union Pacific Railroad Company who are very much opposed to the imposition of new conditions on their operations in Texas and the Gulf Coast area.

Union Pacific Railroad Company also feels the UP's service has been much improved in recent months and the new conditions imposed would harm most communities around the country.

Any consideration you may be able to give them would be appreciated.

Sincerely,

Howard Kenner

HOWARD KENNER
State Representative
24TH District

HK:ss

DISTRICT OFFICE:
111 E. BUSSE AVE., SUITE 505
MT. PROSPECT, ILLINOIS 60056
847/255-3100
FAX: 847/255-3184

SPRINGFIELD OFFICE:
ROOM 2004-G STRATTON BLDG.
SPRINGFIELD, ILLINOIS 62706
217/782-3739
E-MAIL: repkrause@aol.com

CAROLYN H. KRAUSE
STATE REPRESENTATIVE · 56TH DISTRICT

COMMITTEES:
MINORITY SPOKESMAN
HEALTH CARE AVAILABILITY & ACCESS
MEMBER
AGING
REGISTRATION & REGULATION
REVENUE

August 12, 1998

Honorable Vernon a. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Houston/Gulf Coast Oversight proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As a member of the Illinois General Assembly, and a representative from the Chicago metropolitan area, I am very aware that good rail transportation and a sound Union Pacific are important to the Chicago region's economy.

The financial strength of the Union Pacific (UP) is vitally important to this region. The UP has four major lines entering the Chicago region and has excellent plans to improve safety and efficiency on these lines. Proposals to impose new conditions on UP operations in Texas and the Gulf Coast area could result in the delay or cancellation of these improvements. I do not believe that my constituents should pay that price. For Illinois industries to compete in our global economy, I am opposed to the proposals to impose new conditions on UP operations in Texas and the Gulf Coast area.

UP's service has improved markedly in recent months. This progress must not be hindered by the imposition of new conditions that will harm UP, as well as the communities I represent. UP has increased its hiring in the Chicago area, thereby assisting my constituents as well as the additional industrial base it supports. The Chicago region is the rail hub of our country and I do not want changes made in Texas that will adversely affect the Chicago's region's status as well as the ability of UP to grow and help my communities.

Very Truly Yours
Carolyn H Krause
Carolyn H. Krause
State Representative

SPRINGFIELD OFFICE:
2007-H STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-0494
FAX: 217/782-5257

DISTRICT OFFICE:
1030 S. LAGRANGE ROAD
LAGRANGE, ILLINOIS 60525
708/352-7700
FAX: 708/352-7702

EILEEN LYONS
STATE REPRESENTATIVE · 47TH DISTRICT

August 12, 1998

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

RE: Houston/Golf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Eileen Lyons, a member of the Illinois General Assembly. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. I am told proposals to impose new conditions on Union Pacific operations in Texas and the Golf Coast area could result in the delay or cancellation of improvements to these lines. If this is so, I would not like to see my constituents pay that price. In order to keep Illinois industries competitive in our global economy, I would ask that proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area be reconsidered.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I am concerned about changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Eileen Lyons

Eileen Lyons
State Representative
47th District

ILLINOIS GENERAL ASSEMBLY

DISTRICT OFFICE:
4404 W. LAWRENCE
CHICAGO, ILLINOIS 60630
773-286-1115
773-736-2333 (FAX)

SPRINGFIELD OFFICE:
210J-N STRATTON BLDG.
SPRINGFIELD, ILLINOIS 62706
217-782-8400

Joseph M. Lyons

STATE REPRESENTATIVE

15TH DISTRICT

COMMITTEES:
AGING - VICE CHAIR
EXECUTIVE
PUBLIC SAFETY APPROPRIATIONS
STATE GOVERNMENT ADMINISTRATION & ELECTION REFORM
TRANSPORTATION & MOTOR VEHICLES

MEMBER:
HOUSE TASK FORCE ON MENTAL HEALTH & PATIENT ABUSE

August 18, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

My name is Joseph Lyons, and I am a member of the Illinois General Assembly from the 15th District. As a member of the House Transportation Committee and a representative of a portion of the City of Chicago, I am writing today to express my opposition to proposals by the Surface Transportation Board to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

Union Pacific Railroad is an important part of the economy of Chicago and provides jobs to many, including my constituents. The size of the railroad operations by Union Pacific helps keep our industries competitive and provides valuable shipping routes for Chicago's manufactured goods.

Recently, Union Pacific Railroad has shown great improvements in service. This progress must not be hindered by the imposition of new conditions that will harm the railroad, Chicago's industrial base, workers, and the community. Union Pacific has increased Chicagoland hiring and is providing jobs and opportunities to many in the area. Chicago's importance in the railroad industry is well known. We must not allow changes in Texas to adversely affect Chicago and the Union Pacific Railroad. I thank you for your time and consideration.

Sincerely,

Joseph M Lyons

Joseph M. Lyons
State Representative, 15th District

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES

14TH DISTRICT OFFICE
7818 W. HIGGINS
CHICAGO, IL 60631
773/792-0749

SPRINGFIELD OFFICE
2124-O STRATTON BUILDING
SPRINGFIELD, IL 62706
217/782-8182

MICHAEL P. McAULIFFE
STATE REPRESENTATIVE
14TH DISTRICT

August 17, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

My name is Michael McAuliffe, State Representative for the 14th Legislative District. I am a member of the Illinois General Assembly and am on the House Transportation Committee. The District I represent is in the City of Chicago. Good rail transportation and a sound Union Pacific is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Michael P. McAuliffe
State Representative - 14th District

Eugene Moore
State Representative • 7th District

District Office:
1701 S. First Ave., Ste. 205
Maywood, Illinois 60153
708/345-0007
Fax: 708/345-1647

Capitol Office:
2041-J Stratton Building
Springfield, Illinois 62706
217/782-8120
Fax: 217/782-1739

Chairperson - Revenue
Vice Chairperson - Registration & Regulation
Insurance
Health Care Avaliability & Access
Personnel & Pensions

August 12, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Eugene Moore, a member of the Illinois General Assembly. The district I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The Union Pacific's main east-west corridor is in my district. This line is a high density freight and commuter line vitally important to the Chicago area. The Union Pacific has plans to make major investments to improve efficiency and safety in this corridor. Metro wants to extend its commuter service 10 miles west from Geneva on this corridor. If there are freight benefits due to capacity enhancements, UP would be asked to contribute; and if UP does not have funds for its share, the project could be delayed. Proposals to impose new conditions on Union Pacific's operations in Texas and the Gulf Coast area could result in the delay or cancellation of Union Pacific's plans to upgrade their east-west corridor both for freight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast areas.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that would harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that would adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely yours,

Eugene "Gene" Moore
State Representative 7th District

EM/rsh

☐ DISTRICT OFFICE:
932 LEE ST., SUITE 204
DES PLAINES, ILLINOIS 60016
847/297-6533
FAX: 847/297-2978

☐ STATE CAPITOL:
2133-0 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-8007

COMMITTEES:
HUMAN SERVICES APPROPRIATIONS
MINORITY SPOKESMAN
CHILDREN & YOUTH
HEALTH CARE AVAILABILITY & ACCESS
HUMAN SERVICES
REGISTRATION & REGULATION

ROSEMARY MULLIGAN
STATE REPRESENTATIVE · 55TH DISTRICT

August 12, 1998

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

Subject: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Mr. Williams:

As a member of the Illinois General Assembly whose district includes part of the Chicago metropolitan area, **I strongly oppose the imposition of new conditions on Union Pacific operations in Texas and the Gulf Coast.** A transportation emergency no longer exists; and requiring new conditions will unnecessarily and adversely affect Union Pacific's ability to provide service to Illinois shippers.

Funds generated from Union Pacific's current and future traffic base will allow the following enhancements:

- effective western rail competition;
- Union Pacific's investment in Houston/Gulf Coast infrastructure;
- improved service and fewer disruptions of Union Pacific's operations;

but only if new requests for additional access to shippers in one specific area are denied.

Recent progress in Union Pacific's service resulted in increased hiring in the Chicago area, providing opportunity for my constituents and additional support for our industrial base. Changes to conditions in Texas would adversely affect Union Pacific's growth in Illinois and the Chicago region's status as the rail hub of America.

Please reconsider the decision to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

Sincerely yours,

Rosemary Mulligan

RM:sb

District Office:
837 West Higgins Road
Schaumburg, Illinois 60195
847 882-0270

Capitol Office:
2002-C Stratton Building
Springfield, Illinois 62706
217 782-0347

State of Illinois
House of Representatives

Terry R. Parke
State Representative · 53rd District

Committees:
Republican Spokesman:
Labor & Commerce
Member:
Consumer Protection
Insurance
Energy & Environment
Utility Deregulation
Co-Chairman:
Il Economic & Fiscal
Commission
Member:
Employee Suggestion
Award Board

August 10, 1998

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Terry Parke, a member of the Illinois General Assembly. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the

Chicago area its, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Thank you for your consideration.

