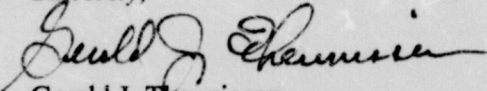


STB FD 32760 (Sub 26) 9-18-98 B 191210V4 8/11

Page 2

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 interest in Texas which would weaken Union Pacific's current recovery. Thank you for your consideration of my view.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gerald J. Theunissen". The signature is fluid and cursive, with a large initial "G" and a long, sweeping underline.

Gerald J. Theunissen
State Senator
District 25

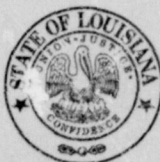
SENATE
STATE OF LOUISIANA

J. Chris Ullo

State Senator

2150 Westbank Expressway
Suite 705
Harvey, LA 70058-4923

District Office: (504) 361-6690
Capitol Office: (504) 342-2040
Home: (504) 341-9004
Fax: (504) 361-6691



July 31, 1998

Standing Committees

Judiciary A,
Chairman
Finance
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,

This communication to you is made as an expression of concern over certain demands, filed with your board, by various Texas interests that seek special new operating rights over the Union Pacific Railroad in Texas.

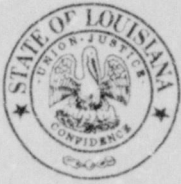
Since you have already provided for trackage rights to several competitors to preserve the pre-merger competitive level, it seems there can be no logical reason to burden the Union Pacific with additional conditions that can only adversely affect their performance. Union Pacific is important to us in Louisiana as a major investor, employer and provider of transportation services.

Despite its early service and congestion problems, the company has dedicated its resources to the extent that dramatic improvements have been made all over the Gulf Coast area. These efforts have also resulted in operating losses to Union Pacific while the service recovery is underway. Awarding competitors new rights on Union Pacific tracks is likely to further deteriorate the revenues of the company and make a healthy recovery that much more difficult. Surely there can be no reasonable grounds for such action and I hope your decision will reflect that conclusion.

Thank you for your consideration.

Sincerely,

J. Chris Ullo
State Senator



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

RODNEY ALEXANDER

District 13

Health & Welfare, Chairman

August 27, 1998

P.O. Box 665
Jonesboro, Louisiana 71251
Telephone: (318) 259-8694
1-800-259-8694
Fax: (318) 259-4992

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 Legislature, this communication to you is made as an expression of concern over certain requests filed with your board, by various Texas interests that seek special new operating rights over the Union Pacific Railroad in Texas due to previous operating problems in merging the Southern Pacific Railroad into Union Pacific.

Since you have already provided for trackage rights to several competitors to preserve the pre-merger competitive level, it seems there can be no logical reason to burden the Union Pacific with additional conditions that can only adversely affect their performance. Union Pacific is important to us in Louisiana as a major investor, employer and provider of transportation services. Any new conditions on Union Pacific can only jeopardize the great progress being made to correct all the difficulties initially encountered in the merger.

Despite its early service and congestion problems, the company has dedicated its resources to the extent that dramatic improvements have been made all over the Gulf Coast area. These efforts have also resulted in operating losses to Union Pacific while the service recovery is underway. Awarding competitors new rights on Union Pacific tracks is likely to further deteriorate the revenues of the company and make a healthy recovery that much more difficult. Surely there can be no reasonable grounds for such action and I hope your decision will reflect that conclusion.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Rodney Alexander".

Rodney Alexander
State Representative
District 13

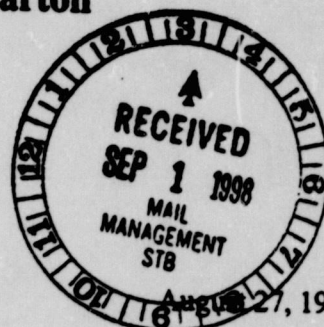
RA/lb



House of
Representatives

Rep. Robert E. (Bob) Barton

State Representative
District 8



3018 Old Minden Road
Suite 1107
Bossier City, LA 71111

Tel.: (518) 741-7158
Fax: (318) 741-7159

August 27, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street N.W.
Washington, D.C. 20423-001

Dear Mr. Williams,

I write to you in connection with the Houston/Gulf Coast Oversight Proceeding Finance Docket No. 32760 (Sub-No. 26). I am concerned about any decision in this matter that might adversely affect the financial recovery of Union Pacific and the service it provides within Louisiana. As you are aware, Union Pacific is the largest rail carrier in Louisiana. Any decision by your Board that would put Union Pacific at a competitive disadvantage in Texas would have horrible implications for rail traffic in Louisiana.

I therefore request that any decision made in this matter give special consideration to Louisiana, the future of rail transportation in this state, and any financial hardship that might be imposed upon Union Pacific.

Kindest regards,

Rep. Bob Barton



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

SHIRLEY D. BOWLER

District 78

August 20, 1998

1939 Hickory Ave., Suite 10
Harahan, Louisiana 70123
Telephone: (504) 738-1922
(504) 736-7299
Fax: (504) 736-7113

Civil Law & Procedure
Insurance
Labor & Industrial Relations

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

RE: Houston/Gulf Coast Oversight Proceeding, Finance Docket #32760 (Sub # 26)

Dear Secretary Williams:

Union Pacific made an enormous investment when it acquired Southern Pacific Railroad in 1996. It was entirely appropriate for the Transportation Board to grant temporary access to the company's acquired properties as Union Pacific executed the transition.

I have been informed that Union Pacific, at this time, has completed their transition work in Texas, but the other railroads have pursued changing their temporary access to permanent access, nonetheless.

While there are many factors you must weigh in reaching a decision on this matter, I sincerely request that you give the highest consideration to the following factors: Railroad transportation is a heavily regulated industry. The sale of Southern Pacific to Union Pacific was an approved transaction and a costly investment. Union Pacific's competitors were permitted access to UP's properties during the transition period to maintain acceptable levels of rail service. Temporary access does not create a permanent privilege.

In my humble opinion, it is important that government officials maintain the highest regard for private property rights which are as important to American life today as they were when our country was founded. I sincerely request that you do not sacrifice this basic American principle when you make your decision in this matter.

Your decision in this matter can affect the viability of rail commerce across the entire Gulf Coast. Thank you for your consideration.

Sincerely yours,

Shirley D. Bowler
State Representative

CARL CRANE
STATE REPRESENTATIVE
DISTRICT 70

836 Bancroft Way
Baton Rouge, La. 70808
766-7274

August 24, 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 Legislature, 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 in Louisiana and that is of concern to me.

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.

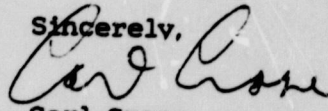
The willingness of Union Pacific to invest its capital to support our Louisiana shippers with more efficient transportation services is a testament to their commitment to this state. More investments are planned, but if certain Texas competitor interests are served and special operating rights are granted 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.

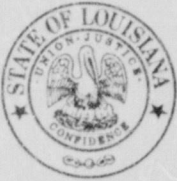
CARL CRANE
STATE REPRESENTATIVE
DISTRICT 70
836 Bancroft Way
Baton Rouge, La. 70808
766-7274

Your board has already assigned certain trackage rights to other railroads in your merger approval to preserve competitive levels and there is ample evidence of success as these railroads have reported increased earnings.

I hope you will resist these new Texas requests as counter productive to a healthy and productive Union Pacific.

Sincerely,


Carl Crane



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

ISRAEL B. CURTIS, JR.
District 26

630 Lee Street
Alexandria, Louisiana 71301
Telephone: (318) 487-5417
Fax: (318) 487-5820

Education
Retirement
Transportation, Highways & Public Works

August 6, 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 Secretary Williams,

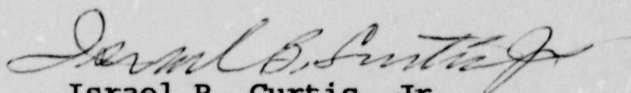
As a member of the Louisiana House of Representatives Transportation Committee I am writing because Union Pacific Railroad is important to our state. Certain Texas-related requests to your Board concern me because of the impact they could have on Union Pacific in Louisiana if they are granted.

When Union Pacific and Southern Pacific merged, the Southern Pacific was near collapse. It has taken the substantial combined efforts and resources of Union Pacific to improve the resultant service problems as the operations of both railroads were merged into one system. Great strides have been made toward ending these problems, and this is evidenced by the recent lifting of the Surface Transportation Board's emergency service order. However, Union Pacific needs to continue to make investments in service, infrastructure and employees to continue this progress. The proposed conditions would deprive Union Pacific of the customer base necessary to make the substantial investments required and make it more difficult to continue the positive trends of recent months.

I am opposed to the proposals to impose new conditions on Union Pacific's operations around the Gulf Coast area, of which Louisiana is an integral part. A competitive balance among railroads is necessary for effective competition and conditions, in effect since the merger, have created a competitive balance and enabled other railroads in the area to aggressively compete with Union Pacific. Additional conditions, if granted, would disrupt this successful balance and give competitors disproportionate advantages.

I am very concerned that the granting of special privileges to interests in Texas would negatively affect customers in Louisiana. Union Pacific is successfully resolving its temporary problems in Louisiana and the imposition of permanent privileges to others in Texas is certainly not warranted. Thank you for your consideration of my position.

Sincerely,

A handwritten signature in cursive script, appearing to read "Israel B. Curtis, Jr.", with a long horizontal flourish extending to the right.

Israel B. Curtis, Jr.
State Representative-District 26



N. J. DAMICO
District 84

Environment, Chairman

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

5201 Westbank Expy., Suite 201
Marrero, Louisiana 70072
District Office: (504) 349-8840
Fax: (504) 349-8780
Baton Rouge (504) 342-0347

Frances Falcone East
Legislative Assistant

August 18, 1998

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:

This letter is to express my interest over the special operating privileges requested by certain Texas entities on Union Pacific Railroad there as a result of some operating congestion experience in implementing their merger of the Southern Pacific.

Union Pacific Railroad is the largest rail transportation provider in Louisiana and have major investments in the rail infrastructure of this state. I am aware of the congestion and service problems which ensued after the consolidation of operating functions of the two companies. Union Pacific's services in Louisiana were severely impacted during this period of adjustment. Union Pacific recognized its problems and has successfully alleviated congestion by funding large capital investments, hiring additional employees, and buying new equipment. Service is now near normal levels here and throughout the entire Gulf Coast.

Union Pacific's intense efforts indicate to me that the company is striving to retain its standing as a premiere transportation leader. It has been willing to expend resources and make adjustments to regain the quality of service Louisiana customers have come to expect from them. Having recovered to sufficient service levels, it would seem a dangerous practice to disrupt Union Pacific's recovery by granting privileges to a handful of special interests in Texas who have already benefited from Union Pacific's early difficulties.

Union Pacific Railroad has always been a strong participant in the state's economy, as well as the communities of Louisiana, and I cannot see any convincing reason to weaken such a company's full recovery. Thank you for your consideration.

Yours truly,

A handwritten signature in dark ink, appearing to read "N.J. Damico", written over a horizontal line.

N.J. Damico
State Representative

NJD/ffe



CHARLIE DEWITT

District 25

Labor and Industrial Relations,
Chairman

**STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES**

P.O. Box 67
Lecompte, Louisiana 71346
(318) 776-5127

Appropriations
House Legislative Services Council
Joint Legislative Committee on the Budget

August 10, 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)

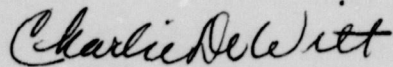
Dear Mr. Williams:

As a member of the Louisiana Legislature, I am writing in response to the hearings that will soon be held related to the previously approved Union Pacific-Southern Pacific merger. It has come to my attention that certain parties in Texas seek to impose new conditions on Union Pacific operations in the Texas Gulf Coast area. If granted these special privileges could hinder the recovery of Louisiana's major rail carrier.

It appears that despite the significant improvement in service in Louisiana, and the entire Gulf Coast area, with the 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. These conditions can only be adverse to Union Pacific in the Gulf Coast area which includes 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 in Louisiana and elsewhere.

Certainly the imposition of new special access conditions in one part of the region will be at the expense of others in the region. I urge the Surface Transportation Board to consider all of the possible negative impacts on Union Pacific and the entire area and not grant special privileges to a handful of special interests in one area.

Sincerely,

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

Charlie DeWitt

CD/mjm



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

JOHN C. "JUBA" DIEZ

District 59

Transportation, Highways & Public Works,
Chairman

August 18, 1998

42126 Hwy. 931
Gonzales, Louisiana 70737
Telephone: (504) 644-8608
Home: (504) 622-1288
Fax: (504) 647-6068

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.

I am writing to you as Chairman of the House of Transportation Committee and with knowledge 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 which could possibly create subsequent negative implications here.

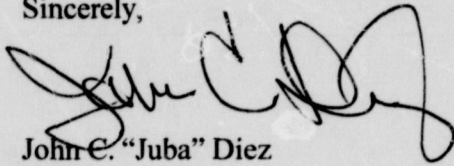
The Union Pacific has been an important transportation provider in Louisiana and has always made strategic investments in rail infrastructure. I am aware that for many months, following the consolidation of the Union Pacific and Southern Pacific Railroads, service problems and congestion occurred all 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 relived and service is now near normal levels. Quality companies usually respond to difficulties by doing whatever is necessary to succeed. Union Pacific seems to have made the necessary commitment that will provide long term dependability.

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 in Louisiana and other states served by Union Pacific.

I believe you have already assigned trackage rights to certain railroads, during your merger decisions, that preserved and 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.

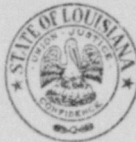
Thank you for your consideration of my view.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Diez", with a large, stylized flourish extending from the end of the signature.

John C. "Juba" Diez
Representative
District 59

JCD/tga



HOUSE OF REPRESENTATIVES

JIMMY N. DIMOS
DISTRICT 16
1216 STUBBS AVENUE
MONROE, LOUISIANA 71201
(318) 388-4303

July 31, 1998

CIVIL LAW
INSURANCE
HOUSE MEMBER TO
LOUISIANA LAW INSTITUTE

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:

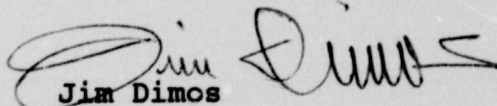
I am writing to you to express my concern over certain demands being made by Texas' interests that they be given special operating rights on the Union Pacific Railroad there.

The Union Pacific is an important transportation provider in Louisiana and a major investor 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 rose to the challenge and provided sufficiently large capital investments, hired numerous additional train crews, and purchased more equipment so that congestion is relieved and service is now near normal levels.

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 efforts to make needed improvements, how can special privileges for others be justified? This will only further erode the customer revenues available to Union Pacific and hamper a full recovery of the company and would, perhaps, even jeopardize future investments.

It seems counter-productive for the Board to grant special privileges to interests in Texas which would weaken Union Pacific's current recovery. Thank you for your consideration of my view.

Sincerely yours,


Jim Dimos

JD/rnp



SYDNE MAE DURAND
District 46

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

P.O. Box 2840
Parks, Louisiana 70582
Telephone: (318) 845-4096
(318) 845-4240
Fax: (318) 845-4095
Health & Welfare
Retirement
Ways & Means
House Executive Committee

August 18, 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 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 over Union Pacific property in Texas.

Union Pacific is a major employer in Louisiana and serves our economy throughout the State. I am informed 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 investments, hired significant new employees, and purchased new equipment to correct this condition. I understand 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 recently in its efforts to achieve normal rail operations. Meanwhile, competitors have made the most of this situation and their earnings have increased. 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. Union Pacific should be allowed every opportunity to earn a return on the significant investments they continue to make.

I do not believe that allowing successful competitors more access on Union Pacific in Texas 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 view on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Sydne Mae Durand".