Sincerely,

Terry Parke

Terry R. Parke
State Representative

TRP:sb

DISTRICT:
478 PENNSYLVANIA AVE., STE. 101
GLEN ELLYN, ILLINOIS 60137
(630) 858-0860
FAX (630) 858-0868

CAPITOL OFFICE:
2127-O STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
(217) 782-8037

GENERAL ASSEMBLY
STATE OF ILLINOIS

VINCENT A. PERSICO
STATE REPRESENTATIVE • 39TH DISTRICT

COMMITTEES:
CO-CHAIRMAN
ELECTRIC UTILITY DEREGULATION
ELEMENTARY & SECONDARY EDUCATION
ENVIRONMENT & ENERGY
FINANCIAL INSTITUTIONS
INSURANCE

August 17, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Secretary Williams:

I am writing this letter because I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

I am a member of the Illinois General Assembly and the district I represent is in the Chicago metropolitan area. Rail Transportation and Union Pacific are important to the Chicago region's economy. Union Pacific's main east-west corridor is in my district. It is a high density freight and commuter line vitally important to the Chicago area. The Union Pacific has plans to make major investments to improve efficiency and safety in this corridor. Metra wants to extend its commuter service 10 miles west from Geneva. If there are freight benefits due to capacity enhancements, UP would be asked to contribute; and if UP does not have funds for its share, the project would be delayed. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of Union Pacific's plans to upgrade their east-west corridor both for freight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price.

Since the Chicago region is the rail hub of America, changes that will adversely affect the Chicago region's status and UP's ability to grow and help our community would not be accepted warmly by my constituents.

Thank you for you consideration on this matter, and if you would like to discuss further with me, please do not hesitate to contact my office.

Sincerely,

Vincent A. Persico

COY PUGH

STATE REPRESENTATIVE • 10TH DISTRICT

COMMITTEES:

HUMAN SERVICES
CHAIRMAN

APPROPRIATIONS
HUMAN SERVICES
VICE-CHAIRMAN

FINANCIAL INSTITUTIONS

August 12, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary William:

This letter is being written in regards to the above caption matter. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

COY PUGH
State Representative

DISTRICT OFFICE:
1210 N. PULASKI ROAD · CHICAGO, ILLINOIS 60651 · 773/862-7844
FAX: 773/862-0061

CAPITOL OFFICE:
2093-M STRATTON BUILDING · SPRINGFIELD, ILLINOIS 62706 · 217/782-8087
FAX: 217/782-2779

DISTRICT OFFICE:

8153 W. GRAND AVENUE
RIVER GROVE, ILLINOIS 60171
(708) 453-SKIP
FAX (708) 453-7594

SPRINGFIELD OFFICE:

HOUSE OF REPRESENTATIVES
2040-J STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
(217) 782-3374

COMMITTEES:

CHAIRMAN – REGISTRATION & REGULATION
VICE-CHAIRMAN – AGING
TRANSPORTATION & MOTOR VEHICLES
HIGHER EDUCATION

ANGELO "SKIP" SAVIANO
STATE REPRESENTATIVE • 77TH DISTRICT

August 11, 1998

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

Dear Secretary Williams,

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

I am Angelo Saviano, a member of the Illinois General Assembly. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do no feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Angelo "Skip" Saviano
State Representative
77th District

Illinois House of Representatives

Cal Skinner, Jr.

State Representative • 64th District
7103 Manor Road, Suite 1 • Crystal Lake, Illinois 60014 • 815/477-0066 • FAX 815/477-0098
G-2 Stratton Building • Springfield, Illinois 62706 • 217/782-0432 • FAX 217/782-2289

August 13, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Cal Skinner, a member of the Illinois General Assembly. The district I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

CAL SKINNER, JR.
State Representative

CS/ab

Minority Spokesman: Appropriations Committee for Public Safety, Corrections, Transportation
Member: Committees on Health Care Availability & Access, Labor & Commerce and Appropriations for Education
Prison Reform Committee, Roberto Clemente High School Investigating Committee

ILLINOIS HOUSE OF REPRESENTATIVES

SPRINGFIELD OFFICE:
ROOM L-2054 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-8272
FAX: 217/782-2404

CHICAGO OFFICE:
8539 SOUTH COTTAGE GROVE
CHICAGO, ILLINOIS 60619
773/783-8492
FAX: 773/783-8625

August 19, 1998

TODD H. STROGER
STATE REPRESENTATIVE
31ST REPRESENTATIVE DISTRICT

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

RE: Houston/Gulf Coast Oversight Proceedings
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am State Representative Todd H. Stroger of the Illinois House of Representatives. I represent the southeast portion of the City of Chicago. Along with the many working families that live in my district there are industrial parks steel plants and a Ford automobile plant. As you can imagine, good rail transportation is important to our district.

In that regard, I am writing this letter in support of the Union Pacific Railroad. I believe that the Union Pacific is important not only to this area but also to the country. The Union Pacific Railroad has five rail lines entering the City of Chicago and three intermodal terminals in the city. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on the Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. Their progress should not be hindered by the imposition of new conditions that may only hurt the company when it is back on the right track. Union Pacific has increased its hiring in the Chicago area and provides a good opportunity for my constituents, as well as supporting the industrial base of the city. Because of this, I am against changes that may be made in Texas but can adversely affect Chicago's status and Union Pacific's ability to grow and help our community.

Sincerely,

Todd H. Stroger
State Representative

DISTRICT OFFICE:
411 S. STATE STREET
BELVIDERE, IL 61008
815/547-7771

STATE OF ILLINOIS BUILDING
200 S. WYMAN STE. 303
ROCKFORD, IL 61101
815/987-7478
FAX: 815/987-7471

CAPITOL OFFICE:
2021-H STRATTON BUILDING
SPRINGFIELD, IL 62706
217/782-0548

RONALD A. WAIT
STATE REPRESENTATIVE • 68TH DISTRICT

COMMITTEES:

CHAIRMAN
TRANSPORTATION

MEMBER:
AGRICULTURE & CONSERVATION
COUNTIES & TOWNSHIPS
APPROPRIATIONS - PUBLIC SAFETY &
INFRASTRUCTURE

August 8, 1998

Honorable Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Dear Secretary Williams:

I am Ron Wait. I am a member of the Illinois General Assembly, and I am the Minority Spokesman of the House Transportation Committee. The district I represent includes Belvidere, Illinois, where there is a major Chrysler assembly plant. The plant is served by the Union Pacific and is the major industry and employer in my district. A sound Union Pacific to serve Belvidere is vitally important to my district.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on there lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents , as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want to changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Ron Wait

Ron Wait
State Representative

DISTRICT OFFICE:
155 NO. 3RD ST., STE. 400
DEKALB, ILLINOIS 60115-3365
(815) 748-3494
FAX: (815) 748-4630
WEB SITE: www.tbcnet.com/~david
E-MAIL: david@tbcnet.com

CAPITOL OFFICE:
2028-N STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62656
(217) 782-0425

90TH GENERAL ASSEMBLY
STATE OF ILLINOIS

DAVID A. WIRSING
STATE REPRESENTATIVE · 70TH DISTRICT

COMMITTEES
- HIGHER EDUCATION - SPOKESMAN
- STATE GOVERNMENT ADMINISTRATION & ELECTION REFORM
- PUBLIC UTILITIES
- APPROPRIATION EDUCATION

August 12, 1998

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

RE: Houston / Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (sub-no. 26)

Dear Secretary Williams,

I am writing to you as a concerned member of the Illinois General Assembly. My district is within the greater Chicago Metropolitan Area and contains the Union Pacific's main east-west corridor. Good rail transportation, with a sound Union Pacific, is key to this region's economy.

The east-west corridor is a high-density freight and commuter line vitally important to the Chicago area. The Union Pacific has plans to make major investments to improve efficiency and safety in this corridor. Metra wants to extend its commuter service 10 miles west from Geneva on this corridor. If there are freight benefits due to capacity enhancements, UP would be asked to contribute; and if UP does not have funds for its share, the project could be delayed. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of Union Pacific's plans to upgrade their east-west corridor for both freight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country. Union Pacific has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas to adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

David A. Wirsing
State Representative
70th District

ILLINOIS HOUSE OF REPRESENTATIVES

SPRINGFIELD OFFICE:
ROOM L-2054 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-8272
FAX: 217/782-2404

CHICAGO OFFICE:
8539 SOUTH COTTAGE GROVE
CHICAGO, ILLINOIS 60619
773/783-8492
FAX: 773/783-8625

August 19, 1998

TODD H. STROGER
STATE REPRESENTATIVE
31ST REPRESENTATIVE DISTRICT

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

RE: Houston/Gulf Coast Oversight Proceedings
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

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Sincerely,

Todd H. Stroger
State Representative

DISTRICT OFFICE:
411 S. STATE STREET
BELVIDERE, IL 61008
815/547-7771

STATE OF ILLINOIS BUILDING
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217/782-0548

RONALD A. WAIT
STATE REPRESENTATIVE • 68TH DISTRICT

COMMITTEES:

CHAIRMAN
TRANSPORTATION

MEMBER:
AGRICULTURE & CONSERVATION
COUNTIES & TOWNSHIPS
APPROPRIATIONS - PUBLIC SAFETY & INFRASTRUCTURE

August 8, 1998

Honorable Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Dear Secretary Williams:

I am Ron Wait. I am a member of the Illinois General Assembly, and I am the Minority Spokesman of the House Transportation Committee. The district I represent includes Belvidere, Illinois, where there is a major Chrysler assembly plant. The plant is served by the Union Pacific and is the major industry and employer in my district. A sound Union Pacific to serve Belvidere is vitally important to my district.