Sydne Mae Durand
State Representative
District 46



DANIEL T. "DAN" FLAVIN
District 36

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

4320 Lake Street
P.O. Box 6027
Lake Charles, Louisiana 70606
Telephone: (318) 477-1334
Fax: (318) 477-1336

Commerce
Natural Resources
Retirement

August 6, 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 Mr. Williams:

It is my understanding that an oversight hearing on the Union Pacific-Southern Pacific merger will soon be held. It is a matter of great concern to me that some Texas interests are demanding special operating rights on the Union Pacific Railroad.

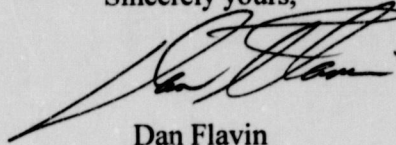
Upholding the tradition of being a quality transportation provider in Louisiana is foremost for Union Pacific. We have taken great pride in our investments in the rail infrastructure in this state. After the merger of Union Pacific and Southern Pacific Railroads, we experienced numerous problems with congestion and service. I must applaud the management of Union Pacific for being receptive to the needs of local industry and working hard to solve the problems as quickly as possible. It is my feeling that they have met the challenge and provided sufficiently large capital investments, added numerous train crews and made large equipment purchases so that congestion is relieved and once again quality service is being achieved.

They have proven that they are concerned with the needs of local and state economic needs and are willing to cooperate in any way needed to see that Louisiana continues to prosper. All of the compromises have not been easy for Union Pacific to make as a great deal of capital was involved in some cases creating operating losses for the railroad. I find it appalling that new interest groups can request and be granted special privileges. It has been clear to me that Louisiana has profited greatly by Union Pacific's willingness to invest in our future and I feel that every effort must be made to encourage the recovery of the company.

It is my understanding that 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. I am requesting that, if this is the case, that these special privileges be reconsidered. Union Pacific has provided the needed service by going way beyond their original expectations. It is my feeling that Union Pacific is deserving of your consideration.

With best personal regards,

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Dan Flavin', with a long, sweeping horizontal stroke extending to the left.

Dan Flavin

DF/gg



GREGORY L. FRUGÉ
District 41

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

P.O. Drawer 72
Eunice, Louisiana 70535
Telephone: (318) 546-6453
1-800-462-5021
Fax: (318) 457-3785

Agriculture
Civil Law & Procedure
Natural Resources

**Vernon A. Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 24023-0001**

August 14, 1998

**RE : Houston/Gulf Coast Oversight Proceeding
Finance Docket # 32760 (Sub-# 26)**

Dear Mr. Williams,

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 is an important transportation provider in Louisiana and a major investor 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 rose to the challenge and provided sufficiently large capital investments, hired numerous additional train crews, and purchased more equipment so that congestion is relieved and service is now near normal levels.

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 efforts to make needed improvements, how can special privileges for others be justified? This will only further erode the customer revenues available to Union Pacific and hamper a full recovery of the company, and would, perhaps, even jeopardize future investments.

It seems counter-productive for the board to grant special privileges to interests in Texas which would weaken Union Pacific's current recovery. Thank you for your consideration of my view.

Sincerely,

Gregory L. Fruge

**Gregory L. Fruge'
GLF/jbb**



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

BRYANT O. HAMMETT, JR.
District 21

Joint Legislative Committee on
Capital Outlay, Chairman

P.O. Box 408
Ferriday, Louisiana 71334
Telephone: (518) 757-3665
(800) 259-3660
Fax: (318) 757-6563

Natural Resources
Ways & Means

August 6, 1998

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

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

Dear Secretary Williams:

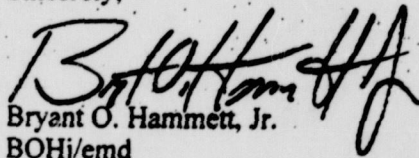
This letter is in response to the demands being made by Texas interests that they be given special operating rights over the Union Pacific Railroad in Texas. If granted, these demands could affect Union Pacific's capacity to effectively serve Louisiana and elsewhere.

I am aware that following the consolidation of the Union Pacific and the much weaker Southern Pacific Railroad, service problems and congestion occurred all along the Gulf Coast. Fortunately, Union Pacific help solve these problems by providing large capital investments, hiring additional train crews, and purchasing more equipment to eventually relieve the congestion. Union Pacific's service in the Gulf Coast is now near normal levels and complete recovery is well underway.

Union Pacific has been struggling with the effort to continue to integrate and merge the operations of the fragile Southern Pacific system. It has made great strides toward ending the service crisis, but to continue this progress, they must make additional investments in service and infrastructure throughout the system. The conditions proposed by certain Texas interests will make it extremely difficult for Union Pacific to continue the service improvements made in recent months. These additional conditions will only serve to erode revenues available to Union Pacific, jeopardize future investments, and perhaps, even hinder a full recovery of the company. Union Pacific is a major transportation provider in Louisiana and they do not need any additional obstacles to their efforts of improvement.

Union Pacific's service has improved markedly in recent months, and I see no reason that this progress should be hindered by the additional burden of new conditions. Thank you for your consideration of my view.

Sincerely,


Bryant O. Hammett, Jr.
BOHj/emd



HERMAN RAY HILL
District 32

Agriculture, Vice Chairman

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

529 Tramel Road
Dry Creek, Louisiana 70637
Telephone: (318) 633-2118
1-800-259-2118
Home: (318) 639-2341
Fax: (318) 639-4045

Natural Resources
Ways and Means

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

Dear Secretary Williams:

As a member of the Louisiana House of Representatives, I am aware that various Texas based parties have requested that you impose certain new conditions upon the Union Pacific Railroad by granting additional operating privileges on that company in the State of Texas.

I am fully aware that Union Pacific experienced service problems since its integration with the much weaker Southern Pacific Railroad. Since their onset, the congestion and problems have been largely reduced by Union Pacific's capital investment program and additional employment. Union Pacific is Louisiana's largest rail carrier, and as such is a valuable asset to our economy. Their commitment to the effort to solve their problems in the Gulf Coast area has been tremendous.

Despite these early service and congestion problems, the company dedicated its resources to the extent that dramatic improvements have been made all over the Gulf Coast area. These efforts have also resulted in operation losses to Union Pacific while the competitors have reaped profits. Awarding competitors new rights over Union Pacific would cause further deterioration to the revenues of the company and make a healthy recovery that more difficult. Surely there can be no reasonable grounds for such action and I hope your decision will reflect that conclusion.

It is my belief that granting requests for additional access would be detrimental to Louisiana's largest rail carrier and are unnecessary considering Union Pacific's progress and improvements in recent months. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Herman Ray Hill".

Herman Ray Hill
State Representative
District 32

HRH/jh



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

ROY "HOPPY" HOPKINS
District 1

Energy Subcommittee, Chairman
Natural Resources

P.O. Box 63
Oil City, Louisiana 71061
Telephone: (318) 227-2003
1-800-259-2003
Fax: (318) 995-6890

Appropriations
Joint Legislative Committee on the Budget
Rural Caucus
Transportation, Highways & Public Works

August 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 Secretary Williams,

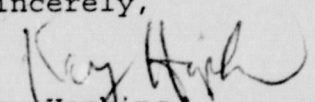
This letter is to express my concern over the recent requests to the Surface Transportation Board to grant special access privileges to certain Texas interest. As a member of the Louisiana House of Representatives, these requests concern me because, if granted, they would directly impact Louisiana's largest rail carrier.

I am aware of the service problems at Union Pacific since it acquired the Southern Pacific Railroad. I am also aware of the recent dramatic improvements Union Pacific has made in recent months. Hindering their further progress by imposing conditions benefiting a few special interests in a single state would be unwise. The situation in the Gulf Coast area improves daily and it would be, not only unfair, but counter productive to grant favors to competing railroads in this localized region. Such an action would have harmful effects for competition and the overall quality of Union Pacific's rail service.

When Union Pacific and Southern Pacific merged, the Southern Pacific was near collapse. It has taken the substantial combined efforts and resources of Union Pacific to improve those problems as the operations of both railroads were merged into one system. Tremendous progress has been made towards ending the recent service problems and this is evidenced by the recent lifting of the Surface Transportation Board's emergency service order; however, proposed conditions would deprive Union Pacific of the customer base and revenues necessary for these substantial investments and make it more difficult to continue the positive service advancements of recent months.

I am opposed to granting the special conditions as requested by interests in Texas as they would not benefit the rest of the areas served by Union Pacific. The imposition of permanent privileges to a small, select group of interests in Texas is not warranted.

Sincerely,


Roy Hopkins
RH/jp



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

CHARLES I. HUDSON
District 40

August 5, 1998

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

1115 West Vine Street
Opelousas, Louisiana 70570
Telephone: (318) 942-5294
(318) 948-0208
(800) 259-5294
Fax: (318) 948-0214

Agriculture
Natural Resources
Transportation, Highways & Public Works

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

Dear Mr. Williams,

I serve on the House of Representatives Transportation Committee here and I am aware you will soon hold hearings regarding the previously approved Union Pacific-Southern Pacific merger. I know that some interests in Texas have filed requests for special privileges and these Texas-related requests concern me because, if granted, they could impact Union Pacific in Louisiana in possibly curtailing the progress obtained in recent times.

Union Pacific is a major employer in our state and extensively serves the Louisiana economy. I am aware that rail service began to decline soon after the transportation functions of the Union Pacific and Southern Pacific were merged in the Gulf Coast area. This condition persisted for many months and has generated warranted criticism. Union Pacific, however, has made major investments, hired many new employees, and purchased new locomotives to rectify this condition. These measures appear to have been successful as Union Pacific service approaches near normal levels in most of their service areas and progress seems steady.

While I see that the congestion has been greatly mitigated and service has returned to reasonable 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, while Union Pacific's have fallen. These competitors, who now seek additional advantages, would create more disruption to Union Pacific and cause that company further losses. This would impact Union Pacific in Louisiana, as well as other areas on its system.

Due to Union Pacific's service gains in recent months, this progress should not be hindered by the imposition of new conditions that will harm Union Pacific, the state of Louisiana, and others around the country. Thank you for hearing my views on this matter.

Yours very truly,

A handwritten signature in cursive script that reads "Charles I. Hudson".

Charles I. Hudson
State Representative, District 40



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

September 3, 1998

RAYMOND A. JETSON
District 61

4551 Gus Young Ave.
Baton Rouge, Louisiana 70802

Appropriations
Health & Welfare

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,

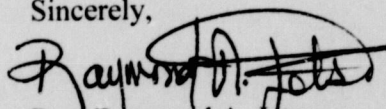
As a member of the Louisiana House of Representatives and a Past Chairman of the House Transportation Committee, I am aware that various Texas-based parties have requested that you impose certain new conditions upon the Union Pacific Railroad by granting additional operating privileges on that company in Texas.

I am fully aware that Union Pacific experienced service problems since its integration with the much weaker Southern Pacific Railroad. Since their onset, the congestion and problems have been largely reduced by Union Pacific's capital investment program and additional employment. Union Pacific is Louisiana's largest rail carrier, and, as such, is a valuable asset to our economy. Their commitment to the effort to solve their problems in the Gulf Coast area has been tremendous, and service improvements have been steady in our state.

Despite those early service and congestion problems, the company dedicated its resources to the extent that dramatic improvements have been made all over the Gulf Coast area. These efforts have also resulted in operating losses to Union Pacific while the competitors have reaped the profits. Awarding competitors new rights over Union Pacific would cause further deterioration to the revenues of the company and make a healthy recovery that much more difficult. Surely there can be no reasonable grounds for such action and I hope your decision will reflect that conclusion.

It is my belief that granting requests for additional access in Texas would be detrimental to Louisiana's largest rail carrier and are unnecessary considering Union Pacific's progress and improvements in recent months. Thank you for your consideration of my views on this matter.

Sincerely,


Rep. Raymond A. Jetson



RONNIE JOHNS
District 33

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

August 26, 1998

3620 Maplewood Drive
Sulphur, Louisiana 70663
Telephone: (318) 626-2010
Fax: (318) 625-8232

Civil Law & Procedure
Insurance
Retirement

Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 K. Street, N.W., Rm 711
Washington, D.C. 20423-0001

Dear Mr. Williams:

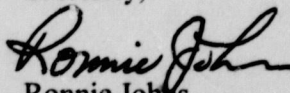
As a member of the Louisiana House of Representatives, I am aware that various Texas-based parties have requested that you impose certain new conditions upon the Union Pacific Railroad by granting additional operating privileges on that company in Texas.

Union Pacific has sustained a tradition in being a quality transportation provider in Louisiana. We experienced numerous problems with congestion and service after the merger of Union Pacific and Southern Pacific Railroads. Union Pacific has been very receptive to the needs of the local industry. They have provided large capital investments, added numerous train crews and made large equipment purchases so that congestion is relieved and once again quality service is being achieved.

Union Pacific has proven they are concerned with the needs of local and state economic needs and are willing to cooperate to see that Louisiana continues to thrive. I feel that Louisiana has profited immensely by Union Pacific's willingness to invest in our future and I feel that every effort must be made to encourage the recovery of the company.

As I understand it, the 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 privilege to interest in Texas which would weaken Union Pacific's current recovery. I am requesting that, if this is the case, that these special privileges be reexamined. Union Pacific has provided the needed service by going way beyond their original expectations. I feel Union Pacific is worthy of your consideration.

Sincerely,


Ronnie Johns
State Representative

RJ/kc



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

DONALD RAY KENNARD
District 65
Enrollment, Chairman

P.O. Box 78280
8437 Joor Road
Baton Rouge, Louisiana 70818
Telephone: (504) 261-7382
Fax: (504) 261-6426
Administration of Criminal Justice
Judiciary
Transportation, Highways & Public Works

AUGUST 25, 1998

MR. VERNON A. WILLIAMS, SECRETARY
SURFACE TRANSPORTATION BOARD
ROOM 711
1925 K STREET, N.W.
WASHINGTON, D.C. 20423-0001

DEAR MR. WILLIAMS,

AS A MEMBER OF THE LOUISIANA STATE HOUSE COMMITTEE ON TRANSPORTATION I WOULD LIKE TO EXPRESS TO YOU MY CONCERNS REGARDING THE OVERSIGHT HEARING YOU WILL SOON CONDUCT ON THE PREVIOUSLY APPROVED UNION PACIFIC SOUTHERN PACIFIC MERGER. MY CONCERN HAS TO DO WITH THE DEMANDS BEING MADE BY TEXAS INTERESTS THAT SEEK TO USE FEDERAL REGULATORY DIRECTIONS TO GAIN ACCESS OVER OUR PROPERTY IN TEXAS. THIS WOULD HAVE A DETRIMENTAL EFFECT ON OUR RAILROAD IN LOUISIANA AND ELSEWHERE.

UNION PACIFIC HAS MADE THE COMMITMENT TO ADHERE TO ITS EFFORTS TO PROVIDE THE REQUIRED SERVICES TO LOUISIANA AND THIS STATES BUSINESS AND INDUSTRY. WITH THAT IN MIND, I MUST REMIND YOU THAT UNION PACIFIC IS A STRATEGIC TRANSPORTATION PROVIDER TO THIS STATE AND ITS RAILROAD INFRASTRUCTURE. THEY HAVE MADE GREAT STRIDES TO COMPLY WITH NEEDED IMPROVEMENTS. AS I UNDERSTAND, THIS CAN ONLY HINDER THEIR EFFORTS TO RECOVER FROM REVENUES NOT REALIZED DUE TO SPECIAL OPERATING RIGHTS THAT HAVE BEEN GIVEN TO TEXAS.

I STRONGLY URGE YOU TO CONSIDER THESE OBSTACLES WHICH UNION PACIFIC HAS BEEN OPERATING UNDER AND ASK THAT YOU RECONSIDER THOSE SPECIAL PRIVILEGES WHICH HAVE BEEN CURRENTLY GRANTED TO TEXAS.

THANK YOU FOR YOUR ATTENTION TO THIS REQUEST.

SINCERELY,

A handwritten signature in dark ink, appearing to read "Donald Ray Kennard".
DONALD RAY KENNARD

DRK:ML



LOUISIANA HOUSE OF REPRESENTATIVES

CHARLES D. LANCASTER, JR.

District 80

Kathy Eldridge
Legislative Assistant

Phone (504) 837-4477
Fax (504) 837-4478
Suite 200
2201 Veterans Blvd.
Metairie, LA 70002

COMMITTEES

Chairman
House & Governmental Affairs

Member
House Executive Committee
Legislative Budgetary
Control Council

August 25, 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:

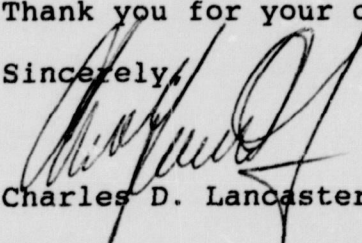
Thank you for the opportunity to express to you my opposition to the demands being made by Texas interests that they be given special operating rights over the Union Pacific Railroad in Texas. If granted, these demands would have an adverse affect on Union rail service in Louisiana.

I am fully aware that Union Pacific experienced service problems at the inception of its integration with Southern Pacific Railroad. It is my understanding that these early service and congested problems are resolving themselves and that dramatic improvements have been made all over the Gulf Coast area. Needless to say, this enormous effort has resulted in operating losses for Union Pacific. Awarding more permanent rights over Union Pacific to their competitors would cause further deterioration in revenues to the company and make a healthy recovery more difficult.

It is my belief that if granted, these Texas proposals for additional access to Union Pacific would be detrimental to Louisiana's largest rail carrier and are unnecessary, considering Union Pacific's progress and improvements in recent months.

Thank you for your consideration in this regard.

Sincerely,



Charles D. Lancaster, Jr.

CDL/kfe



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

JIMMY D. LONG
District 23

House Executive Committee,
Chairman

August 20, 1998

4099 Hwy 6 West
Natchitoches, Louisiana 71457
Telephone: (318) 352-8424
(318) 357-3235
Fax: (318) 357-3235

Appropriations
Education
Joint Legislative Committee on the Budget

Vernon Williams, Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20424-0001

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

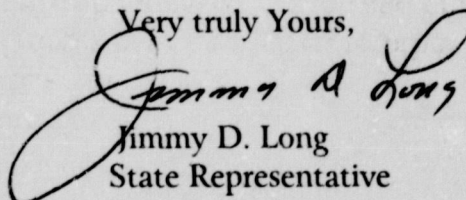
Dear Mr. Williams,

As a member of the Louisiana Legislature. It 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 here and elsewhere in Union Pacific service areas.

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 Railroad. Now that Union Pacific has made the 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. Union Pacific is an important investor and employer in our state and we anticipate further progress and improvements.

I encourage your careful evaluation of any of these new demands so as not to punish Union Pacific for its strong commitment to resolve its service issues or interrupt its steady and continuing improvement. Perhaps it is understandable that certain interest would attempt to maximize their advantage due to some difficulty by Union Pacific; however, since Union Pacific has demonstrated it is capable of solving its own problems, these request seem unwarranted.

Very truly Yours,


Jimmy D. Long
State Representative

JDL/ggj



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

ROBERT M. MARIONNEAUX, JR.
District 18

August 28, 1998

P.O. Box 577
Livonia, Louisiana 70755
Telephone: (800) 462-5029
(504) 637-3623
Fax: (504) 637-3124

Administration of Criminal Justice
Agriculture
Transportation, Highways and Public Works

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 a member of the LOUISIANA HOUSE OF REPRESENTATION TRANSPORTATION COMMITTEE, it has come to my attention that hearings will soon be held at the SURFACE TRANSPORTATION BOARD regarding the previously approved UNION PACIFIC-SOUTHERN PACIFIC merger. I been notified that certain interest in Texas have filed a request for special operating privileges and that these requests will be considered at that hearing.

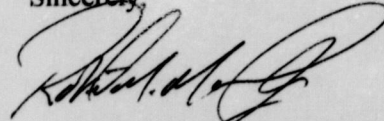
Please know that UNION PACIFIC has one of the largest rail switching operation in the heart of my legislative district. Please know that this rail yard located in LIVONIA LOUISIANA, extensively serves the Louisiana economy as well as the entire southern region. I am aware that due to the integration of certain system, rail service began to decline in the gulf coast area soon after the merge of two companies. For many reasons these problems immediately began to present themselves as a result of the merger. However, I must make note that UNION PACIFIC immediately began a program of major investments, hiring, and purchases of equipment to remedy this condition.

The efforts currently being undertaking by the UNION PACIFIC continue to address those problems and concerns which have been brought to your attention. There competitors now seek new and additional privileges which could quite possibility cause much disruption said delay in the over all mission of UNION PACIFIC. Certainly, UNION PACIFIC should be allowed to recover fully from their investment rather than being further hampered by the unreasonable conditions.

It is my opinion that we should not allow special conditions and or privileges to be granted when such privileges are not in the best interest of the rail operation system being operated by the UNION PACIFIC in Louisiana or any other place in the country.

I asked for a copy of this correspondence be distributed to each of the commission members at the hearing of this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert M. Maronneaux, Jr.", written in a cursive style.

Robert M. Maronneaux, Jr.

RMM/kd



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

DANIEL R. "DANNY" MARTINEY
District 79
Environment, Vice Chairman

291 Adams Hwy., Suite 201
Metairie, Louisiana 70001
Telephone: (504) 884-7576
(504) 884-4945
Fax: (504) 884-5400
Legislative Assistant:
Marilyn Gaydos
Dennis Macquie
Insurance
Exemption

August 31, 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:

It has come to my attention that certain Texas-related requests have been made to the Surface Transportation Board (STB) and this concerns me as the impact of these conditions, if granted, could possibly affect Union Pacific in Louisiana. Union Pacific is Louisiana's largest railroad with a payroll exceeding \$70,000,000.00, and serves throughout Louisiana.

I am keenly aware that following consolidation of the Union Pacific and the much weaker Southern Pacific Railroad, service problems and congestion occurred all along the Gulf Coast. Fortunately, Union Pacific met these problems by providing large capital investments, hired numerous additional train crews, and purchased more equipment so that the congestion was eventually relieved.

Union Pacific has been struggling with the effort to continue to integrate and merge the operations of the fragile Southern Pacific system. It has made great strides towards ending the service crisis, but, in order to continue this progress, must make additional investments in service and infrastructure throughout the system. The conditions proposed to the STB by certain Texas interests would make it extremely difficult for Union Pacific to continue the promising service improvements made in recent

Hon. Vernon A. Williams
August 31, 1998
Page 2

months. The additional conditions would only serve to erode the customer revenues available to Union Pacific, jeopardize future investments, and perhaps, even handicap a full recovery of the company. This would not be beneficial to Louisiana.

I am concerned about the proposals to impose new conditions on Union Pacific's Texas operations. The STB established competitive conditions which were integrated into 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.

Union Pacific's service has improved markedly in recent months and I see no reason this progress should be hindered by the additional burden of new conditions. Thank you for your consideration of my view.

Sincerely,

Daniel R. Martiny
State Representative
District 79

DRM/ng



JAY B. McCALLUM
District 12

Judiciary, Vice Chairman

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

P.O. Drawer 368
107 Miller Street
Farmerville, Louisiana 71241
Telephone: (318) 368-3348
1-800-259-4416
Fax: (318) 368-7602

Wanda Witherington
Legislative Assistant

Appropriations
Health & Welfare

August 27, 1998

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

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

Dear Mr. Williams:

It has come to my attention that hearings will soon be held at the Surface Transportation Board with regard to the previously approved Union Pacific-Southern Pacific merger. It has also come to my attention that certain interests in Texas have filed requests for special operating privileges and that these requests will be considered at that hearing.

Based on the information available to me, it is my view that allowing competitors special, permanent operating privileges over Union Pacific in the Texas Gulf Coast area is not in the best interest of the rail system operated in Louisiana by Union Pacific, or the country. It could only further weaken Union Pacific's position here and elsewhere.

Thank you for considering my views on this matter.

Sincerely

A handwritten signature in dark ink, appearing to read "Jay B. McCallum", written over a horizontal line.

Jay B. McCallum

jbm/ww



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

CHARLES R. McDONALD
District 14

Education, Chairman

July 31, 1998

P.O. Box 1495
Bastrop, Louisiana 71221-1495
Telephone: (318) 281-8121
1-800-259-8121
Fax: (318) 283-0851

Agriculture
House Legislative Services Council
House Executive Committee
Rural Caucus

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:

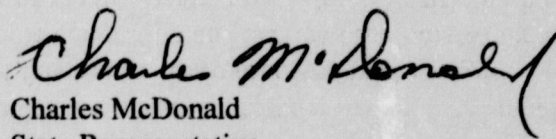
This letter is to express my interest over the special operating privileges requested by certain Texas entities on Union Pacific Railroad there.

Union Pacific Railroad is the largest rail transportation provider in Louisiana and has major investments in the rail infrastructure of this state. I have followed post-merger developments quite closely and am aware of the congestion and service problems which ensued after the consolidation of operating functions of the two companies. Union Pacific's Livonia Louisiana yard was severely impacted during this period of adjustment. Union Pacific recognized its problems and has successfully alleviated congestion by funding large capital investments, hiring additional employees, and buying new equipment. Service is now near normal levels.

Union Pacific's intense efforts indicate to me that the company is striving to retain its standing as a premiere transportation leader. It has been willing to expend resources and make adjustments to regain the quality of service Louisiana customers have come to expect from them. Having recovered to sufficient service levels, it would seem a dangerous practice to disrupt Union Pacific's recovery by granting privileges to a handful of special interests in Texas.

Union Pacific Railroad has always been a strong participant in the state's economy, as well as the communities of Louisiana, and I cannot see any convincing reason to weaken such a company's full recovery. Thank you for your consideration.

Sincerely,


Charles McDonald
State Representative



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

F. CHARLES "CHUCK" McMAINS
District 69
Civil Law & Procedure, Chairman

2325 Weymouth Drive
Baton Rouge, Louisiana 70809
Telephone: (504) 925-4371
Fax: (504) 925-4901
Audit Advisory Council
Executive

September 3, 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 Mr. Williams:

These comments are made for your consideration in the scheduled hearings the Surface Transportation Board (STB) will hold on the status of the previously approved Union Pacific and Southern Pacific railroad merger.

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 very successful as those railroads have reported new, increased earnings. We are now informed 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. We are aware of the 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 reveal a significant improvement in Union Pacific's rail service and a relief to the congestion that has plagued the railroad for months. To its credit, Union Pacific 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. Unfortunately, the 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

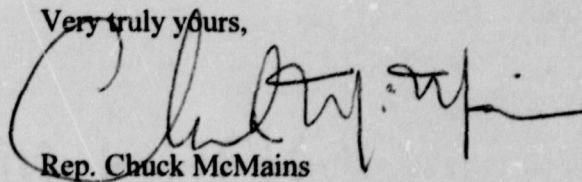
Mr. Vernon A. Williams, Secretary
September 3, 1998
Page 2

customer revenue losses due to the temporary operating rights granted to competitors in Texas to relieve congestion in the Gulf Coast area.

Union Pacific is important to the State of Louisiana, is a strategic transportation provider and has made very large capital outlays here in recent years, including a new state of the art rail facility near Baton Rouge in which some \$100 million has now been invested with ongoing expansion for additional capacity.

In view of the successful recovery underway, awarding successful competitors new privileges over Union Pacific property does not seem warranted and is counterproductive to Union Pacific's effort to earn a return on their investments.

Very truly yours,

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

Rep. Chuck McMains

CM/ad



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

DANNY R. MITCHELL, SR.
District 2

2332 Jewella Ave. Suite B
Shreveport, Louisiana 71109
Telephone: (318) 632-2004
Fax: (318) 632-2119

Health & Welfare
Transportation, Highways & Public Works

August 27, 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 Mr. Williams:

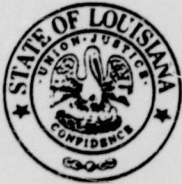
As a member of the Louisiana House of Representatives Transportation Committee, I have the following observations regarding your upcoming hearings on the status of the Union Pacific-Southern Pacific merger and the new demands several Texas participants have made on you to serve their own interests in this matter by requesting special operating rights on the Union Pacific Railroad.

For several 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 competitions 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 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,


Danny R. Mitchell, Sr.



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

BILLY MONTGOMERY

District 9

House Legislative Services, Chairman

August 27, 1998



House & Governmental Affairs
Joint Legislative Committee on Capital Outlay
Ways & Means

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:

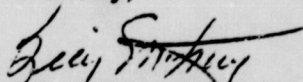
I am aware you will soon hold hearings regarding the previously approved Union Pacific-Southern Pacific merger. I know that some interests in Texas have filed requests for special privileges and these Texas-related requests concern me because, if granted, they could impact Union Pacific in Louisiana.

Union Pacific is a major employer in our state and extensively serves the Louisiana economy. I know that rail service began to decline soon after the transportation functions of the Union Pacific and Southern Pacific were merged in the Gulf Coast area. This condition persisted for many months and has generated warranted criticism; however, Union Pacific has made major investments, hired many new employees, and purchased new locomotives to rectify this condition. These measures appear to have been successful as Union Pacific service approaches near normal levels.

I see that the congestion has been greatly mitigated and service has returned to reasonable 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, while Union Pacific's have fallen. These competitors, who now seek additional advantages, would create more disruption to Union Pacific and cause that company further losses. This would impact Union Pacific in Louisiana, as well as other areas on its system.

I have seen Union Pacific's service improve in recent months. This progress should not be hindered by the imposition of new conditions that will harm Union Pacific, the state of Louisiana, and others around the country. Thank you for hearing my views on this matter.

Sincerely,


Billy Montgomery
State Representative



TONY PERKINS
DISTRICT 64

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

1110 MAIN STREET, SUITE E
BAKER, LOUISIANA 70714
PHONE (504) 775-4400
1-800-408-9764 (LA)
FAX (504) 771-2150
E-MAIL
ARPERKINS@AOL.COM

ADMINISTRATION OF CRIMINAL JUSTICE
ENVIRONMENT
RETIREMENT

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 submitting these comments as you prepare for hearings regarding the previously approved Union Pacific-Southern Pacific merger. I know that some interests in Texas have filed requests for special operating privileges and these Texas-related requests concern me because of the impact they could have on Union Pacific in Louisiana if they are granted.

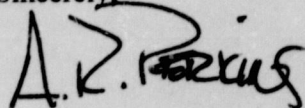
Union Pacific is a major employer in our state with a \$70 million payroll and serves the Louisiana economy extensively. I know that rail congestion began soon after the transportation functions of the Union Pacific and Southern Pacific were merged in the Gulf Coast area. This condition persisted for many months and there was justified criticism; however, Union Pacific has made new major investments, hired many new employees, and purchased new locomotives to rectify the condition. I see that the congestion has nearly disappeared and service has returned to acceptable levels in most areas. They continue to invest in their major new yard facility near Baton Rouge, expanding their capacity and personnel.

Union Pacific's efforts to relieve the congestion and provide adequate service to its customers resulted in losses to the company. Meanwhile, competitors have made the most of the congested situation and, consequently, their earnings have risen. These Texas competitors, who now seek additional advantages, would create more disruption on Union Pacific with their requests to use Union Pacific property and cause additional losses for Union Pacific.

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.

I do not believe that allowing successful competitors more access on Union Pacific in Texas 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,

A handwritten signature in dark ink, appearing to read "A. K. Perkins". The signature is stylized with a large, sweeping "P" and a distinct "K".