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Sincerely,

Ron Wait

Ron Wait
State Representative

DISTRICT OFFICE:
155 NO. 3RD ST., STE. 400
DEKALB, ILLINOIS 60115-3365
(815) 748-3494
FAX: (815) 748-4630
WEB SITE: www.tbcnet.com/~david
E-MAIL: david@tbcnet.com

CAPITOL OFFICE:
2028-H STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62656
(217) 782-0425

90TH GENERAL ASSEMBLY
STATE OF ILLINOIS

DAVID A. WIRSING
STATE REPRESENTATIVE · 70TH DISTRICT

COMMITTEES:
- HIGHER EDUCATION - SPOKESMAN
- STATE GOVERNMENT ADMINISTRATION & ELECTION REFORM
- PUBLIC UTILITIES
- APPROPRIATION EDUCATION

August 12, 1998

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

RE: Houston / Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (sub-no. 26)

Dear Secretary Williams,

I am writing to you as a concerned member of the Illinois General Assembly. My district is within the greater Chicago Metropolitan Area and contains the Union Pacific's main east-west corridor. Good rail transportation, with a sound Union Pacific, is key to this region's economy.

The east-west corridor is a high-density freight and commuter line vitally important to the Chicago area. The Union Pacific has plans to make major investments to improve efficiency and safety in this corridor. Metra wants to extend its commuter service 10 miles west from Geneva on this corridor. If there are freight benefits due to capacity enhancements, UP would be asked to contribute; and if UP does not have funds for its share, the project could be delayed. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of Union Pacific's plans to upgrade their east-west corridor for both freight and commuter operations. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country. Union Pacific has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas to adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

David A. Wirsing
State Representative
70th District

Bellwood

VILLAGE OF BELLWOOD
3200 WASHINGTON BOULEVARD
BELLWOOD, IL 60104-1984

TRUSTEES:
JANN A. BEAUCHAMP
JOYCE ANN COLE PORTER
ARTHUR G. GRAPENTHIEN
FRANK E. HASMAN
DR. FRANK A. PASQUALE
MICHAEL A. ROGERS

PRESIDENT:
DONALD P. LEMM
CLERK:
BOOKER T. BROWN

TELEPHONE:
(708) 547-3500
FACSIMILE:
(708) 547-1965

August 18, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 Sub-No. 26)

Dear Secretary Williams:

I am Donald Lemm, the Mayor of Bellwood, Illinois. The Union Pacific Railroad has a major classification and intermodal yard, the Proviso Yard, located in Bellwood. Many residents of Bellwood work in the Proviso Yard, and many of our businesses rely on the intermodal portion of the yard to keep their transportation cost down. The Union Pacific has a constant need of funds to maintain and improve the Proviso Yard.

Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in delay of Union Pacific's plans to maintain and upgrade the Proviso Yard. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Donald P. Lemm
Mayor

Village of Berkeley

August 14, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street. N.W.
Washington, DC 20423
RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Michael A. Esposito, President of Berkeley, Illinois. The Union Pacific Railroad has a major classification and intermodal yard, the Proviso Yard, located in Berkeley. Many residents of Berkeley work in the Proviso Yard, and many of our businesses rely on the intermodal portion of the yard to keep their transportation costs down. The Union Pacific has a constant need of funds to maintain and improve the Proviso Yard.

Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in delay of Union Pacific's plans to maintain and upgrade the Proviso Yard. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,
Michael A. Esposito
Village President

5819 Electric Avenue, Berkeley, Illinois 60163 • (708) 449-8840
FAX 708-449-6189

CITY COUNCIL
CITY OF CHICAGO

COUNCIL CHAMBER
City Hall - Room 209, Office 8
121 N. LaSalle Street
Chicago, Illinois 60602
Telephone: (312) 744-6820
Fax: (312) 744-2813

Reply:
Public Service Office
34th Ward Center

507 W. 111th Street - 60628
Telephone: (773) 928-6961
Fax: (773) 928-8562

CARRIE M. AUSTIN
Alderman, 34th Ward

COMMITTEE MEMBERSHIPS

Committees, Rules And Ethics
(Vice Chairman)
Committees, Transportation
(Vice Chairman)
Budget and Government Operations
Energy, Environmental Protection
and Public Utilities
Finance
Health
Rules and Ethics
Special Events and
Cultural Affairs
Zoning

August 31, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

There is no other location in the United States that is more aware of the need for sound rail transportation, than the City of Chicago of Cnicago. Union Pacific is a known entity here in the City of Chicago. The large job base of the Union Pacific bodes well for our community. The positive report to me from my constituents is encouraging. So all the above mentioned reasons, with many more that are too numerous to mention. They form the basis for me writing this letter to you.

A strong and financially sound Union Pacific is a vital link in the overall growth and development of the City of Chicago of Chicago. AN ever expanding Union Pacific is an added enhancement to the City of Chicago. The added number of jobs and the resultant supporting jobs is a financial plus. The Union Pacific has five lines entering into the city, and three inter modal terminals to support them. These centers and the amount of commerce generated along with the job base is vital to the city. Additionally I am opposed to any proposals that are being imposed on this rail line operations, in Texas and the Gulf Coast Area, that might affect the City of Chicago.

There is general agreement the Union Pacific service in the metropolitan area, has made a noticeable improvement in the past few months. This improvement should not be hindered by the imposition of any new Federal Regulations. The results could create a devastating economical effect on not just the Chicago Area, but other areas around the country. Please let me leave you with this thought, Chicago is the rail hub of America. I would not like to see any changes imposed on them in the State of Texas that could seriously affect the Chicago community.

If you have any questions regarding this letter, do not hesitate to call me or my Chief of Staff, Chester Wilson at 773-928-6961.

Sincerely,

Carrie M. Austin

Carrie M. Austin
Alderman, 34th Ward

CITY COUNCIL

CITY OF CHICAGO

COUNCIL CHAMBER

CITY HALL - ROOM 209
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602

COMMITTEES

COMMITTEE ON TRAFFIC CONTROL AND SAFETY (VICE-CHAIRMAN)

COMMITTEE ON AVIATION

COMMITTEE ON COMMITTEES, RULES AND ETHIC

COMMITTEE ON HISTORICAL LANDMARK PRESERVATION

COMMITTEE ON LICENSE AND CONSUMER PROTECTION

COMMITTEE ON PARKS AND RECREATION

COMMITTEE ON TRANSPORTATION AND PUBLIC WAY

BRIAN G. DOHERTY
ALDERMAN, 41ST WARD

August 17, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Brian Doherty, a Chicago Alderman and a member of the Transportation Committee. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the City. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Brian G. Doherty

Brian G. Doherty
Alderman 41st Ward

CITY COUNCIL
CITY OF CHICAGO

COUNCIL CHAMBER
SECOND FLOOR, CITY HALL
121 NORTH LASALLE STREET
209-19
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-8019

PERCY Z. GILES
ALDERMAN, 37TH WARD
5255 WEST NORTH AVENUE
CHICAGO, ILLINOIS 60639
TELEPHONE: 773-637-1300
FAX: 773-637-1496

COMMITTEE MEMBERSHIPS

SPECIAL EVENT AND CULTURAL AFFAIRS (CHAIRMAN)

HISTORICAL LANDMARK PRESERVATION

ECONOMIC AND CAPITAL DEVELOPMENT (VICE-CHAIRMAN)

BUDGET AND GOVERNMENT OPERATIONS

COMMITTEES, RULES AND ETHICS

ENERGY, ENVIRONMENTAL PROTECTION AND PUBLIC UTILITIES

FINANCE

HOUSING AND REAL ESTATE

August 12, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Percy Z. Giles, a Chicago Alderman. Good rail transportation, and a sound Union Pacific, is important to Chicago's economy that provides jobs to my constituents.

The financial strength of the Union Pacific is vitally important to Chicago due to the size of their operation in the city. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the city. In order to keep Chicago industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America, and I don't want changes made in Texas that will adversely affect Chicago's status and UP's ability to grow and help our community.

Sincerely,

Percy Z. Giles
Alderman, 37th Ward

PZG:ms

Attachment

VILLAGE OF CRETE

524 WEST EXCHANGE STREET • P.O. BOX 337 • CRETE, ILLINOIS 60417
708/672-5431 FAX: 708/672-3920

VILLAGE PRESIDENT
MICHAEL S. EINHORN

VILLAGE CLERK
MARIANN E. GEMPER

VILLAGE ADMINISTRATOR
JERALD P. DUCAY

August 19, 1998

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Sreet, N.W.
Washington, DC 20423

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Michael Einhorn, President of the Village of Crete. The district I represent is in the Chicago metropolitan area. Good rail transportation and a sound Union Pacific is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago Region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Michael S. Einhorn,
Village President

VILLAGE OF ELMWOOD PARK

OFFICE OF THE VILLAGE PRESIDENT • 11 Conti Parkway • Elmwood Park, IL 60707 • (708) 452-7300

PETER N. SILVESTRI
Village President

August 18, 1998

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

re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As President of the Village of Elmwood Park, a suburban community adjacent to the City of Chicago, good rail transportation and a sound Union Pacific is important to our local economy and provides jobs to many of my constituents.

The financial strength of the Union Pacific is vitally important to our region due to the size of its operation in the area. The Union Pacific Railroad has five rail lines entering the City of Chicago and three major intermodal terminals in the City. In order to keep our industries competitive in the global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

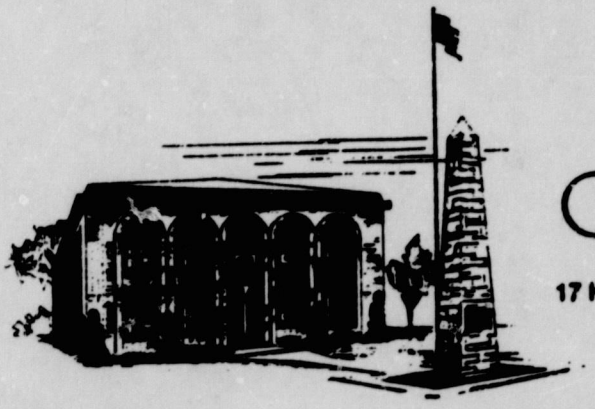
The U.P.'s service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our communities and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. Chicago is the rail hub of America and I do not want changes made in Texas that will adversely affect Chicago's status and Union Pacific's ability to grow and help our community.

Very truly yours,

Peter N. Silvestri

Peter N. Silvestri
Village President

cc: Honorable Rod Blagojevich, U. S. Representative, Illinois District 5
Honorable Danny K. Davis, U. S. Representative, Illinois District 7



CITY of HIGHWOOD

17 HIGHWOOD AVENUE / HIGHWOOD, ILLINOIS 60040

August 24, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am John Sirotti, Mayor of the City of Highwood. The district I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

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Sincerely,

John Sirotti
Mayor of Highwood

Ronald M. Serpico
MAYOR

Barbara Jasinski
CLERK

Village of Melrose Park

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket # 32760 (Sub # 26)

Dear Secretary Williams:

As Mayor of Melrose Park, Illinois, I am writing on behalf of the Union Pacific Railroad. The Union Pacific Railroad has a major classification and intermodal yard, the Proviso Yard in Melrose Park. The Proviso Yard employs many Melrose Park residents and the intermodal portion of the yard provides our businesses with a means of keeping their transportation costs down. The Proviso Yard is in constant need of funding from Union Pacific (UP) for maintenance and improvement.

The Surface Transportation Board has proposed new conditions on UP operations in Texas and the Gulf Coast that could negatively affect Union Pacific's plans to maintain and upgrade the Proviso Yard. I am opposed to the imposition of new conditions on UP operations in Texas and the Gulf Coast, because it may adversely affect what UP can do for shippers in Illinois. I fear that the State of Illinois and Melrose Park will suffer the consequences and pay that price.

I have noticed a marked improvement in UP's service, and increased hiring in the area recently. This is progress and progress should not be hindered by restrictions that may cause harm to our community. The Chicago area is and always was a major railroad hub, and I do not want changes made in Texas that will adversely affect our region and Union Pacific's ability to grow and help our community.

Sincerely,

Ronald M. Serpico
Mayor

RMS/gt

CITY OF NORTHLAKE
OFFICE OF THE MAYOR
NORTHLAKE, 60164

JEFFREY T. SHERWIN
MAYOR

August 12, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Jeffrey Sherwin, the Mayor of Northlake, Illinois. The Union Pacific Railroad has a major classification and intermodal yard, the Proviso Yard, located in Northlake. Many residents of Northlake work in the Proviso Yard, and many of our businesses rely on the intermodal portion of the yard to keep their transportation costs down. The Union Pacific has a constant need of funds to maintain and improve the Proviso Yard.

Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in delay of Union Pacific's plans to maintain and upgrade the Proviso Yard. I do not feel my constituents and the State of Illinois should pay that price. Therefore, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. The progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of American, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Jeffrey T. Sherwin
Mayor

JTS:jml

55 E. NORTH AVENUE • NORTHLAKE, IL 60164
(708) 343-8700 • FAX (708) 343-8708

VILLAGE OF PALATINE
200 East Wood Street • Palatine, Illinois 60067-5339 • 847-358-7500
FAX 359-9040

Member:
Northwest Municipal Conference
Illinois Municipal League
National League of Cities
U.S. Conference of Mayors

August 18, 1998

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

RE: Houston / Gulf Coast Oversight Proceeding
Finance Docket No. 32760
(Sub-No. 26)

Dear Secretary Williams:

I am Rita Mullins, the Mayor of the Village of Palatine. The District I represent is in the Chicago metropolitan area. This letter is to state my opposition to the additional conditions being placed on Union Pacific operations in Texas and the Gulf Coast area.

Good rail transportation and a sound Union Pacific is important to the Chicago region's economy. The financial strength of the Union Pacific is vitally important to the Chicago area. The Union Pacific Railroad has four major lines entering this region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The Union Pacific's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. Union Pacific has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the

additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and Union Pacific's ability to grow and help our community.

I appreciate your consideration in this matter and would be happy to discuss this issue further at your convenience

Very truly yours,

Rita Mullins

Rita L. Mullins
Mayor

sm

David L. Owen
Mayor

OFFICE OF THE MAYOR

SOUTH CHICAGO HEIGHTS, ILLINOIS 60411

Phone 708/755-1880
Fax 708/755-1881

August, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423
RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am David Owen, Mayor of the Village of South Chicago Heights. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay the price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

David L. Owen
Mayor

VILLAGE OF STEGER

35 West 34th Street • Steger, Illinois 60475
Phone: (708) 754-3395 • Fax: (708) 754-1913

Louis Sherman
Village President
Alvin D. Harms
Village Clerk

Board of Trustees
Edward Grollemond
Clarence Helsel
Ercil Johnson
Richard Porter
Carmen Recupito, Jr.
Anthony Santori

August 10, 1998

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am Louis Sherman, President of the Village of Steger. The District I represent is in the Chicago metropolitan area. Good rail transportation, and a sound Union Pacific, is important to the Chicago region's economy.

The financial strength of the Union Pacific is vitally important to the Chicago region. The Union Pacific Railroad has four major lines entering the Chicago region. The Union Pacific has plans to improve safety and efficiency on these lines. Proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area could result in the delay or cancellation of improvements to these lines. I do not feel my constituents should pay that price. In order to keep Illinois industries competitive in our global economy, I am opposed to the proposals to impose new conditions on Union Pacific operations in Texas and the Gulf Coast area.

The UP's service has improved markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP, our community and others around the country. UP has increased its hiring in the Chicago area, which provides an opportunity to my constituents, as well as the additional industrial base it supports. The Chicago region is the rail hub of America, and I don't want changes made in Texas that will adversely affect the Chicago region's status and UP's ability to grow and help our community.

Sincerely,

Louis Sherman
Village President
Village of Steger

"Where Progress is a Fact, not a Promise"

JOHN J. SINDE
President
JOHN H. CROIS
Village Manager
KATHRYN HAYES-GAUDRY
Clerk
CHRISTOPHER D. EDMONDS
Village Attorney

Village of Westchester

10300 ROOSEVELT ROAD • WESTCHESTER, ILLINOIS 60154
TELEPHONE (708) 345-0020

August 19, 1998

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

Dear Mr. Secretary:

Let me introduce myself as John Sinde, serving my 19th year as president of the Village of Westchester, Illinois, immediate past legislative chairman of the West Central Municipal Council, with a membership of 34 separate villages around the Chicago Metropolitan area. I mention this only to let you know that I have over 25 years in public service, and feel qualified to give an opinion on this subject matter.

Giving you the bottom line first, I would like to advise that I oppose any additional conditions being placed on the Union Pacific operations in Texas and the Gulf Coast areas. The Union Pacific's service, as you know through your experience, has improved tremendously in recent months and their financial strength is vitally important in any operation so vast in scope and responsibility.