Tony Perkins



JOE R. SALTER
District 24

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

P.O. Box 250
Florien, Louisiana 71429
Telephone: (318) 256-4135
1-800-259-4135
Fax: (318) 256-3523

Appropriations
Education
Joint Legislative Committee on the Budget

August 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:

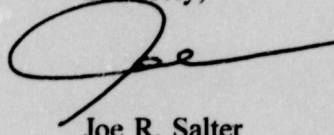
As a member of the Louisiana House of Representatives, I am aware that various Texas-based parties have requested that you impose certain new conditions upon the Union Pacific Railroad by granting additional operating privileges on that company.

I am fully aware that Union Pacific experienced service problems since its integration with the much weaker Southern Pacific Railroad. Since their onset, the congestion and problems have been largely reduced by Union Pacific's capital investment program and additional employment. Union Pacific is Louisiana's largest rail carrier, and as such is a valuable asset to our economy. Their commitment to the effort to solve their problems in the Gulf Coast area has been tremendous.

Despite these early service and congestion problems, the company dedicated its resources to the extent that dramatic improvements have been made all over the Gulf Coast area. These efforts have also resulted in operating losses to Union Pacific while the competitors have reaped profits. Awarding competitors new rights over Union Pacific would cause further deterioration to the revenues of the company and make a healthy recovery that much more difficult. Surely there can be no reasonable grounds for such action and I hope your decision will reflect that conclusion.

It is my belief that granting requests for additional access would be detrimental to Louisiana's largest rail carrier and are unnecessary considering Union Pacific's progress and improvements in recent months. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe R. Salter", with a large, stylized initial "J" and a long horizontal stroke extending to the right.

Joe R. Salter

JRS/sf



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

B. L. "BUDDY" SHAW, Ed.D.

District 6

August 31, 1998

3825 Gilbert, Suite 131
Shreveport, Louisiana 71104
Telephone: (318) 861-5924
Residence: (318) 676-5923
Fax: (318) 861-5923

N. GRACE SEMON
Legislative Assistant
(318) 686-6819

Education
Retirement
Transportation, Highways & Public Works

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. Secretary:

It has come to my attention that you will consider requests from Texas participants in the previously approved Union Pacific-Southern Pacific Merger; requesting permanent rights over the property owned by Union Pacific. Following the initial approval of this merger conditions occurred that had not been anticipated necessitating some unusual temporary arrangements in an effort to meet demands for service. This temporary emergency order has now been lifted with no legal basis for continuing as of Friday, July 31, 1998.

Union Pacific has expended every effort financially and cooperatively to fulfill all obligations to handle the volume of business available. It seems to me they should have the right to benefit, even profit, from their own property without the unwarranted intrusion of others. To grant a permanent right to another source over the objections and to the detriment of the property owner does not seem to be in the best interest of our free enterprise system.

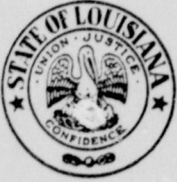
I sincerely appreciate your careful consideration of the matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "B. L. Shaw", written in a cursive style.

B.L. "Buddy" Shaw Ed.D.
Representative District 6

BLS/ngs



VIC STELLY
DISTRICT 35

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

P.O. BOX 12725
LAKE CHARLES, LOUISIANA 70612
OFFICE (318) 855-7768
LINC (318) 491-2315

APPROPRIATIONS
RETIREMENT-CHAIRMAN

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:

My comments are related to various Texas requests made to you that would grant new additional privileges to competitors over Union Pacific in Texas.

I have some concerns on the proposals to impose new conditions on Union Pacific's Texas operations, you established competitive conditions in your approval of the Union Pacific/Southern Pacific merger. The proposed additional conditions would disrupt and alter a key portion of the original merged system, thereby weakening Union Pacific when it is recovering its operational capability.

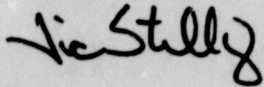
At the time of the merger, Southern Pacific was in terrible condition. Union Pacific has been struggling to improve operations of the combined system and has made great strides ending the service crisis. To continue the progress, Union Pacific has to make further investments to improve service and infrastructure throughout their 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 here in Louisiana.

In addition, it would be unfair to grant special Texas access conditions in one part of the region expense. In particular, I am concerned that our State 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 as Union Pacific and its predecessors did to serve their customers.

Louisiana has benefited over the years from investments by Union Pacific and their contribution to our economy has been very positive. I seriously doubt that these requested Texas competitor proposals are beneficial to the large Union Pacific presence in our State and could very well hinder their progress and jeopardize future investments.

Thank you for considering my views in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Vic Stelly". The signature is written in a cursive, slightly stylized font. The "V" is large and loops around the "i". The "S" is also large and loops around the "t". The "t" is written with a single vertical stroke. The "l" is a simple vertical stroke. The "y" is a simple vertical stroke with a small hook at the bottom.

Vic Stelly



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

R. H. "BILL" STRAIN
District 74
Agriculture, Chairman

August 10, 1998

P.O. Box 218
Abita Springs, Louisiana 70420
Telephone: (504) 893-6245
(504) 893-6246
Fax: (504) 893-6247

Louisiana - Mississippi - Alabama
Rapid Transit Commission Member

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:

Please allow me to correspond regarding a concern of mine. As a member of the Louisiana House of Representatives, I am aware that various Texas-based parties have requested that you impose certain new conditions upon the Union Pacific Railroad by granting additional operating privileges on that company.

I am fully aware that Union Pacific experienced service problems since its integration with the much weaker Southern Pacific Railroad. Since their onset, the congestion and problems have been largely reduced by Union Pacific's capital investment program and additional employment. Union Pacific is Louisiana's largest rail carrier, and as such is a valuable asset to our economy. Their commitment to the effort to solve their problems in the Gulf Coast area has been tremendous.

Despite these early service and congestion problems, the company dedicated its resources to the extent that dramatic improvements have been made all over the Gulf Coast area. These efforts have also resulted in operating losses to Union Pacific while the competitors have reaped profits. Awarding competitors new rights over Union Pacific would cause further deterioration to the revenues of the company and make a healthy recovery that more difficult. Surely there can be no reasonable grounds for such action and I hope your decision will reflect that conclusion.

In closing, it is my belief that granting requests for additional access would be detrimental to Louisiana's largest rail carrier and are unnecessary considering Union Pacific's progress and improvements in recent months. I thank you in advance for your time and consideration regarding this matter and if I can be of assistance or offer additional information, please do not hesitate to call. With kindest regards, I remain . . .

Very truly yours,

A handwritten signature in cursive script that reads "Bill Strain".

R. H. "Bill" Strain
State Representative
District 74

RHS:mbe



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

FRANCIS C. THOMPSON

District 19

Legislative Audit Advisory Council,
Chairman

August 6, 1998

P.O. Box 68
Delhi, Louisiana 71232
Telephone: (318) 878-9418
Fax: (318) 878-5650
E-mail: larep019@iAmerica.net
Leg. Web site:
<http://www.legis.state.la.us>

Agriculture
Appropriations
Executive
Health & Welfare
Joint Legislative Committee on the Budget

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:

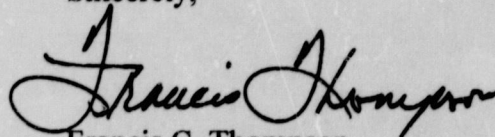
I have the following observations regarding your upcoming hearings on the status of the Union Pacific-Southern Pacific merger and the new demands several Texas Participants have made on you to serve their own interests in this matter.

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 other 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.

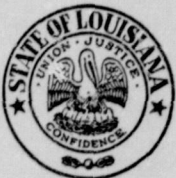
Mr. Vernon A. Williams
August 6, 1998
Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read "Francis Thompson".

Francis C. Thompson
State Representative
District 19

FCT:bec



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

WARREN J. TRICHE, JR.
DISTRICT 55

P. O. BOX 802
THIBODAUX, LOUISIANA 70302
(504) 146-2373
(504) 537-6311

NATURAL RESOURCES
RETIREMENT
TRANSPORTATION, HIGHWAYS & PUBLIC WORKS

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'm writing this letter as an explanation of my support for Union Pacific's position of opposition to Texas interests that seek to use federal regulatory direction to gain access over their property in Texas which would have a detrimental effect on their railroad here and elsewhere. The Union Pacific-Southern Pacific merger was unanimously approved by the Surface Transportation Board and with competitive trackage rights that were granted by you.

When attempts were made to merge the actual transportation functions in the fall of 1997, more difficulties in consolidating the languishing Southern Pacific Railroad into the Union Pacific system were faced. Union Pacific found itself short of locomotives and manpower to crew trains to handle the volume of business offered. In short, there was a period of service problems and congestion. Criticism followed, naturally, and Union Pacific realized that only large capital expenditure programs could restore service to acceptable levels. During these past months, progress has been slow at times but has been made as adjustments to operations were initiated, large capital improvements were accelerated, great numbers of locomotives were delivered, and an aggressive employment program with associated training was implemented. Naturally, it has taken time to get all these projects underway and personnel hired and trained. Now, investigation has revealed that the congestion has been eliminated and service is at near normal levels.

Due to all the extraordinary expense in meeting the challenges, Union Pacific incurred operating losses during the past three quarters while the Texas competitors reported healthy earning increases. It is obvious that Union Pacific cannot return to a full and complete recovery without adequate return on investments fueled by customer revenues. While it may be understandable that competitors want special advantages, this would cause a detrimental effect and undermine Union Pacific's efforts in Louisiana and elsewhere. It does not seem prudent to allow successful competitors access over Union Pacific property which can only limit the recovery Union Pacific is experiencing.

Thank you for your consideration of these views.

Sincerely,

Warren J. Triche



MIKE WALSWORTH
District 15

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

704 A Trenton
West Monroe, Louisiana 71291
Telephone: (318) 340-6453
Fax: (318) 340-0480

Civil Law & Procedure
House & Governmental Affairs
Vice Chairman, Subcommittee on Veterans Affairs
Retirement

August 24, 1998

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

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

Dear Secretary Williams:

As a member of the Louisiana House of Representatives, I am writing because Union Pacific Railroad is important to our state. Certain Texas-related requests to your Board concern me because of the impact they could have on Union Pacific in Louisiana if they are granted.

When Union Pacific and Southern Pacific merged, Southern Pacific was in bad condition. It has taken the substantial combined efforts and resources of Union Pacific to improve the resultant service problems as the operations of both railroads were merged into one system. Great strides have been made toward ending these problems. This is evidenced by the recent lifting of the Surface Transportation Board's emergency service order. However, Union Pacific needs to continue to make investments in service, infrastructure and employees to continue this progress. The proposed conditions would deprive Union Pacific of the customer base necessary to make the substantial investments required and make it more difficult to continue the positive trends of recent months.

I am opposed to the proposals to impose new conditions on Union Pacific's extensive operations in Texas. A competitive balance among railroads is necessary for effective competition. Conditions in effect since the merger have created a competitive balance and enabled other railroads in the area to aggressively compete. Additional conditions, if granted, would disrupt this successful balance, give competitors disproportionate advantages, and restrict Union Pacific's ability to earn a competitive return on their large investments here and elsewhere.

I am very concerned that the granting of special privileges to interests in Texas could negatively affect Louisiana. Union Pacific is successfully resolving its temporary problems and the imposition of permanent privileges to others in Texas is certainly not warranted. Thank you for your consideration of my position.

Sincerely,

A handwritten signature in cursive script that reads "Mike Walsworth".

Mike Walsworth



RANDY E. WIGGINS
District 27

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

August 18, 1998

713 Main Street
Pineville, Louisiana 71360
Telephone: (318) 487-0105
Fax: (318) 484-2322

Civil Law & Procedure
Health & Welfare
Labor & Industrial Relations

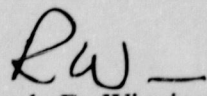
Mr. J. M. (Jack) Kyle, III
Union Pacific Railroad
412 N. Fourth Street, Suite 210
Baton Rouge, Louisiana 70802

Re: Letter of support to Mr. Vernon A. Williams

Dear Jack:

I'm sorry that I missed talking with you regarding the letter of support for Union Pacific. Attached is my original of the letter to Mr. Williams. Please call me if there is anything else that we can do to assist Union Pacific.

Very truly yours,


Randy E. Wiggins

REW:bn

Attachment



RANDY E. WIGGINS
District 27

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

August 18, 1998

713 Main Street
Pineville, Louisiana 71360
Telephone: (318) 487-0105
Fax: (318) 484-2322

Civil Law & Procedure
Health & Welfare
Labor & Industrial Relations

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:

It is my understanding that your Board will soon hold hearings regarding the previously approved Union Pacific Southern Pacific merger. It is also my understanding that some interests in Texas have filed requests for special operating privileges. This is of great concern to me because, if granted, they could adversely affect Union Pacific in Louisiana and any future investments planned here as well as other areas they serve.

Union Pacific is a major employer in our state and extensively serves the Louisiana economy. I am aware that rail service began to decline soon after the transportation functions of the Union Pacific and Southern Pacific were merged in the Gulf Coast area. This condition lasted for many months and has generated warranted criticism; however, Union Pacific has made major investments, hired many new employees, and purchased new locomotives to rectify this condition. These measures appear to have been successful as Union Pacific's service approaches near normal levels. Union Pacific has demonstrated its commitment to Louisiana and elsewhere with these large expenditures and new employment.

The railroad congestion has been greatly mitigated and service has returned to reasonable levels in most areas. Union Pacific's efforts to relieve the congestion resulted in losses to the company as it strived to achieve normal rail operations. Meanwhile, competitors made the most of this situation and their earnings have risen dramatically, while Union Pacific's have fallen. These competitors, who now seek additional advantages, would create more disruption to Union Pacific and cause them further losses. This would impact Union Pacific in Louisiana, as well as other areas on its system. Union Pacific deserves every opportunity to earn a return on their investment without unreasonable burdens.

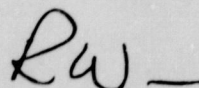
Mr. Vernon A. Williams, Secretary

Page -2-

August 18, 1998

Union Pacific's service has improved in recent months. This progress should not be hindered by the imposition of new conditions that will harm Union Pacific, the State of Louisiana, and other areas around the country. I appreciate the opportunity to relay my views on this matter to you.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'RW' followed by a horizontal line.

Randy E. Wiggins

REW:bn



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

STEPHEN J. WINDHORST
STATE REPRESENTATIVE
DISTRICT 86
PARISHES OF
JEFFERSON AND ORLEANS

August 19, 1998

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

1601 BELLE CHASSE HIGHWAY
TERRY TOWN, LOUISIANA 70056
DISTRICT OFFICE: (504) 394-8000
BATON ROUGE: (504) 342-6945

COMMITTEES:
ADMINISTRATION OF CRIMINAL JUSTICE
CHAIRMAN

LOUISIANA JUDICIAL COUNCIL
LOUISIANA LAW INSTITUTE
LOUISIANA SENTENCING COMMISSION
COMMISSION ON LAW ENFORCEMENT

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

Dear Mr. Williams:

It is my understanding that you will soon hold hearings regarding the previously approved Union Pacific-Southern Pacific merger over which you have jurisdiction. It is also my understanding 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 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.

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,

STEPHEN J. WINDHORST
State Representative



DIANE WINSTON
District 77

STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

September 4, 1998

321 N. Florida St.
P.O. Box 1163
Covington, Louisiana 70434
Telephone: (504) 893-6262
(800) 258-3987
Fax: (504) 893-6261

Executive
House & Governmental Affairs
Municipal, Parochial & Cultural Affairs
Commerce

Mr. 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)

I am writing this letter in response to the special operating rights in the Texas Gulf Coast area for which several interests have petitioned the Surface Transportation Board (STB). As a member of the Louisiana House of Representatives and as a businesswoman, self-employed for the past 25 years, I am extremely concerned about the adverse effects to Union Pacific and the trickle down effect on our state's economy should you grant new special operating privileges outside the temporary emergency order which, I understand, has been lifted.

As I appreciate the facts, certain circumstances intersected which caused the STB to grant temporary privileges to other railroads to operate over Union Pacific property. It is my understanding that Union Pacific has now recovered from problems which developed from the acquisition of the weak Southern Pacific Railroad, and has made the necessary investments and employed sufficient numbers of people to service its customers. The STB must have come to the same conclusion since the temporary order giving others special access was recently terminated.

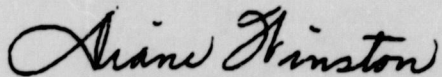
With the progress made by Union Pacific in addressing the problem areas of the merged system—progress gained at extraordinary expense—it does not seem fair or reasonable to allow others to continue to use Union Pacific property, thereby disallowing Union Pacific the opportunity to recoup their investments—a process dependent on customer revenues.

If the circumstances calling for the temporary emergency order have been corrected, and apparently they have or you would not have lifted the order, then it only seems fair to return to the business operations you employed before the emergency order was given. Enabling other railroads to profit from an order that was "temporary" and an "emergency" simply does not seem right to me.

Mr. Vernon A. Williams
September 4, 1998
Page 2

I encourage you not to grant additional, permanent, rights to others over the Union Pacific Railroad in the Gulf Coast area. The company is committed to resolve its service issues and continues its steady and continuing improvement. Thanks in advance for your favorable consideration of my request.

Sincerely,

A handwritten signature in cursive script that reads "Diane Winston".

Diane Winston
State Representative

DW/pkh



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

T. D. "TOMMY" WRIGHT

District 22

Parishes of
Grant, LaSalle, Northern Rapides
and Southern Catahoula

P.O. Box 2440
101 S. First St., Suite 2A
Jena, Louisiana 71342
Telephone: (318) 992-8882
(800)-408-9758
Fax: (318) 992-8899

Civil Law & Procedure
Education
Municipal, Parochial & Cultural Affairs

August 5, 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 Mr. Williams:

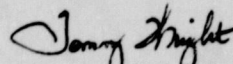
As a member of the Louisiana Legislature, I offer the following view on a transportation issue. I am aware you will soon hold hearings regarding the previously approved Union Pacific-Southern Pacific merger. I know that some interests in Texas have filed requests for special privileges and these Texas-related requests concern me because of the impact they could have on Union Pacific in Louisiana if they are granted.

Union Pacific is a major employer in our state and serves the Louisiana economy extensively. I know that rail service began to decline soon after the 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 major investments, hired many new employees, and purchased new locomotives to rectify the 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 and provide adequate service to its customers resulted in losses to the company. Meanwhile, competitors have made the most of the situation and, consequently, their earnings have risen dramatically. These competitors, who now seek additional advantages, would create more disruption on Union Pacific with their requests and cause additional losses for Union Pacific. 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 effort. I am confident your board will agree.

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,


Tommy Wright

TDW/crw

Montana State Senate



SENATOR CHUCK SWYSGOOD

HOME ADDRESS:
506 S. ATLANTIC
DILLON, MONTANA 59725
HOME PHONE: (406) 683-5582

The Big Sky Country

COMMITTEES:
RULES

CHAIRMAN:
FINANCE & CLAIMS
VICE-CHAIRMAN:
HUMAN SERVICE SUBCOMMITTEE
ON APPROPRIATIONS
VICE-CHAIRMAN:
LEGISLATIVE ADMINISTRATION

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760

Dear Secretary Williams:

I am writing to let you know of my support for Union Pacific Railroad, and to ask the Surface Transportation Board not to put any more conditions on UP in the above upcoming oversight proceeding.

I have been following UPRR's service recovery over the last year. Union Pacific has been going through a tough time, but it looks like that they are in process of pulling back out of it. Their stock has started going back up recently and there has been some restructuring going on. It only makes sense to let them get on with the business of building and rebuilding their railroad without any undue interference.

They have lost millions of dollars over the last 3 quarters and need to recoup their losses. I've read that they've had almost a 10% decrease in their traffic, while at the same time BNSF's business has increased by almost 10%. We'd like to see UP have a greater presence in Montana, and get some competitive balance back into my state.

UP needs a chance to get it's market share back. If the STB orders UP to sell or lease its tracks to its competition in the Texas area, that won't happen. Union Pacific Railroad needs to make money so it can invest in states like mine.

UPRR's service has improved and I ask that the STB not impose additional conditions on it.

Sincerely,
A handwritten signature in cursive script that reads "Chuck Swysgood".
Senator Chuck Swysgood



STATE OF LOUISIANA
HOUSE OF REPRESENTATIVES

T. D. "TOMMY" WRIGHT

District 22

Parishes of

Grant, LaSalle, Northern Rapides
and Southern Catahoula

P.O. Box 2440
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Civil Law & Procedure
Education
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August 5, 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)

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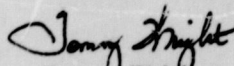
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I do not believe that allowing successful competitors more access on Union Pacific is in the best interest of providing a strong railroad presence and can only weaken Union Pacific's position here and elsewhere. Thank you for hearing my views on this matter.

Sincerely,


Tommy Wright

TDW/crw

Montana State Senate



SENATOR CHUCK SWYSGOOD

HOME ADDRESS:
506 S. ATLANTIC
DILLON, MONTANA 59725
HOME PHONE: (406) 683-5582

The Big Sky Country

COMMITTEES:
RULES

CHAIRMAN:
FINANCE & CLAIMS
VICE-CHAIRMAN:
HUMAN SERVICE SUBCOMMITTEE
ON APPROPRIATIONS
VICE-CHAIRMAN:
LEGISLATIVE ADMINISTRATION

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

RE: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760

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UPRR's service has improved and I ask that the STB not impose additional conditions on it.

Sincerely,

Chuck Swysgood
Senator Chuck Swysgood

STATE OF NEBRASKA

EXECUTIVE SUITE
P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244



E. Benjamin Nelson
Governor

August 25, 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 the State of Nebraska, I am writing to urge the Surface Transportation Board to exercise great caution as it considers whether to impose additional conditions on the operations of the Union Pacific Railroad in the Houston/Gulf Coast region.

Union Pacific Railroad is a prominent, respected Nebraska corporate citizen with headquarters in Omaha and thousands of employees located throughout our state. As such, actions which affect UP operations anywhere in their system reverberate in Nebraska. Houston/Gulf Coast congestion, for example, severely reduced transit/cycle times for grain cars from Nebraska and contributed to a shortage of such cars last fall during peak harvest. This in turn resulted in mountains of grain being stored on the ground for extended periods, increasing costs and reducing the price our farmers could receive on the market.

In response to this crisis, I chaired the Western Governors' Association Task Force on Western Rail, meeting with shippers, railroad representatives and state government leaders from throughout the West over the past year to seek solutions to the immediate problems facing farmers, ag shippers and railroads, and to address the long-term challenges facing our Western rail network.

Consensus emerged from these discussions on the need for railroads such as UP to continue to invest in adequate infrastructure and capacity expansion, which UP is doing in the Gulf region, in Nebraska, and throughout its system. I am pleased that these investments are continuing despite the fact that UP has suffered an unprecedented three consecutive quarters of losses totaling \$230 million.

August 25, 1998

Page 2

Task Force participants also agreed that for the West to compete effectively in the global economy, two healthy, strong Class I railroads are essential. Unfortunately, UP does not currently meet this standard. I therefore urge the Board to resist any action which would impair UP's ability to generate the revenues required to sustain the necessary investments that will allow UP to re-emerge as a vibrant, effective competitor in the West.

Sincerely,

A handwritten signature in dark ink, appearing to read "E. Benjamin Nelson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

E. Benjamin Nelson
Governor



John Breslow
State Auditor
Jbreslo@aol.com

STATE OF NEBRASKA
Auditor of Public Accounts

Suite 2307
State Capitol
Lincoln, NE 68509
402-471-2111
FAX 402-471-3301

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 to you to voice my opposition to the imposition of additional conditions on the Union Pacific Railroad. Nebraska did not escape the effects of UP's well-documented service problems of the last year, particularly during last fall's grain harvest, problems which were directly related to the Houston/Gulf Coast congestion that is the focus of your current proceedings. Those problems have now abated, not because of the federal government's intervention, but because UP invested vast amounts of capital and human resources in restoring service to the level it's customers demanded.

The Surface Transportation Board imposed competitive conditions on UP following it's merger with the Southern Pacific Railroad. Since that merger was approved and implemented, UP has experienced financial losses and a decline in traffic. I do not believe additional competitive conditions are warranted or necessary, and in fact may serve only to severely hamstring UP's on-going recovery. As State Auditor for the State of Nebraska, I am also deeply concerned about the effect a financially-weakened UP will have on our local and state economies, and on the tax base that supports state and local governments.

Competition within the Western rail network is essential to Nebraska's economy, and is best served by a strong, vibrant rail system composed of two or more healthy railroads. UP, in it's currently weakened state, cannot provide the level of competition needed. The approval by the STB of the conditions being sought will, I believe, do great harm to rail service in the West. I urge the Board to decline to impose such conditions.

Sincerely,

STATE OF NEBRASKA

DEPARTMENT OF AGRICULTURE

Larry E. Sitzman
Director



August 28, 1998

E. Benjamin Nelson
Governor

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

Dear Mr. Williams:

Subject: Houston Gulf Coast Oversight Proceedings
Finance Docket No. 32760; Sub No. 26

I am writing to you in my capacity as Director of the Nebraska Department of Agriculture for the State of Nebraska to oppose the imposition of additional conditions on the operations of the Union Pacific Railroad in the Houston Gulf Coast region.

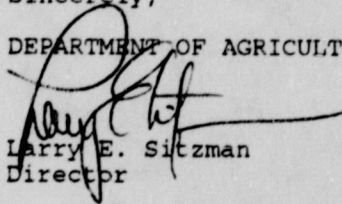
Nebraska agriculture felt the direct effects of the Gulf Coast rail congestion last fall when UP's inability to move grain trains in and out of the Gulf Coast ports resulted in severe shortages of grain cars at harvest time. Grain ended up on the ground where quality and price deteriorated and possible export sales were lost because of shippers' inability to deliver product. While UP is to be commended for the significant investments and progress it has made since last year to alleviate Gulf Coast congestion, as evidenced by the Surface Transportation Board's recent decision to let its Emergency Service Order lapse - repercussions remain. Carry-over stocks are at near record levels with many elevators still full with last year's crops, and we face another bumper harvest this fall. Should export markets open up, it is vital that UP be able to move our grain expeditiously and avoid the travesty of last year.

In order to do so, UP must continue to invest in its infrastructure and capacity expansion and to continue its accelerated acquisition of locomotives and hiring of additional train crews. Such current and future investments must be funded out of current and future revenues and UP, at present, is in a severely weakened financial position. Any action that the Surface Transportation Board would take that would impair UP's revenue stream will result in either delay or cancellation of many of these much needed investments, to the detriment of Nebraska agriculture.

I, therefore, strongly urge the Surface Transportation Board to decline to impose additional conditions which would hinder UP's recovery and allow UP to re-emerge as a strong rail competitor in the west.

Sincerely,

DEPARTMENT OF AGRICULTURE


Larry E. Sitzman
Director

LES:jw

DEPARTMENT OF AGRICULTURE, 301 CENTENNIAL MALL SOUTH

Administration
P.O. Box 94947
Lincoln, NE 68509-4947
(402) 471-2341
FAX: (402) 471-2759

Agriculture Laboratories
3703 South 14th Street
Lincoln, NE 68502-5399
(402) 471-2176
FAX: (402) 471-0091

Bureau of Animal Industry
P.O. Box 94787
Lincoln, NE 68509-4787
(402) 471-2351
FAX: (402) 471-3252

Bureau of Dairies & Foods
P.O. Box 95064
Lincoln, NE 68509-5064
(402) 471-2536
FAX: (402) 471-3252

Bureau of Plant Industry
P.O. Box 94756
Lincoln, NE 68509-4756
(402) 471-2394
FAX: (402) 471-6892

Weights and Measures
P.O. Box 94757
Lincoln, NE 68509-4757
(402) 471-4292
FAX: (402) 471-3252

An Equal Opportunity/Affirmative Action Employer

STB FD 32760 (Sub 26) 9-18-98 B 191210V4 9/11

STATE OF NEBRASKA

DEPARTMENT OF ROADS

Allan L. Abbott, Director-State Engineer

1500 Highway 2

PO Box 94759

Lincoln NE 68509-4759

Phone (402)471-4567

FAX (402)479-4325

September 1, 1998



E. Benjamin Nelson
Governor

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

Dear Secretary Williams:

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

As Director-State Engineer of the Nebraska Department of Roads, I am writing to request that the Surface Transportation Board decline to impose additional conditions on the Union Pacific Railroad's operations in the Houston/Gulf Coast area.

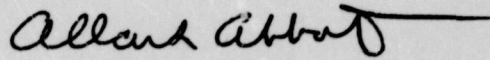
My agency is responsible for the planning, funding and implementation of all facets of freight transportation in the State of Nebraska, including both highway and rail. I have seen and felt firsthand the effects that congestion in the Gulf Coast region has had on our transportation needs in Nebraska. Due to this congestion, transit times for grain cars traveling between Nebraska and the Gulf ports increased dramatically during fall harvest last year, severely limiting car supply and impairing our farmers' ability to get harvested grain to market in a timely manner. This resulted in lost export sales, potentially harmful on-ground storage, surplus inventories of grain and reduced farm income. This rail system failure in turn forced much of the grain in-transit onto our highway system. This trucking of grain increases costs to the shipper and accelerates pavement deterioration on our state highway system.

As Director-State Engineer, I am well aware of the tremendous cost of infrastructure repair, maintenance and capacity expansion, be it highway or rail. Union Pacific Railroad as a private company must bear such costs and must generate sufficient revenues to do so. I am concerned that the imposition of additional conditions will impair Union Pacific's ability to fund need improvements. This could lead to deferred maintenance, canceled or delayed capital projects and a deterioration of its competitive position.

Vernon A. Williams
Page Two
September 1, 1998

The future needs of western rail shippers require two healthy, dependable Class I railroads. I urge the Surface Transportation Board to decline the imposition of conditions which would limit Union Pacific Railroad's ability to recover from its currently weak financial position and allow the railroad to return to a position as a strong rail competitor in the West.

Sincerely,

A handwritten signature in dark ink, appearing to read "Allan L. Abbott", with a long horizontal flourish extending to the right.

Allan L. Abbott
Director-State Engineer

ALA/ET/bv



State of Nebraska
Public Service Commission

300 THE ATRIUM
LINCOLN 68508

FRANK E. LANDIS
COMMISSIONER

PHONE
(402) 471-3101

September 2, 1998

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

Dear Secretary Williams:

Having recently been briefed by Jerry Martin of the Texas Railroad Commission on the improving congestion conditions in the Houston/Gulf Coast area, I would like to register my opposition with the Surface Transportation Board to the contemplated additional regulatory requirements on the current operations of the Union Pacific.

The Union Pacific finds itself in a rather fragile situation as it works through its expansion, interface and construction efforts; and, given this fragility, I think the appropriate approach for the STB should be one of monitoring rather than managing.

I am mindful of a fundamental principle for physicians, "Above all, do no harm." That was sound advice in 400 BC and, remains so, today.

Kindly share my thoughts with the board.