I could not agree more with the opinions of well versed community leaders that progress should not be hindered by the imposition of new conditions that could harm the Union Pacific, various communities and others around the country. The success of the Union Pacific is vital to this area and provides an opportunity to the constituents as well as the additional industrial base it supports.

Mr. Williams, I sincerely hope that you act favorably towards my opinion and thank you very much for the time taken in reading this letter.

Sincerely,

VILLAGE OF WESTCHESTER

JOHN J. SINDE
President

OFFICE OF THE GOVERNOR
STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

TERRY E. BRANSTAD
GOVERNOR

August 18, 1998

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Secretary Williams:

As Governor of Iowa, I have worked to greatly improve Iowa's economy during the last sixteen years. An important component to a strong state economy is an efficient transportation system, which includes a strong rail network. Union Pacific Railroad is Iowa's largest railroad, with approximately 1,700 miles of track in the state and more that 1,700 employees. UP's Iowa system includes both east/west and north/south mainlines and an extensive grain gathering branch line system in northwest Iowa.

I am writing in response to the various requests filed by shippers and others asking for increased access to Union Pacific's traffic base in Texas and the Gulf Coast. I am opposed to the proposals to impose new conditions on the Union Pacific's operations in Texas and the Gulf Coast area, as this action could harm UP and its Iowa customers.

It seems that the initially imposed pro-competitive conditions of the UP/SP merger have been working. BNSF now operates some 700 trains a month over the rights they were granted. This pro-competitive condition should be allowed to continue as initially designed.

I do not want Union Pacific to be financially weakened by the imposition of additional conditions not contemplated in the initial merger with Southern Pacific, specifically the loss of large amounts of traffic. UP has been making capital improvements in Iowa on its mainlines, including installing capacity improvements of double track in western Iowa.

In 1997, UP spent nearly $80 million on capital improvements and plans to spend $60 million in 1998. These improvements need to continue in the future. Additionally, in 1996, UP announced a $220 million program to improve much of its branch line system over the next 15 years. If UP does not stay financially strong, these improvements in Iowa could be delayed or canceled. I do not want Iowa to pay that price.

Please do not make a change in one part of Union Pacific's system to the detriment of the shippers in Iowa and to the detriment of Iowa's economy.

Sincerely,

Terry E. Branstad

Terry E. Branstad
Governor

TEB/rcb

BRENT SIEGRIST
Majority Leader

House of Representatives
State of Iowa
Seventy-Seventh General Assembly

STATE CAPITOL
Des Moines, Iowa 50319
Phone: 515-281-3054
Fax: 515-281-3307
Email: bsiegri@legis.state.ia.us
Internet Home Page: http://speaker.i-link.com/

September 17, 1998

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

Re: Houston/Gulf Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As Majority Leader in the Iowa House of Representatives, I work with my colleagues to protect and improve the economy of Iowa. At the heart of Iowa's economy is the Union Pacific Railroad (UP), spanning the state with 1,700 miles of track and providing jobs to more than 1,850 of our citizens. Perhaps most importantly, UP provides vital rail transportation that is critical to the success of our state's industries. A healthy UP is essential to a healthy Iowa.

Because of UP's importance to Iowa, I oppose the proposals to impose new conditions on UP's operations in the Texas Gulf Coast area. The proposed conditions threaten to harm UP and, as a consequence, would have important adverse effects on the State of Iowa. Among other things, UP has been making important investments in its infrastructure in Iowa and throughout its system. I am very concerned that these conditions will undermine UP's financial position in a way that could compromise its ability to continue with those investments. The result would be to degrade rail options for shippers in Iowa and throughout the West. It would not be fair to make Iowa and other states pay the price for special conditions in the Texas and Gulf Coast region.

Competition has clearly been working effectively since the UP/SP merger. Although UP has suffered with service problems over the past year, we have seen definite signs of improvement; and UP has given every indication that it is dedicated to continuing those improvements. These conditions will interfere with UP's recovery and are not needed to protect competition. The best answer to service problems in Houston and the Gulf Coast and throughout the West, is to let UP fight its way out of them.

Please do not grant special favors to the Texas and Gulf Coast region at the expense of Iowa's economy. Weakening UP through further conditions will weaken Iowa. I, therefore, strongly oppose the proposed new conditions, and I urge the STB to reject them.

Sincerely,

Brent Siegrist

Brent Siegrist
Majority Leader
Iowa House of Representatives

State Representative
House District 84

City of Boone

GEORGE F. MAYBEE
Mayor

JEFFREY L. KOOISTRA
City Administrator

AUDREY VELDHUIZEN
City Clerk/Treasurer

August 19, 1998

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

RE: Houston/Gulf Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am the Mayor of Boone, Iowa, and President Elect of the Iowa League of Cities. Boone is a City with a population of 13,000, located in central Iowa on UP's busy double track East/West Main Line. Boone is a crew change point for Union Pacific's engineers and trainmen. There are about 340 UP employees living in Boone and the surrounding area.

Although a busy railroad sometimes raises community complaints, a strong Union Pacific that continues to maintain and increase employment and make capital expenditures to its track structure is important to Boone. It also serves businesses located in Boone.

I am writing in response to the various requests filed by shippers and others requesting increased access to Union Pacific's traffic base in Texas and the Gulf Coast. I am opposed to the proposals to impose new conditions on the Union Pacific's operations in Texas and the Gulf Coast Area, as this action could harm UP and its employees, customers and cities it works with in Iowa.

It seems that the initially-imposed pro-competitive conditions of the UP/SP merger have been working. These pro-competitive conditions should be allowed to continue as initially designed.

It would be unfair to grant special access conditions in one part of the country at the expense of shippers and communities elsewhere. In particular, I am concerned that our community and economy will be adversely impacted if Union Pacific competitors are granted concessions in another part of the UP system. Certainly, if Union Pacific's

P.O. Box 550 Boone, Iowa 50036-0550
Telephone: 515-432-4211 FAX: 515-432-1564

competitors want direct access to Union Pacific customers they can use their own capital to build the necessary track and facilities.

Our area has benefited from our association with Union Pacific Railroad. The service progress and community partnership should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country.

Sincerely,

George F. Mayberg
Mayor, City of Boone
President Elect Iowa League of Cities

City of Boone

GEORGE F. MAYBEE
Mayor

JEFFREY L. KOOISTRA
City Administrator

AUDREY VELDHUIZEN
City Clerk/Treasurer

August 19, 1998

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

RE: Houston/Gulf Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am the Mayor of Boone, Iowa, and President Elect of the Iowa League of Cities. Boone is a City with a population of 13,000, located in central Iowa on UP's busy double track East/West Main Line. Boone is a crew change point for Union Pacific's engineers and trainmen. There are about 340 UP employees living in Boone and the surrounding area.

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P.O. Box 550
Boone, Iowa 50036-0550
Telephone: 515-432-4211
FAX: 515-432-1564

competitors want direct access to Union Pacific customers they can use their own capital to build the necessary track and facilities.

Our area has benefited from our association with Union Pacific Railroad. The service progress and community partnership should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country.

Sincerely,

George F. Maybee
Mayor, City of Boone
President Elect Iowa League of Cities

SENATE
STATE OF LOUISIANA

DENNIS R. BAGNERIS, SR.
SENATE PRESIDENT PRO TEMPORE

4640 Chef Menteur Hwy.
Suite 318
New Orleans, LA 70126
(504) 947-9198

September 10, 1998

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Houston/Gulf Coast Oversight Proceeding - Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I have the following observations regarding your upcoming hearings on the status of the Union Pacific-Southern Pacific merger and the new demands several Texas participants have made on you to serve their own interests in this matter.

For months following the merger implementation, service problems developed on the Union Pacific Gulf Coast lines and congestion plagued their system. Following months of intensive effort and capital resources, relief from congestion has occurred and customer service has been restored to near normal levels. The intense effort by Union Pacific has been costly to the extent of reporting operating losses in recent quarterly reports, while competitors have continued to reap gains. It seems hardly justifiable that the Surface Transportation Board would now grant special operating rights over the Union Pacific that would only weaken the achievements it has recently obtained. Additionally, such action would weaken the revenue base Union Pacific needs to continue to improve service.

Union Pacific is an important and major investor in transportation in the state of Louisiana and we need a prosperous and vibrant rail industry here. It makes little sense to burden this state's largest rail carrier with additional rights so that others could diminish the improvements already obtained in rail operations in Louisiana. Union Pacific is making major capital investments here and hiring additional employees. I applaud the progress of Union Pacific and request that you refrain from any action that could jeopardize these plans.

Sincerely,

Dennis R. Bagneris, Sr.

Dennis R. Bagneris, Sr.
Senate President Pro Tem

DRBsr:mpw

SENATE
STATE OF LOUISIANA

ROBERT J. BARHAM
State Senator
District 33
Post Office Box 249
Rayville, Louisiana 71269
318/728-6830

COMMITTEES:
Revenue and Fiscal Affairs, Chairman
Judiciary A
Labor and Industrial Relations
Senate and Governmental Affairs

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K. Street N.W.
Washington, D.C. 20423-0001

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Mr. Williams:

This letter is written to you as a result of your oversight proceedings regarding the Union Pacific-Southern Pacific merger previously approved by your board.

It appears that despite the significant improvement in service in Louisiana, and the entire Gulf Coast area, and relief of the congestion that troubled the Union Pacific for months, Texas based interests have appealed to you for special operating rights on the Union Pacific Railroad that can only be adverse to Union Pacific and, possibly, other areas of service, including Louisiana.

In spite of recent operating losses incurred while addressing the problems encountered in their merger implementation, Union Pacific has, and is, making strategic capital investments, hiring additional personnel and providing the equipment necessary to return to a full service recovery. It's hard to see how additional, new burdens on the company's property, that will only divert revenue, can be of any help in strengthening their transportation system.

Union Pacific has been an outstanding corporate citizen of the state of Louisiana and important provider of freight services. I urge extreme caution in your deliberations of these rather self-serving demands which seem completely unjustified.

Yours truly,

Robert J. Barham

ROBERT J. BARHAM
STATE SENATOR

RJB:ar

RON BEAN
State Senator
District 38
Parishes of:
Caddo and DeSoto

SENATE
STATE OF LOUISIANA

2520 Bert Kouns Industrial Loop
Suite 201
Shreveport, LA 71118

beanr@legis.state.la.us.

Phone: (318) 688-9865-office
(318) 676-7906-office
(318) 688-9865-fax
(318) 686-3782-home

COMMITTEES:
Insurance,
Vice Chairman
Revenue & Fiscal Affairs
Transportation, Highways & Public Works
Environmental

July 30, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Mr. Williams:

Please allow this letter to convey my concern that Texas interests are asking for additional rights over the Union Pacific Railroad. Union Pacific is an important business asset to Louisiana as a major investor, employer, and certainly a provider of services to the public. As a part of the merger between Union Pacific-Souther Pacific Railroad, trackage rights and line sales have already been made to several competitors. Must we burden Union Pacific with additional conditions?

Union Pacific has invested its capital resources, recognized its problems, and major improvements have been made all over the gulf coast area. Giving other competitors special additional rights over Union Pacific would make it very difficult for the company to fully recover. With these circumstances in mind, I respectfully ask that you grant no special competitive advantages to these other companies.

Thank you for your consideration of this matter and if I may be of any assistance, please do not hesitate to call.

Sincerely,

Ron Bean

Senator Ron Bean
District 38

SENATE
STATE OF LOUISIANA

JAY DARDENNE
State Senator
District 16
P O Box 94183
Baton Rouge, LA 70804-9183
(504) 342-9788
Fax (504) 342-0617

Committees:
Senate & Governmental Affairs
Chairman
Finance
Vice Chairman
Judiciary B
Labor & Industrial Relations

September 1, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Room 711, 1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Secretary Williams:

As a member of the Louisiana State Senate, I write to make comments for consideration by the Surface Transportation Board (STB) on the status of the previously approved Union Pacific-Southern Pacific railroad merger and the new proposals of several Texas interests to access Union Pacific property in Texas. It is my understanding that Union Pacific opposes this move.

In your previous approval of the merger, in order to preserve an existing level of rail competition, the STB granted certain railroads trackage rights to service the areas affected. These seem to have been successful as those railroads have reported new, increased earnings. It is my understanding that there have been several requests made to you from various Texas interests to have the STB impose additional new operating rights on the Union Pacific Railroad in Texas. I realize that there were initial operating problems and congestion that developed as the two railroads began consolidated operations. This caused disruption all along the gulf coast and generated rail user criticism in a wide area, including Louisiana.

Recent events suggest a significant improvement in Union Pacific's rail service and a relief to the congestion that has plagued the railroad for months. Union Pacific has provided large capital outlays, embarked upon a strong employment initiative, accelerated locomotive equipment purchases and deliveries, provided additional advanced employee computer training, and completed the integration of its computerized transportation and communication systems. Expenses related to these service recovery efforts have resulted in Union Pacific reporting operating losses for the last three quarters. The company also suffered from customer revenue losses due to the temporary operating rights granted to competitors in Texas to relieve congestion in the gulf coast area.

The STB recently recognized Union Pacific's progress in the gulf coast market by lifting its previously issued temporary order giving others access over Union Pacific's property. As Union Pacific returns to a normal operating condition, I would ask that the STB be reluctant to grant any new, additional considerations that might be counter-productive and undermine the company's successful recovery.

Union Pacific is important to the state of Louisiana as a strategic transportation provider. It has made large capital outlays in recent years, including a new state of the art rail facility near Baton Rouge in which some $100 million now has been invested with ongoing expansion for additional capacity. Additional employment opportunities continue to increase Union Pacific's significant payroll of approximately $70 million. Other expansions are underway elsewhere in the state, adding new capacity in railroad yards and track improvements.

I would request that the STB not unnecessarily burden Union Pacific's recovery efforts to grant new additional rights on Union Pacific property.

Thank you for your consideration of this matter.

Very truly yours,

Jay Dardenne
State Senator

JD/dnn

Senate
State of Louisiana

B.G. Dyess
State Senator
District 29

COMMITTEES

Judiciary B,
Vice Chairman
Health and Welfare
Transportation, Highways and
Public Works

August 10, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Mr. Williams:

As a member of the Louisiana State Senate Transportation Committee I have some comments regarding your upcoming hearings on the status of the Union Pacific-Southern Pacific merger and the new demands several Texas participants have made on you to serve their own interests in this matter, which could unfavorably impact Union Pacific, an important company in this area of Louisiana.

I know that for months following the merger, service problems developed on the Union Pacific Gulf Coast lines and congestion plagued the railroad. Union Pacific's intensive effort and capital resources, brought relief from congestion and customer service has been restored to near normal levels. The intense effort by Union Pacific has been costly to the extent of reporting operating losses in recent quarterly reports, while competitors have increased profitability. It seems hardly justifiable that the Surface Transportation Board would now grant special operating rights over the Union Pacific that would only jeopardize the achievements as recently obtained. Additionally, such action would weaken the revenue base Union Pacific needs to continue to improve service and to earn an adequate return that would fuel future investments here in Louisiana and other areas.

Union Pacific is an important and major investor in transportation in the state of Louisiana and we need a prosperous and vibrant rail industry here. It makes little sense to burden this state's largest rail carrier with additional rights for others which could diminish the improvements already obtained in rail operations in Louisiana. Union Pacific is making major capital investments here and hiring additional employees.

Also, the Texas congestion has apparently been largely eliminated making these new demands unnecessary. I applaud the

FIRESIDE PLAZA
2017 MacArthur Dr., Bldg. 4 - Office 8, Alexandria, LA 71301 (318) 445-1047 Phone, (318) 445-1793 Phone/Fax

progress of Union Pacific and request that you refrain from any action that could jeopardize their plans.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

B. G. Dyess (ls)

Senator B. G. Dyess

BGD/ls

SENATE
STATE OF LOUISIANA

Noble E. Ellington
State Senator
District 32

4272 Front St.
Winnsboro, LA 71295

(318) 435-7313
1-800-256-7313

Standing Committees
Labor and Industrial Relations, Chairman
Judiciary B
Local and Municipal Affairs
Senate and Governmental Affairs

July 31, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K. Street, N.W.
Washington, D.D. 20423-0001

Dear Mr. Williams:

I am informed that you will soon hold hearings regarding the previously approved Union Pacific-Southern Pacific merger over which you have jurisdiction. I am also informed that a number of Texas participants have filed requests for special privileges with your agency. These requests concern me because of the impact they could possibly have on Union Pacific in Louisiana if they are granted.

Union Pacific is a major employer in our state and serves our economy throughout Louisiana. I am aware that service deteriorated soon after actual transportation functions of the Union Pacific and Southern Pacific were merged in the Gulf Coast area. This condition persisted for many months and there was justified criticism; however, Union Pacific has made the required investment, hired significant new employees, and purchased new equipment -- all to rectify this condition. I see that the congestion has nearly disappeared and service has returned to acceptable levels in most areas. Union Pacific's efforts to relieve the congestion resulted in losses to that company so it could achieve normal rail operation. Meanwhile, competitors have made the most of this situation and their earnings have risen dramatically. The competitors, who now seek additional advantages, could create more disruption on Union Pacific lines and cause additional losses in Union Pacific operations. This would impact Union Pacific in all service areas, including Louisiana.

I do not believe that allowing successful competitors more access on Union Pacific is in the best interest of providing a strong railroad presence and can only weaken Union Pacific's position here and elsewhere. Thank you for hearing my views on this matter.