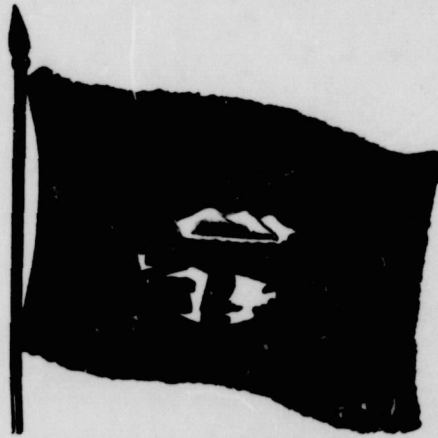
Sincerely,

Frank E. Landis

FEL:kjl

SCOTT MOORE
SECRETARY OF STATE

SUITE 2300 CAPITOL BUILDING
LINCOLN NEBRASKA 68509-4608
PHONE (402) 471-2554
FAX (402) 471-3237
sosadmin@sos.state.ne.us



STATE OF NEBRASKA

August 24, 1998

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

Dear Secretary Williams,

I am writing to you in opposition to the proposal before the Surface Transportation Board to impose additional conditions on the Union Pacific Railroad in the Houston/Gulf Coast region. As Secretary of State for the State of Nebraska, I am quite aware of the service problems UP has experienced over the past year, both in Nebraska and elsewhere. I remain very concerned about UP's currently weak financial condition, and the effects that such a condition will have and is having on UP's ability to invest in the infrastructure and other resources necessary to return it to a position of competitive strength.

Additional federal intervention in the marketplace is not warranted or necessary. Despite the fact that UP has suffered an unprecedented three consecutive quarters of losses exceeding \$230 million, UP continues to invest heavily in service recovery and capacity expansion, including significant investment along the Central Corridor in Nebraska. This is not the time to cripple that recovery and expansion with additional conditions that will limit UP's ability to generate the revenues necessary for such investments.

Meaningful rail competition in the West requires two strong players, which we presently lack. I strongly urge the Surface Transportation Board to decline to take actions, such as imposing additional conditions on UP, which will merely weaken one of the key competitors in our State and in the West.

Sincerely,

Scott Moore
Secretary of State

STATE OF NEBRASKA

David Heineman

State Treasurer



August 25, 1998

The 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:

As State Treasurer for the State of Nebraska, where Union Pacific Railroad is headquartered, I am deeply concerned about the financial challenges facing the Union Pacific, and I am keenly aware of the impact on state and local tax bases such challenges can have.

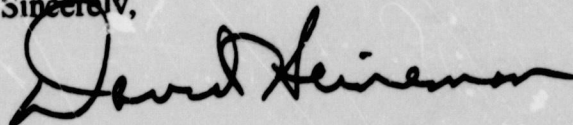
I have closely followed the Union Pacific merger with Southern Pacific and the subsequent service crisis from which the Union Pacific is still recovering. The Union Pacific has suffered an unprecedented three consecutive quarters of losses totaling \$230 million, and continues to spend capital at an accelerated pace to expedite service recovery, improve infrastructure and expand capacity. There can be no worse time than now for federal intervention that would undermine the Union Pacific's traffic base and revenues, from which such funding must come.

Meaningful competition demands two strong, dynamic competitors. The Western rail network does not currently enjoy that status. I strongly urge the Surface Transportation Board to decline to impose conditions on the Union Pacific in addition to those appropriate and adequate conditions that were imposed at the time of merger approval. To do otherwise is to risk relegating the Union Pacific to a permanently weakened state, much like the

Southern Pacific before it, and to thus entrench competitive imbalance in the Western region.

Thank you.

Sincerely,

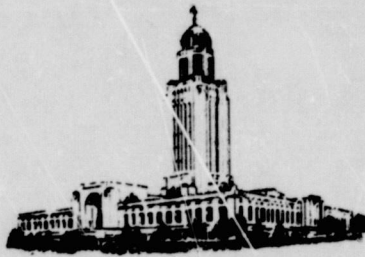
A handwritten signature in dark ink, appearing to read "David Heineman". The signature is fluid and cursive, with the first name "David" being more prominent and the last name "Heineman" following in a similar style.

David Heineman
State Treasurer

Nebraska State Legislature

SENATOR CHRIS ABBOUD

District No. 12
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
Office: (402) 471-2623
Fax: (402) 479-0912
E-MAIL:
cabboud@unicam.state.ne.us



Committees

Chair, Business and Labor
Committee on Committees
Judiciary
Rules
Urban Affairs
Legislative Council

August 25, 1998

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

Dear Secretary Williams:

I am writing in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated and that, with some exceptions, service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources that UP has dedicated to the problem. Given the dismal condition of Southern Pacific prior to its merger with UP, the significant strides that have been achieved in only one year are noteworthy.

Here in Nebraska, we have felt the effects of UP's service problems and continue to experience some congestion due to the massive capacity expansion projects UP is currently installing. However, I am very concerned that if the federal government imposes additional conditions on an already-weakened railroad, UP will lack the necessary resources to continue its recovery, fund much-needed infrastructure improvements, and re-emerge as a strong, competitive presence in the West's rail system.

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions would generate throughout the Western rail network. A vibrant rail system requires two strong competitive railroads, which we currently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script that reads "Chris Abboud".

Senator Chris Abboud

CA:ga

Nebraska State Legislature

KERMIT A. BRASHEAR
Senator

District 4
800 Farnam Plaza
1623 Farnam Street
Omaha, Nebraska 68102-2106
(402) 348-1000

State Capitol
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E-Mail
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COMMITTEES

Chairperson, Judiciary
Education
Legislative Council

Ninety-Fifth Legislature

September 1, 1998

The Honorable Vernon A. Williams
Secretary
SURFACE TRANSPORTATION BOARD
1925 K Street, NW
Washington, DC 20423

Dear Secretary Williams:

I am writing in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources that UP has dedicated to the problem. Given the dismal condition of the SP prior to its merger with the UP, the significant strides that have been achieved in only one year are noteworthy.

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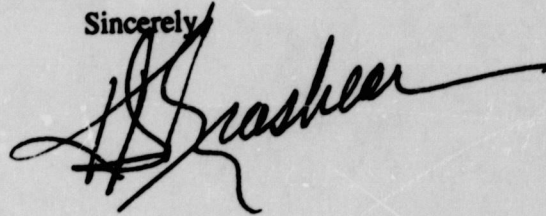
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The Hon. Vernon A. Williams
September 1, 1998
Page 2

requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. H. Grashen", written in a cursive style with a long horizontal flourish extending to the right.

KAB/jln

Nebraska State Legislature

SENATOR CURT BROMM

District No. 23
1448 North Pine Street
Wahoo, Nebraska 68066

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2719
E-MAIL
cbromm@unicam3.lcs.state.ne.us



Ninety-Fifth Legislature

COMMITTEES

Chairman - Transportation
Vice Chairman, Rules
Natural Resources
Executive Board
Reference
Legislative Council

September 2, 1998

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

Dear Secretary Williams:

Union Pacific Railway has informed me that the Surface Transportation Board is considering whether to impose additional conditions on the railway's operations in Houston and the Gulf Coast area.

I am writing to remind you that Union Pacific has a major presence in Nebraska, and is currently funding infrastructure improvements in this state, making important contributions to the economy of the State of Nebraska. The financial and competitive health of Union Pacific is certainly a concern to policy makers in Nebraska.

I urge you to remember the breadth of interests that any action concerning Union Pacific could affect. While concerns may be centered in Texas and the Gulf Coast, any action taken will have wide-ranging consequences across the West, and including the State of Nebraska. Nebraska has a strong interest in the continuing health of the railway infrastructure within its borders.

As you consider possible conditions, please take a wide-ranging view of the economic health of the West, including Nebraska, as you consider appropriate actions.

Sincerely,

/s/
Senator Curt Bromm,
Chairman - Transportation Committee

Nebraska State Legislature

SENATOR PAM BROWN

District No. 6
525 North 72nd Avenue
Omaha, Nebraska 68114

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2714



Ninety-Fourth Legislature

RECEIVED
SEP 4 1998
LEGISLATIVE COUNCIL
MANAGEMENT
STB

August 26, 1998

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

FD32760- SUB 26

Dear Secretary Williams:

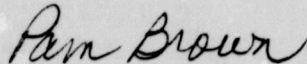
I write to you today to address the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

Here in Nebraska we have felt the effects of Union Pacific's service problems, and continue to experience some congestion due to the massive capacity expansion projects Union Pacific is currently installing. However, strides have been made to address this congestion as well as other service problem issues. I am very concerned that if the federal government imposes additional conditions on an already-weakened railroad, Union Pacific will lack the necessary resources to continue its recovery, fund much needed infrastructure improvements, and re-emerge as a strong, competitive presence in the rail system in the West.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the Union Pacific system. These improvements are a direct result of the substantial investment of dollars and other resources the Union Pacific has dedicated to the problem. Given the dismal condition of the Southern Pacific Railroad prior to its merger with the Union Pacific, the significant strides that have been achieved in only one year are noteworthy.

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate throughout the Western rail network. A vibrant rail system requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script that reads "Pam Brown".

Senator Pam Brown
District 6

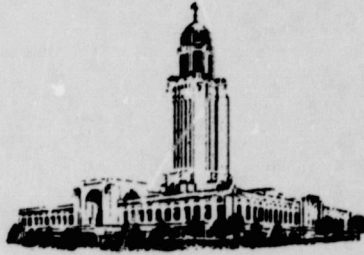
PB:tc

Nebraska State Legislature

SENATOR JON BRUNING

District No. 3
Sarpy County

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
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jbruning@unicam.state.ne.us



COMMITTEES

Chairperson, Enrollment and Review
Banking, Commerce and Insurance
Natural Resources
Legislative Council

August 25, 1998

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

Dear Secretary Williams:

I am writing today in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operation in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and, with some exceptions, service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources UP has dedicated to the problem. Given the dismal condition of the SP prior to its merger with UP, the significant strides that have been achieved in only one year are noteworthy.

Here in Nebraska, we have felt the effects of UP's service problems, and continue to experience some congestion due to the massive-capacity expansion projects UP is currently installing. However, I am very concerned that, if the federal government imposes additional conditions on an already weakened railroad, UP will lack the necessary resources to continue its recovery, fund much needed infrastructure improvements, and reemerge as a strong, competitive presence in the rail system in the West.

I urge the Surface Transportation Board to seriously consider the negative consequences that additional conditions will generate throughout the Western rail network. A vibrant rail system requires two strong, competitive railroads, which we presently lack.

I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in dark ink that reads "Jon".

Senator Jon Bruning
District 3

Nebraska State Legislature

SENATOR GEORGE COORDSEN

District No. 32
Route 1, Box 122
Hebron, Nebraska 68370
(402) 768-2568

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Ninety-Fifth Legislature

COMMITTEES

Chairman, Executive Board
Chairman, Reference
Vice Chairman, Revenue
Legislative Program Evaluation
Transportation
Legislative Council

August 20, 1998

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

Dear Secretary Williams:

I am writing in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources the UP has dedicated to the problem. Given the dismal condition of the SP prior to its merger with the UP, the significant strides that have been achieved in only one year are noteworthy.

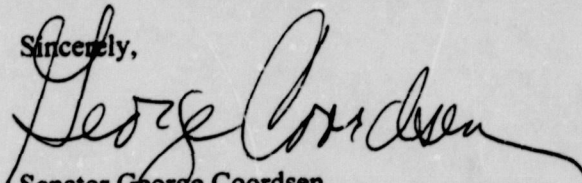
Here in Nebraska we have felt the effects of UP's service problems, and continue to experience some congestion due to the massive capacity expansion projects UP is currently installing. However, I am very concerned that if the federal government imposes additional conditions on an already-weakened railroad, UP will lack the necessary resources to continue its recovery, fund much needed infrastructure improvements, and re-emerge as a strong, competitive presence in the rail system in the West.

I urge the Surface Transportation Board to seriously consider the negative consequences addition conditions with generate throughout the Western rail network. A vibrant rail system requires two

The purpose of Government is to serve the people

strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Coordsen". The signature is written in dark ink and is positioned above the printed name.

Senator George Coordsen
District 32

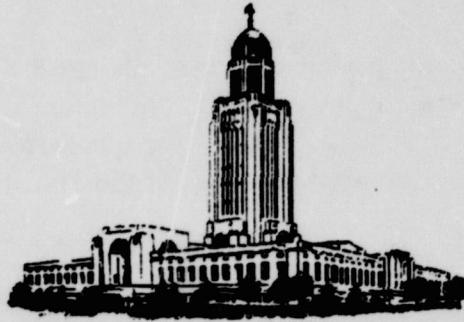
GC/j

Nebraska State Legislature

SENATOR LaVON CROSBY

District No. 29
3440 Hillside Street
Lincoln, Nebraska 68506

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2734



Ninety-Fifth Legislature

COMMITTEES

Chairperson, Committee on Committees
Appropriations
Nebraska Retirement Systems
Legislative Council

August 20, 1998

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

Dear Secretary Williams:

This letter is directed to you on a matter of great concern in the State of Nebraska. The subject is the imposition of additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area, under consideration by your board.

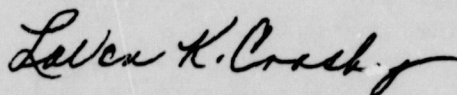
Recent information provided shows that even though Union Pacific's service problems have received a great deal of publicity and criticism, it appears now that congestion in the Gulf Coast region has been virtually eliminated, and with some exceptions service is improving steadily throughout the Union Pacific system. These improvements are a direct result of the substantial investment of dollars and other resources dedicated to solving the problem by Union Pacific. As I understand it, given the dismal condition of Southern Pacific prior to its merger with Union Pacific, significant strides have been achieved in one short year.

Nebraska has experienced some of the effects of Union Pacific service problems and some congestion continues because of the massive capacity expansion projects Union Pacific is currently completing. My great concern is that if the federal government imposes additional conditions on the already weakened system, Union Pacific will not be able to pledge the necessary resources to recover, as well as fund much needed infrastructure improvements, and emerge as a strong, competitive presence in the rail system in the West.

Union Pacific is a tradition in Nebraska. Many of us still remember hearing the Union Pacific train whistles signal at the crossings in the small towns as well as the larger cities. Those memories reinforce our concern that Union Pacific be allowed to remain a strong economic force in our state and not be faced with further federal government restraints.

Please give this request urgent consideration and emphasize to the Surface Transportation Board the negative consequences these additional conditions will impose throughout the Western rail network. Two strong and competitive railroads are required for a vibrant rail system. I respectfully request that the Board decline to impose these additional restricting conditions on Union Pacific Railroad.

With best wishes,

A handwritten signature in cursive script, reading "LaVon K. Crosby". The signature is written in dark ink and is positioned above the printed name.

Senator LaVon K. Crosby
District #29

cc: Secretary of Transportation Federico F. Pena

UP track expansion gives hope for future

BY JOE RUFF
The Associated Press

NORTH PLATTE — The trains look like huge ships docked in a bay, long instead of deep, 114 tracks wide.

It is Union Pacific's Bailey Yard, big enough to accommodate 2,759 football fields. An average of 125 trains pass through each day, carrying everything from airplane wings to frozen vegetables to coal.

The yard is the largest in the world. It funnels about 40 percent of the traffic on the nation's largest railroad, with trains traveling from Los Angeles to Chicago, Wyoming to Texas.

Twenty-five yardmasters take turns running the yard 24 hours a day. Most yards need about eight yardmasters.

And just east of the huge yard between North Platte and Omaha lies a 108-mile, \$366 million track expansion and maintenance project. Major work on the 12-year, triple-track building plan was to end by 2002 but congestion problems on Union Pacific lines last year prompted the railroad to speed up work. The railroad expects the project to be completed by end of 1998 with some mop up work left for next year.

Trains had backed up in the Bailey Yard during the height of last year's congestion and morale plummeted, but dramatic improvements were made in recent months, said Greg Severa, superintendent of the yard.

"Everybody got excited when we saw we could get back on time," Severa said.

Triple track east of North Platte will allow the yard to run trains at 70 mph over 100 miles to Gibbon, instead of 60 mph. At Gibbon, the rail lines split northbound and southbound.

In the future, two tracks will run full speed while one track receives any needed maintenance.

The railroad hopes the expansion will beef up the busiest section of its system and help serve customers upset with congestion problems that last year crippled Union Pacific's 23-state, 36,000-mile network.