Sincerely,

Noble Ellington
Louisiana State Senator

NE:baa

TOM GREENE
State Senator
District 17

PARISHES:
Iberville
Parts of
East Baton Rouge
Pointe Coupee
West Baton Rouge
Ascension
Assumption
West Feliciana

SENATE
STATE OF LOUISIANA

P. O. Box 338
Maringouin, LA 70757
Office-(504) 637-3546
Office-(504) 342-2040

COMMITTEES:
Education, Chairman
Finance
Senate & Governmental
Legislative Audit
Advisory Council

August 17, 1998

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.; Room 711
Washington, D.C. 20423-0001

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Mr. Williams:

I am writing to you as you prepare to hold oversight hearings on the approved Union Pacific-Southern Pacific merger and with regard to several filings made by Texas interests that could affect Union Pacific operations and future service in Louisiana.

Importantly, Union Pacific is a major employer in my district that has constructed a larger modern rail facility with state of the art technology to serve Louisiana and facilitate transportation through the state for distribution nationwide. Following the merger, which I supported, some major operational problems developed. Service declined and congestion persisted in many areas leading to expected criticism. Apparently, the gulf coast areas were more directly affected.

It has taken substantial financial resources, additional employment and capacity improvements by Union Pacific to turn this situation around. This willingness and commitment to do whatever it will take to provide for the transportation efficiency of a growing economy is testimony to the quality of this company and its people. Additional investments are planned; however, these are uncertain if certain competitor interests are served, should their requests for special operating rights be granted over the Union Pacific lines in Texas. Customer revenues will likely decline on top of the recent operating losses Union Pacific has reported due to the extraordinary expenses involved in improving their performance.

I find no justification for creating such an unfavorable condition on Union Pacific just as they demonstrate the positive results of all their efforts. We expect a strong and healthy Union Pacific in our state and I urge your favorable consideration of Union Pacific's position that opposes these operating rights over their lines that would certainly weaken a rail system that clearly is on the right

path to restoring quality rail transportation.

Should you need further information concerning Union Pacific's position, please feel free to contact me in Livonia, Louisiana at (225) 637-3546.

Sincerely serving,

Tom Greene DVM

Tom Greene, D.V.M.
State Senator, District 17

TG:shb

SENATE

STATE OF LOUISIANA

DONALD E. HINES
State Senator
District 28

Post Office Box 262
Bunkie, Louisiana 71322
318/346-4619

August 3, 1998

COMMITTEES:
Agriculture
Health & Welfare, Chairman
Natural Resources

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Mr. Williams:

My comments are submitted to you in regard to the oversight proceedings regarding the Union Pacific-Southern Pacific merger previously approved by your board.

I am aware that despite severe problems with the initial integration of operating functions, Union Pacific has made very significant service improvements in Louisiana, as well as the entire Gulf Coast area, and I was concerned to learn that certain Texas based interests have appealed to you for special operating rights on the Union Pacific Railroad in Texas. If granted, these rights can only adversely affect the service and recovery of Union Pacific, Louisiana's largest rail carrier and make it more difficult for Union Pacific to earn a reasonable return on all the new investments it's making all over the Texas-Louisiana area.

Union Pacific in making these capital investments has hired additional personnel and purchased new equipment to regain their quality of service to their customers. Surely additional burdens on Union Pacific would only be detrimental to this recovery, and therefore, detrimental to their Louisiana customers. In no way could the granting of special privileges to specific Texas interests be beneficial to Union Pacific's customer service in Louisiana, which is of interest to me.

I would request you use the utmost care as you evaluate these requests and recognize they are surely unjustified demands with very little associated benefits to the greater public. A robust Union Pacific Railroad with its system free of other operating obstacles is the only condition that can ultimately provide the highest quality service here. Thank you for your consideration.

Sincerely,

Don Hines

Don Hines
State Senator
District 28

SENATE
STATE OF LOUISIANA

KEN HOLLIS
State Senator
District 9
Parish of Jefferson

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Suite 365
Metairie, LA 70002
Phone: (504) 828-9300
Fax: (504) 828-9355

COMMITTEES:
Commerce—Chairman
Finance
Judiciary B

July 31, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Mr. Williams,

As Chairman of the Senate Commerce Committee I am informed that oversight hearings will be held on the approved Pacific-Southern Pacific merger. It is also my understanding that you have received several filings from Texas interests that could affect Union Pacific's railroad and the viability of operations here.

As the state's largest rail carrier Union Pacific Railroad is a major employer and investor in Louisiana. Recently, the company built a large new railroad yard facility in Louisiana which benefits its Louisiana customers and facilitates car distribution nationwide. I am informed of the operational problems which immediately followed Union Pacific's merger and resulted in service disruptions and rail congestion in our Gulf Coast area; but, it appears that Union Pacific has risen to the challenge and is succeeding. It has taken financial resources, additional employment and capacity improvements of Union Pacific to improve their transportation reliability. Union Pacific has proven it can overcome difficult circumstances and to provide again, dependable service.

The willingness of Union Pacific to invest its capital to support our Louisiana shippers with more efficient transportation services is a testament to their commitment to this state. More investments are planned, but if certain competitor interests are served and special operating rights are granted over Union Pacific lines in Texas, their customer revenues will suffer. This problem, in addition to the recent operating losses Union Pacific has incurred as they resolved their service problems, would only serve to further handicap a recovering company, and certainly wouldn't be in the public interest.

I can see no rationale for creating a new burden for Union Pacific when they have recently produced such positive results. A strong and healthy Union Pacific is good for Louisiana and I urge your opposition to the granting of operating rights to others. This would weaken Union Pacific's ability to restore consistent quality rail transportation in Louisiana. I appreciate this opportunity to express my views to the board in this matter.

Sincerely,

Ken Hollis

Ken Hollis
State Senator

KH:bjm

SENATE
STATE OF LOUISIANA

PAULETTE RILEY IRONS
State Senator
District 4

3308 Tulane Avenue
Suite 300
New Orleans, LA 70119
Phone: (504) 826-2498
FAX: (504) 826-2499

COMMITTEES:
Transportation, Highways & Public Works, Vice-Chair
Health & Welfare
Finance
Joint Budget

August 5, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No.32760 (Sub-No. 26)

Dear Mr. Williams,

I am informed that you will soon hold hearings regarding the previously approved Union Pacific- Southern Pacific merger over which you have jurisdiction. I know that a few Texas participants have filed requests for special operating privileges with your board. These Texas-related requests concern me because of the impact they could possibly have on Union Pacific in Louisiana if they are granted, which might possibly hinder further improvements underway.

Union Pacific is a major employer in our state and serves our economy extensively throughout Louisiana. I know that service problems developed soon after actual transportation functions of the Union Pacific and Southern Pacific were merged in the Gulf Coast area. This condition persisted for many months and there was justified criticism; however, Union Pacific has certainly made major investments, hired many new employees, and purchased new locomotives --- all to correct this condition. I note that the congestion has nearly disappeared and service has returned to acceptable levels in most areas. Union Pacific's efforts to relieve the

worst congestion resulted in losses to the company in its effort to achieve normal rail operations. Meanwhile, competitors have made the most of this situation and their earnings have risen dramatically. These competitors, who now seek additional advantages, could create more disruption on Union Pacific lines and cause additional losses in Union Pacific operations. This would impact Union Pacific in all service areas, including Louisiana. Certainly, Union Pacific is entitled to a reasonable return on its investments in its own system, without unnecessary obstacles that could hamper their efforts. I am confident your board will agree. You have already terminated an earlier emergency order in the Houston area as Union Pacific's success in relieving congestion was recognized.

I do not believe that allowing successful competitors more access on Union Pacific is in the best interest of providing a strong railroad presence, but that it can only weaken Union Pacific's position here and elsewhere. Thank you for hearing my views on this matter.

Sincerely,

Paulette R. Irons

Paulette R. Irons
STATE SENATE
DISTRICT 4

PRI/amj

SENATE
STATE OF LOUISIANA

July 31, 1998

RON LANDRY
State Senator
District 19

P. O. Box 189
Larlace, LA 70069

District Office: (504) 652-2379
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COMMITTEES
Transportation, Highways & Public Works-Chairman
Health and Welfare
Judiciary C
Retirement

Senate Parliamentarian

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No.26)

Dear Mr. Williams:

As Chairman of the Senate Transportation Committee it has come to my attention that oversight hearings will soon be held on the approved Pacific-Southern Pacific merger. It is also my understanding that you have received several filings from Texas interests that directly relate to Union Pacific's operations and future service in Louisiana.

As the state's largest rail carrier Union Pacific Railroad is a major employer and taxpayer in Louisiana. Recently, the company built a high technology railroad yard in Livonia, Louisiana which benefits its large Louisiana customer base and facilitates car distribution nationwide. I am very aware of the technological and operational problems which immediately followed the merger and resulted in service disruptions and rail congestion in our Gulf Coast area; but, it has been my observation that Union Pacific met these challenges head-on. It has taken the combined financial resources, additional employment and capacity improvements of Union Pacific to turn this situation favorably around. Union Pacific is once again a quality railroad.

The willingness of Union Pacific to do what it took to provide our Louisiana shippers with more efficient transportation services is a testament to their commitment to this state. More improvements are planned, but if certain competitor interests are served and special operating rights are granted over Union Pacific lines in Texas, Louisiana customer services and revenues will drop. This decline, in addition to the recent operating losses Union Pacific has incurred as they resolved their service problems, would only serve to further handicap a recovering company and adversely impact the industries in my area serviced by Union Pacific.

I can see no rationale for establishing an unfavorable situation for Union Pacific when faced

with adversity they have produced such positive results. A strong and heathy Union Pacific is good for Louisiana and I urge your opposition to the granting of operating rights to others. This would weaken a rail system that clearly is on the right path in restoring quality rail transportation to the state of Louisiana.

Sincerely,

Ron Landry
State Senator
District 19

RL:df

SENATE

STATE OF LOUISIANA

August 7, 1998

MAX T. MALONE
STATE SENATOR
DISTRICT 37

610 MARSHALL STREET
SUITE 722
SHREVEPORT, LA 71101
DISTRICT OFFICE: 318/676-5733
FAX: 318/676-5734

COMMITTEES:
ENVIRONMENTAL QUALITY,
VICE CHAIRMAN
INSURANCE
NATURAL RESOURCES

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K. Street, N. W.
Washington, D. C. 20423-0001

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

As you will soon conduct an oversight hearing on the previously approved Union Pacific-Southern Pacific merger, I am writing to you to express my concern over certain demands being made by Texas interests that they be given special operating rights on the Union Pacific Railroad there.

The Union Pacific has been an important transportation provider in Louisiana and has always made strategic investments in rail infrastructure. I am aware that for many months, following the consolidation of the Union Pacific and Southern Pacific Railroads, service problems and congestion occurred all along the Gulf Coast; however, it appears that Union Pacific is meeting the challenge and has provided sufficiently large capital investments, added numerous additional train crews, and made large equipment purchases so that congestion is relieved and service is now near normal levels. Quality companies usually respond to difficulties by doing whatever is necessary to succeed.

This strong effort by Union Pacific is an indication to me that the company is willing to expend its resources and make the necessary adjustments to provide the required service our Louisiana industries and economy need. Having suffered operating losses recently due to their extensive efforts to make needed improvements, how can special privileges for others be justified? This can only further deplete the customer revenues available to Union Pacific and perhaps delay the recovery of the company, and might, perhaps, jeopardize future investments.

I believe you have already assigned trackage rights to certain railroads, during your merger decisions, that preserved an existing competitive level that had already existed. It seems counter-productive for the board now to grant additional special privileges to interests in Texas which would weaken Union Pacific's current recovery. Thank you for your time and consideration of my view.

Sincerely,

Max T. Malone

Senator Max T. Malone

Senate
State of Louisiana

Craig F. Romero
State Senator
District No. 22

Committees:
Natural Resources
Chairman
Judiciary A
Revenue & Fiscal

August 25, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Houston/Gulf Coast Oversight proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Mr. Williams:

I am knowledgeable you will soon hold hearings regarding the previously approved Union Pacific-Southern Pacific merger over which you have jurisdiction. I know that a number of Texas participants have filed requests for special privileges with your board. These Texas-related requests concern me because of the impact they could possibly have on Union Pacific in Louisiana if they are granted, as they recover from initial difficulties in their merger implementation.

Union Pacific is a major employer in our state and serves our economy extensively throughout Louisiana. I know that service deteriorated soon after actual transportation functions of the Union Pacific and Southern Pacific were merged in the Gulf Coast area. This condition persisted for many months and there were justified criticism; however, Union Pacific has certainly made major investments, hired many new employees, and purchased new locomotives -- all to rectify this condition. I see that the congestion has nearly disappeared and service has returned to acceptable levels in most areas. Union Pacific's efforts to relieve the congestion resulted in losses to the company in its effort to achieve normal rail operations. Meanwhile, competitors have made the most of this situation and their earnings have risen dramatically. These competitors, who now seek additional advantages, could create more disruption on Union Pacific lines and cause additional losses in Union Pacific operations. This would impact Union Pacific in all service areas, including Louisiana. Certainly, Union Pacific is entitled to a reasonable return on its investments in its own system, without unnecessary obstacles that could hamper their efforts. I am confident your board will agree.

Post Office Drawer 12539, New Iberia, Louisiana 70562-2539
Courthouse Building, Corner of Iberia & Pershing
Phone (318) 364-8006 • Fax (318) 364-7355

I do not believe that allowing successful competitors more access on Union pacific is in the best interest of providing a strong railroad presence and can only weaken Union Pacific's position here and elsewhere. Thank you for hearing my views on this matter.

With kind regards, I remain

Sincerely,

Craig Romero

Craig F. Romero
State Senator

CFR/dt

SENATE
STATE OF LOUISIANA

JOHN SIRACUSA
State Senator
District 21

8905 HIGHWAY 90 E
MORGAN CITY, LOUISIANA 70380
(504) 384-0703
LINC: (504) 384-6061

COMMITTEES:
Agriculture
Environment
Natural Resources

August 4,1998

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

RE: HOUSTON/GULF COAST OVERSIGHT PROCEEDING
FINANCE DOCKET NO. 32760 (Sub.No. 26)

Dear Mr.Williams :

If has come to my attention that several interests have petitioned your board for special operating rights within the Union Pacific Railroad service area in Texas that could restrict the progress being made by Union Pacific to fully restore its transportation services to normally dependable levels.

I am aware that some privileges have been given to other railroads in Texas to operate over the Union Pacific due to abnormal congestion and problems that developed related to the acquisition of the Southern Pacific Railraod. Now that Union Pacific has made its necessary investments and employed sufficient numbers of people to service its customers, it would not seem reasonable to allow others to continue to use Union Pacific property for their own advancement. This would cause a revenue loss to the company when it is fully capable of providing the required level of service. Also, it could impact Union Pacific's operations in Louisiana and elsewhere and restrict the huge progress already made.

I encourage your careful evaluation of any of these new demands so as to not to punish Union Pacific for its enduring commitment to resolve its service issues or interrupt its steady and continuing improvement.

Thanking you for your understanding and patience, I remain,

Sincerely,

John Siracusa
La. State Senator
District 21

JS/ggb

SENATE
STATE OF LOUISIANA

MIKE SMITH
State Senator
District 31

Parishes of:
DeSoto, Grant, Natchitoches,
Red River, Sabine, Winn

P.O. Box 1381
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(800) 265-2437 - Toll Free
(318) 628-5286 - Fax

July 31, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760(Sub-No.26)

Dear Mr. Williams:

As a member of the Louisiana Senate Transportation Committee, I am aware that various Texas-based parties have requested that you impose certain new conditions upon the Union Pacific Railroad by granting these interests additional privileges on the Union Pacific's system in Texas.

Since the service problems experienced previously have been tremendously reduced by Union Pacific's capital investment program and new employment targeted at the congested area, it is my belief that such requests are detrimental to the economic health of Union Pacific and unnecessary in the light of the improvements made in their transportation system. Union Pacific is a valuable asset to this state and I applaud their efforts to solve their customer service problems, in the glare of acute publicity,and their willingness to spend the company's resources, and borrowed capital as well, in order to solve the problems. It is understandable that other interests might want to take undue advantage of these initial problems, however, I know you will recognize the progress already made by Union Pacific and will resist any attempt to give some unreasonable advantage to those requesting access to property that is not their own.

A weakened Union Pacific is not an asset and their full recovery is necessary to provide reliable service to our industries here. Thank you for your consideration and I urge a public policy decision that preserves Union Pacific's franchise rights and allows them to continue their progress.

Sincerely,

Mike Smith
State Senator

Senate
State of Louisiana

GERALD J. THEUNISSEN
State Senator
District 25
Post Office Box 287
Jennings, LA 70546
318/824-0376

COMMITTEES:
Agriculture
Education

July 31, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 26)

Dear Mr. Williams,

As you will soon conduct an oversight hearing on the previously approved Union Pacific-Southern Pacific merger, I am writing to you to express my concern over certain demands being made by Texas interests that they be given special operating rights on the Union Pacific Railroad there.

The Union Pacific has been an important transportation provider in Louisiana and has always made strategic investments in rail infrastructure. I am aware that for many months, following the consolidation of the Union Pacific and Southern Pacific Railroads, service problems and congestion occurred all along the Gulf Coast; however, it appears that Union Pacific is meeting the challenge and has provided sufficiently large capital investments, added numerous additional train crews, and made large equipment purchases so that congestion is relieved and service is now near normal levels. Quality companies usually respond to difficulties by doing whatever is necessary to succeed.

This strong effort by Union Pacific is an indication to me that the company is willing to expend its resources and make the necessary adjustments to provide the required service our Louisiana industries and economy need. Having suffered operating losses recently due to their extensive efforts to make needed improvements, how can special privileges for others be justified? This can only further deplete the customer revenues available to Union Pacific and perhaps delay the recovery of the company, and might, perhaps, even jeopardize future investments.