The problems began last summer

in Houston as the railroad absorbed Southern Pacific in a 1996 merger that was hampered by lack of equipment and crews, a rash of wrecks and difficulties integrating Southern Pacific's aging equipment and UP's more modern infrastructure.

It cost the economy an estimated \$4 billion because shippers were forced to stall production and pay higher costs to find other ways to get goods to their customers. Union Pacific also lost money, reporting a \$419 million loss in this year's second quarter, largely attributed to its settlements with customers angry over money lost to delivery delays. It was UP's third straight quarterly loss.

“Everybody got excited when we saw we could get back on time.”

— Greg Severa,
Bailey Yard superintendent

Speeding up work on the track east of North Platte has 500 contractors and railroad employees working in construction. Two-hundred workers would have been needed under the initial plan.

In its merger application with Southern Pacific, Union Pacific had projected spending \$1.4 billion above normal expenditures on track expansion, locomotives and rail yards over a five-year period. But Dick Davidson, the railroad's chief executive, said it will take at least another \$200 million and a couple more years to make the additions.

E. Terrence Gardner Jr., an analyst with Deutsche Morgan Grenfell, said Union Pacific's investments in its track and other infrastructure will pay off.

"They're plowing a lot into the system. They're plowing a lot into the central corridor. I think they're making progress, albeit slowly. But we should see things pick up once they're completed," Gardner said.

That could be in the fall, Gardner said.

Nebraska State Legislature

SENATOR W. OWEN ELMER

District No. 44
Box 216
Indianola, Nebraska 69034

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Lincoln, Nebraska 68509-4604
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Ninety-Fifth Legislature

COMMITTEES

Natural Resources
Vice Chairman, Transportation
Committee on Committees
Legislative Council

August 26, 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 reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated and, with some exceptions, service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources the UP has dedicated to the problem. Given the dismal condition of the SP prior to its merger with the UP, the significant strides that have been achieved in only one year are noteworthy.

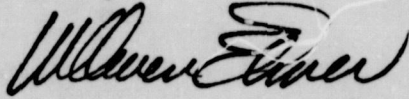
Here in Nebraska we have felt the effects of the UP's service problems, and continue to experience some congestion due to the massive capacity expansion projects UP is currently installing. However, I am very concerned that if the Federal government imposes additional conditions on an already weakened railroad, UP will lack the necessary resources to continue its recovery, to fund much needed infrastructure improvements, and to re-emerge as a strong, competitive presence in the rail system in the West.

The Honorable Vernon A. Williams

Page 2

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate throughout the Western rail network. A vibrant rail system requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. Owen Elmer". The signature is fluid and cursive, with the first name "W. Owen" and last name "Elmer" clearly distinguishable.

Senator W. Owen Elmer
District 44

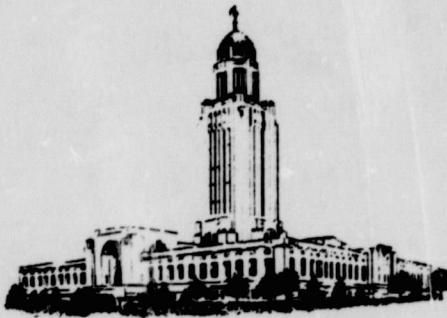
WOE:j

Nebraska State Legislature

SENATOR D. PAUL HARTNETT

District No. 45
407 Greenbriar Ct.
Bellevue, Nebraska 68005

Legislative Address:
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Ninety-Fifth Legislature

COMMITTEES

Chairperson, Urban Affairs
General Affairs
Revenue
Legislative Council

August 25, 1998

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

Dear Secretary Williams:

I am writing in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources the UP has dedicated to the problem. Given the dismal condition of the SP prior to its merger with the UP, the significant strides that have been achieved in only one year are noteworthy.

Here in Nebraska we have felt the effects of UP's service problems, and continue to experience some congestion due to the massive capacity expansion projects UP is currently installing. However, I am very concerned that if the federal government imposes additional conditions on an already-weakened railroad, UP will lack the necessary resources to continue its recovery, fund much needed infrastructure improvements, and re-emerge as a strong, competitive presences in the rail system in the West.

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate throughout the Western rail network. A vibrant rail system requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on the Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script that reads "Paul Hartnett".
Senator D. Paul Hartnett
Nebraska State Senator

Nebraska State Legislature

SENATOR JOYCE HILLMAN

District No. 48
65 Toluca Lane
Gering, Nebraska 69341

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PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2802
E-Mail:
jhillman@unicam3.leg.state.ne.us



Ninety-Fifth Legislature

COMMITTEES

Vice Chairperson, Appropriations
Chairperson, Legislative Program
Evaluation
Committee on Committees
Legislative Council

August 25, 1998

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

Dear Secretary Williams:

I am writing in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast Area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources the UP has dedicated to the problem. Given the dismal condition of the SP prior to its merger with the UP, the significant strides that have been achieved in only one year are noteworthy.

Here in Nebraska we have felt the effects of UP's service problems, and continue to experience some congestion due to the massive capacity expansion projects UP is currently installing. However, I am very concerned that if the federal government imposes additional conditions on an already-weakened railroad, UP will lack the necessary resources to continue its recovery, fund much needed infrastructure improvements, and re-emerge as a strong, competitive presence in the rail system in the West.

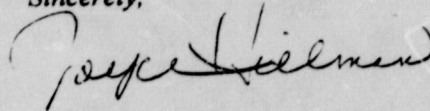
I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate throughout the Western rail network. A vibrant rail system

Secretary Vernon Williams
August 25, 1998

Page 2

requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joyce Hillman". The signature is fluid and cursive, with the first name "Joyce" written in a larger, more prominent script than the last name "Hillman".

Senator Joyce Hillman
District 48

JH:sw

Nebraska State Legislature

SENATOR JIM JENSEN

District No. 20
10525 Mullen Road
Omaha, Nebraska 68124

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2622



Ninety-Fourth Legislature

COMMITTEES

Banking, Commerce and Insurance
Health and Human Services
Legislative Council

August 25, 1998

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

Dear Secretary Williams:

I am writing in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources the UP has dedicated to the problem. Given the dismal condition of the SP prior to its merger with the UP, the significant strides that have been achieved in only one year are noteworthy.

Here in Nebraska we have felt the effects of UP's service problems, and continue to experience some congestion due to the massive capacity expansion projects UP is currently installing. However, I am very concerned that if the federal government imposes additional conditions on an already-weakened railroad, UP will lack the necessary resources to continue its recovery, fund much needed infrastructure improvements, and re-emerge as a strong, competitive presence in the rail system in the West.

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate throughout the Western rail network. A vibrant rail system requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

Senator Jim Jensen
District 20

JJ/dm

Nebraska State Legislature

SENATOR GERALD E. MATZKE
District No. 47

2311 Maple Street
Sidney, Nebraska 69162

Legislative Address:
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PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2616



COMMITTEES

Vice Chairperson, Health and Human Services
Rules
Transportation
Legislative Council

Ninety-Fourth Legislature

August 18, 1998

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

Dear Secretary Williams:

I represent the 47th Legislative District in the Nebraska Legislature. My District includes seven counties in the far western corner of Nebraska and is approximately the same size as the state of New Jersey.

This area of Nebraska is primarily wheat country and the transportation of wheat by railroad unit trains is absolutely essential to our local economy.

It is for this reason that I am writing to you in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the operations of the Union Pacific Railroad.

I am aware that there has been a great deal of publicity and criticism of the Union Pacific's service problems and congestion in the golf coast region. I also know that these problems have been virtually eliminated and that service is improving throughout the Union Pacific system. These improvements are a direct result of a substantial investment by the Union Pacific because of the poor condition of the Southern Pacific prior to the merger.

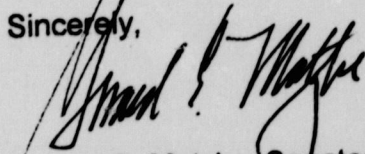
I am very concerned that if the Federal Government imposes additional conditions on the Union Pacific, it will lack the necessary resources to continue its recovery and that this will have a very adverse effect upon railroad transportation in the agricultural areas

Honorable Vernon A. Williams
Page -2-
August 18, 1998

of the Midwest. We need a strong, successful and competitive rail system to support our agricultural economy.

I strongly urge the Surface Transportation Board to seriously consider the negative consequences that additional conditions imposed upon the Union Pacific will produce throughout the western rail network. On behalf of my constituents, I request that the Board decline to impose additional conditions on the Union Pacific Railroad.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald E. Matzke", written over a horizontal line.

Gerald E. Matzke, Senator
47th Legislative District

GEM:jmm

Nebraska State Legislature

SENATOR DWITE A. PEDERSEN

District No. 39
21440 Shamrock Road
Elkhorn, Nebraska 68022

Legislative Address:
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PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2885

E-Mail:
dpedersen@unicam3.lcs.state.ne.us



Ninety-Fifth Legislature

COMMITTEES

Vice Chairman, Judiciary
Committee on Committees
Executive Board
Intergovernmental Cooperation
Reference
Transportation
Legislative Council

August 26, 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 reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the Union Pacific system. These improvements are a direct result of the substantial investment of dollars and other resources that the Union Pacific has dedicated to the problem. Given the dismal condition of the Southern Pacific prior to its merger with the Union Pacific, the significant strides that have been achieved in only one year are noteworthy.

Here in Nebraska we have felt the effects of Union Pacific's service problems, and continue to experience some congestion due to the massive capacity expansion projects Union Pacific is currently installing. However, I am very concerned that if the federal government imposes additional conditions on an already-weakened railroad, Union Pacific will lack the necessary resources to continue its recovery, fund much-needed infrastructure improvements, and re-emerge as a strong, competitive presence in the rail system in the West.

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate throughout the Western rail network. A vibrant rail system requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script that reads "Dwite".

Dwite A. Pedersen
State Senator
District 39

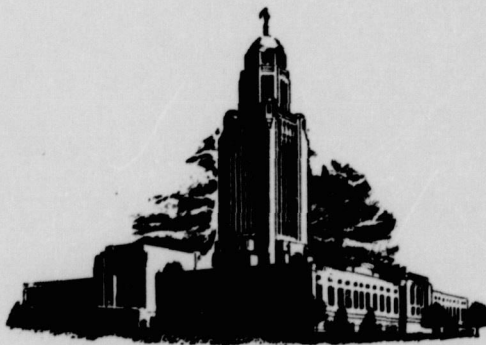
DP:bb

Nebraska State Legislature

SENATOR EDWARD J. SCHROCK

District No. 38
RR 1, Box 57
Elm Creek, Nebraska 68836
(308) 995-4665 (Holdrege)

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2732



Ninety-Fourth Legislature

COMMITTEES

Appropriations
Legislative Council

September 10, 1998

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

Dear Secretary Williams:

I am writing to urge you not to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

In Nebraska, we have felt the effects of UP's service problems and continue to experience some congestion due to the expansion projects UP is currently undertaking. However, I am very concerned that additional conditions imposed upon UP could further weaken the recovery of UP since its merger with SP. I believe significant improvements have been made and will continue to be made if necessary resources can be devoted to these improvements and not to additional conditions imposed by the federal government.

Please take time to seriously consider all of the negative consequences of imposing additional conditions on UP at the present time. If we are to have competition between two rail systems in the West, we must first have two viable rail systems or competition is simply a word without meaning to those of us who live here.

I ask you to recommend to the Board that no additional conditions be imposed on Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script that reads "Ed Schrock".

Senator Ed Schrock

Nebraska State Legislature

SENATOR ELAINE STUHR

District No. 24
Route 1, Box 224
Bradshaw, Nebraska 68319

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PO Box 94604
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Ninety-Fifth Legislature

COMMITTEES

Vice Chairperson, Nebraska Retirement Systems
Education
Natural Resources
Education Commission of the States
Legislative Council

August 26, 1998

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

Dear Secretary Williams:

The pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf area are of great concern to me.

Union Pacific Railroad's service problems have been well publicized. However, I believe that the congestion and service issues have been steadily improving throughout the UP system since the problems began. UP has invested extensively to address these issues. This investment is important to the issue of UP's dedication to the problem.

In Nebraska, we too have had to deal with the problems associated with UP's service. I cannot deny we still experience some congestion. However, I am very concerned that if the federal government imposes more limitations on a weakened railroad, UP will lack the necessary resources to continue its recovery efforts.

Please seriously consider the negative consequences that could result from additional conditions placed on UP. Strong competitive railroads are important to build an effective rail system. I am therefore asking you to reject any additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script, appearing to read "Elaine Stuhr".

Elaine Stuhr
District 24

ES:jh

Nebraska State Legislature

SENATOR NANCY P. THOMPSON

District No. 14
1302 Western Hills Drive
Papillion, Nebraska 68046

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
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Ninety-Fifth Legislature

August 28, 1998

COMMITTEES

Health and Human Services
Transportation
Legislative Council

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

Dear Secretary Williams:

FD 32760 - SUB 26

I am writing in reference to the pending decision of the Surface Transportation Board regarding the imposition of additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

Union Pacific reports that congestion in the Gulf Coast region has been virtually eliminated and that with some exceptions service is improving steadily throughout its system. These improvements are a direct result of the substantial investment of dollars and other resources Union Pacific has dedicated to the problem. The significant strides that have been achieved in only one year are noteworthy.

I am concerned that if the federal government imposes additional conditions, Union Pacific will lack the necessary resources to continue its recovery and fund much needed infrastructure improvements.

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate, and decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Thompson".

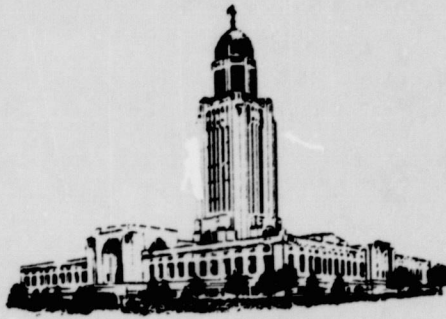
Nancy Thompson
District #14

Nebraska State Legislature

SENATOR JERRY D. WILLHOFT

District No. 34
1670 14 Road
Central City, Nebraska 68826

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2630
E-Mail:
jwillhoft@unicam3.lcs.state.ne.us



Ninety-Fifth Legislature

COMMITTEES

Education
Government, Military and Veterans
Affairs
Legislative Council

August 24, 1998

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

Dear Secretary Williams:

I am writing in reference to the pending decision of the Surface Transportation Board regarding whether to impose additional conditions on the Union Pacific Railroad's operations in the Houston and Gulf Coast area.

While Union Pacific's recent service problems have received a great deal of publicity and criticism, it appears that congestion in the Gulf Coast region has been virtually eliminated, and that with some exceptions service is improving steadily throughout the UP system. These improvements are a direct result of the substantial investment of dollars and other resources the UP has dedicated to the problem. Given the dismal condition of the Southern Pacific prior to its merger with the UP, the significant strides that have been achieved in only one year are noteworthy.

Here in Nebraska the UP railroad has been able to handle the needs reasonably well. They have been doing a great deal of improving their capacity in trackage. We are far more concerned by a lack of markets for our major crops and when that market is available.

I urge the Surface Transportation Board to seriously consider the negative consequences additional conditions will generate throughout the Western rail network. A vibrant rail system requires two strong, competitive railroads, which we presently lack. I ask the Board to decline to impose additional conditions on Union Pacific Railroad.

Sincerely,

A handwritten signature in dark ink, reading "Jerry D. Willhoft".
Jerry D. Willhoft
State Senator, District 16

Nebraska State Legislature

SENATOR KATE WITEK

District No. 31
5179 South 147th Circle
Omaha, Nebraska 68137
(402) 895-7682

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State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2327
E-Mail:
kwitek@unicam3.lcs.state.ne.us



Ninety-Fifth Legislature

COMMITTEES

Banking, Commerce and Insurance
Health and Human Services
Legislative Council

August 31, 1998

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

RE: Pending Decision: Union Pacific Railroad Houston and Gulf Coast Area Operations

Dear Secretary Williams:

It is my understanding that a decision by the Surface Transportation Board is pending regarding whether to impose added restrictions or conditions on the operations of the Union Pacific Railroad in the Houston and Gulf Coast area. While it is apparent that some legitimate concerns have been raised, it is my opinion that additional conditions at this time are unnecessary due to investments by Union Pacific Railroad in improvements to address recent problems.

In the short time since the merger of Union Pacific Railroad with Southern Pacific Railroad significant progress has been realized. Problems relating to congestion and continuous service have been minimized significantly. Toward this end, Union Pacific has dedicated substantial resources.

Union Pacific Railroad has recently conceded that even here in Nebraska -- where the Railroad has undertaken the installation of massive capacity expansion projects -- some congestion problems continue. However, it appears that U.P. is putting forth good faith efforts toward quick resolution.

In this context I am concerned that any additional conditions could adversely impact the situation. Therefore, I urge the Surface Transportation Board to seriously consider the

impact of any additional conditions on the ability of the Union Pacific Railroad to continue to dedicate needed resources in this current recovery and restoration effort.

Sincerely,

Kate Witek

Kate Witek

District 31



City of Omaha
Hal Daub, Mayor

Office of the Mayor
1819 Farnam Street, Suite 300
Omaha, Nebraska 68183-0300
(402) 444-5000
FAX: (402) 444-6059

September 11, 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 Omaha, I am very concerned about the financial and competitive challenges faced by Union Pacific Railroad. Omaha has been headquarters for Union Pacific since its inception in 1863. Today, as one of Omaha's largest companies with a workforce of more than 4500 employees, it serves as a vital transportation company and provides extensive economic benefits and contributions to our community.

We have been very aware of the service problems encountered by Union Pacific and have followed their successful efforts to return to normal operational conditions. In view of this, we are strongly opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Coast area. Competitive conditions were integrated into the STB 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 as 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. This includes substantial improvements in the Railroad's central corridor through Nebraska which is a vital link in their 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.

Honorable Vernon A. Williams
September 11, 1998
Page Two

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 through employment, service capability, and shipping rates if Union Pacific competitors are granted concessions in another part of the UP system. Union Pacific's competitors can obtain direct access to Union Pacific customers by using their own capital and resources to construct the necessary track and facilities.

Union Pacific Railroad is a key player in Omaha's economic and community health. The service progress, community partnership and investments should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country.

Sincerely,

A handwritten signature in black ink, appearing to read "Hal Daub", with a long horizontal flourish extending to the right.

Hal Daub
Mayor, City of Omaha

HD/lls



Nevada Legislature

SIXTY-NINTH SESSION

COMMITTEE:

Chairman

Secretary

Member

Labor and Management

Transportation

BERNIE ANDERSON

ASSEMBLYMAN

District No. 31

August 19, 1998

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

Dear Mr. Williams:

The undersigned members of the Nevada Legislature wish to express our concern regarding the Surface Transportation Board's reconsideration of the previously approved merger of the Union Pacific and Southern Pacific. Several Texas interests have requested special considerations relating to the merger settlement. If granted, these privileges could have considerable impact on the Union Pacific operations in our state.

Union Pacific has been investing heavily in employees and capacity to combat the service difficulties that have troubled the railroad for the last year. In the last 18 months, Union Pacific has filled 77 jobs in Nevada (bringing the total to more than 650) and has spent over \$42 million in the state on capital improvements. These investments have returned service to acceptable levels in the state. The Railroad's plans for continued investments, an additional \$12.5 million this year alone, should improve service to traditionally high Union Pacific levels.

Ongoing investments by the Railroad in our state depend on Union Pacific's financial health. However, Union Pacific has posted losses in the last three quarters while its competitors have posted significant increases. These same competitors are now seeking additional advantages that could create even more losses in Union Pacific operations. Clearly, Union Pacific may not be able to make the promised investments in our state if competitors in Texas are given the opportunity to expand their use of Union Pacific tracks.

A weakened Union Pacific is not good for Nevada shippers who must depend on the railroad. Union Pacific's full recovery is necessary to provide reliable service to industries in the state. We urge you to develop a policy that considers the interests of all the states served by Union Pacific and reject the opportunistic attempts to weaken Union Pacific through government fiat.

Thank you for your consideration.

Bernie Anderson
Assemblyman, District 31

DISTRICT OFFICE:

747 Glen Meadows Drive, Sparks, Nevada 89434 • (702) 358-8112 • Fax No. (702) 358-0425

LEGISLATIVE BUILDING:

301 S. Carson Street, Carson City, Nevada 89701-4747 • (702) 684-4363 or 667-5779 • Fax No. (702) 687-3887

Senator Ray Shaffer
Senator Ray Shaffer

Assemblyman Vivian Freeman
Assemblyman Vivian Freeman

Senator Jack Regan
Senator Jack Regan

Assemblyman Doug Bache
Assemblyman Doug Bache

Assemblyman David Humke
Assemblyman David Humke

Senator Bob Coffin
Senator Bob Coffin

Assemblyman Mark Manendo
Assemblyman Mark Manendo

Senator Ray Rawson
Senator Ray Rawson

Senator Mike Schneider
Senator Mike Schneider


Assemblyman Jack D. Close
Assemblyman Jack D. Close

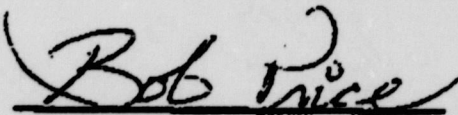
Assemblyman Don Gustavson
Assemblyman Don Gustavson

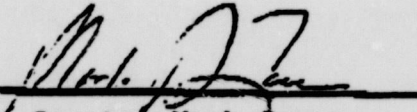
Senator Lawrence E. Jacobsen
Senator Lawrence E. Jacobsen

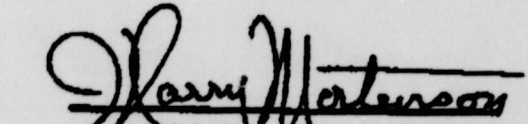
Senator Dean Rhoads
Senator Dean Rhoads

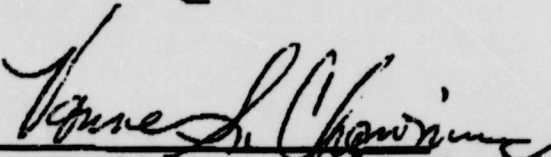
Senator Maurice Washington
Senator Maurice Washington

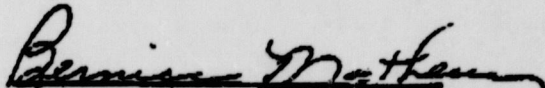

Senator Jon Porter

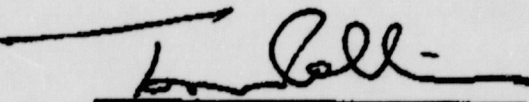

Assemblyman Bob Price

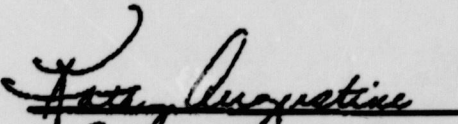

Senator Mark James

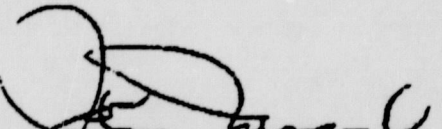

Assemblyman Harry Mortenson



Assemblywoman Vonne S. Chowang

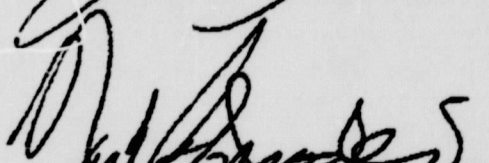

Senator Bernice Mathews


Assemblyman Tom Collins


Senator Kathy Augustine


Assemblyman John Harver


Assemblyman John Lee


Assemblyman Mark Amodei



City of Boulder City

401 CALIFORNIA AVENUE
BOULDER CITY, NEVADA 89005

Mailing Address
P.O. BOX 61350
BOULDER CITY, NEVADA 89006-1350

September 1, 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 N. 32760 (Sub-No. 26)

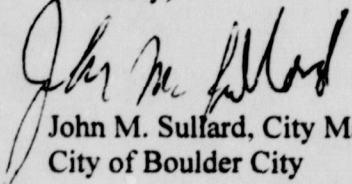
Dear Secretary Williams:

As the City Manager of the City of Boulder City, Nevada, I am very aware of the value of Union Pacific Railroad. The City of Boulder City has had a good working relationship with Union Pacific over a long period of time.

We understand that positive results are beginning to be seen from the Union Pacific-Southern Pacific merger and want to support Union Pacific in retaining its capability to achieve the goal of providing the safest and best railroad transportation system in the United States.

Our area has benefited from our association with Union Pacific Railroad.

Sincerely,


John M. Sullard, City Manager
City of Boulder City

cc: Mayor Robert Ferraro
Wayne Horiuchi

JMS:ms



**NEW MEXICO STATE HIGHWAY
AND TRANSPORTATION DEPARTMENT**
AN EQUAL OPPORTUNITY EMPLOYER

GARY E. JOHNSON
GOVERNOR

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Member, Farmington

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Member, Santa Rosa

Sidney G. Strebeck
Member, Portales

DEPARTMENT

Secretary
Pete K. Rahn

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District One Office
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District Two Office
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505-624-3300

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Albuquerque, NM
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505-841-2700

District Four Office
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Coronado Station
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87502-4127
505-827-9500

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Milan, NM
87021
505-285-3200

September 1, 1998

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

**Re: Houston/Gulf Coast Oversight Proceeding,
Finance Docket #332760 (Sub-No. 26)**

Dear Secretary Williams:

As Secretary of the New Mexico Highway and Transportation Department, which has a rail unit, I am very concerned that we have strong rail competition in our State. Currently, we have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I would like to go on record in opposing proposals to impose new conditions on UP's operations around Houston and in the Gulf Coast area. Continued strong, effective rail competition in the West is dependent on a strong UP competing against a strong BNSF. New conditions would go in the wrong direction, moving towards reregulation of the rail industry, rather than promoting competition.

I believe the best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let the free enterprise system work.

Thank you for your consideration.

Sincerely,

Pete K. Rahn
Cabinet Secretary

PKR:jado



New Mexico State Senate

State Capitol
Santa Fe

COMMITTEES:

MEMBER:
• Education
• Ways & Means

SENATOR DIANNA J. DURAN

R-Otero-40

909 Eighth Street
Tularosa, NM 88352

Business: 437-4942
Home: 585-9896

August 14, 1998

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

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

Dear Secretary Williams:

I am a New Mexico State Senator from the region of our State served by Union Pacific Railroad and am very interested in economic development issues. I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While ~~these~~ railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, would go in the wrong direction, by weakening

The Honorable Vernon A. Williams
August 14, 1998
Page 2

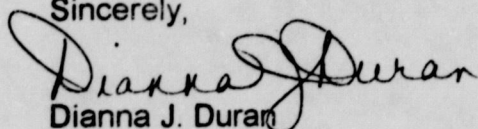
UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. A strong UP will assist us with our economic development goals in this regard.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems.

In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dianna J. Duran".

Dianna J. Duran
New Mexico State Senate

New Mexico State Senate

State Capitol
Santa Fe

SENATOR MARY JANE M. GARCIA
MAJORITY WHIP
D-Dona Ana-36

P.O. Box 22
226 Isaac Garcia Street
Dona Ana, NM 88032

Home: 526-5048

August 13, 1998

COMMITTEES:

MEMBER:

- Education
- Public Affairs
- Committees Committee

INTERIM:

MEMBER:

- Legislative Finance Committee

ADVISORY MEMBER:

- Legislative Education Study Committee
- Legislative Council
- Legislative Health & Human Services Committee

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

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

Dear Secretary Williams:

As a New Mexico State Senator from the region of our State served by Union Pacific Railroad and very interested in economic development issues, I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, would go in the wrong direction, by weakening UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to promote international trade and commerce utilizing rail. A strong UP will assist us with our economic development goals in this regard.

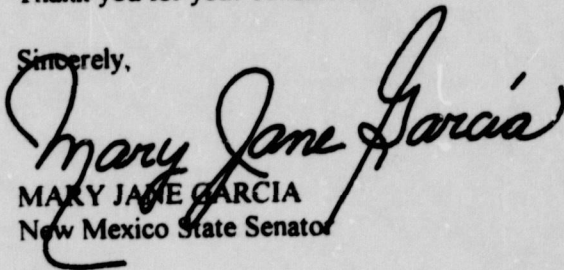
The Honorable Vernon A. Williams
August 13, 1998
Page 2

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems. In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,



MARY JANE GARCIA
New Mexico State Senator

New Mexico State Senate

State Capitol
Santa Fe

COMMITTEES:

MEMBER:
Corporations & Transportation
Ways & Means

SENATOR DON KIDD

R-Eddy, Lea & Otero-34

P.O. Drawer 1358
Carlsbad, NM 88221

Business: 887-6686
Home: 887-5204

August 14, 1998

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

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

Dear Secretary Williams:

I am a New Mexico State Senator from the region of our State served by Union Pacific Railroad and very interested in economic development issues. I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with

The Honorable Vernon A. Williams
August 14, 1998
Page 2

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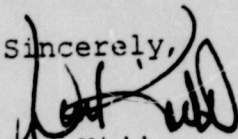
UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. A strong UP will assist us with our economic development goals in this regard.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems.

In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,



Don Kidd
New Mexico State Senate

New Mexico State Senate

State Capitol
Santa Fe

COMMITTEES:

MEMBER:
• Conservation
• Finance

SENATOR PATRICK H. LYONS

R-Colfax, Curry, Harding, San Miguel,
Quay & Union-7

Ima Rt. Box 26
Cuervo, NM 88417

Home: 279-6161

August 12, 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 #. 32760 (Sub-No. 26)

Dear Secretary Williams:

As a New Mexico State Senator from UP's service area and being very attuned to the area's economic development issues, I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, would go in the wrong direction, by weakening UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

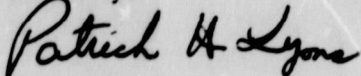
The Honorable Vernon A. Williams
August 12, 1998

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. Effective rail competition depends on a strong UP competing against a strong Burlington Northern/Santa Fe. New proposed 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 conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP. The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP work its way out of the problems, which I believe they can accomplish.

In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Patrick H. Lyons".

Patrick H. Lyons
New Mexico State Senator

New Mexico State Senate

State Capitol
Santa Fe

SENATOR ROMAN M. MAES, III
D-Santa Fe-25

402 Graham Avenue
Santa Fe, NM 87501

Office: 982-9508
Home: 982-0804

August 14, 1998

COMMITTEES:

CHAIRMAN:
Corporations & Transportation

INTERIM COMMITTEES:

CHAIRMAN:
Mortgage Finance Authority Act
Oversight Committee

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

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

Dear Secretary Williams:

As a New Mexico State Senator heavily involved in economic development issues, I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, would go in the wrong direction, by weakening UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to

The Honorable Vernon A. Williams
August 14, 1998
Page 2

promote international trade and commerce utilizing rail. A strong UP will assist us with our economic development goals in this regard.

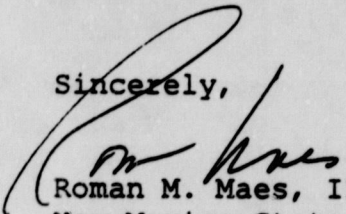
I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems.

In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,



Roman M. Maes, III
New Mexico State Senate

New Mexico State Senate

State Capitol
Santa Fe

COMMITTEES:

Education
Indian & Cultural Affairs

P.O. Box 996
Las Cruces, NM 88004

Business: 647-3568
Home: 522-8289

SENATOR LEONARD LEE RAWSON
MINORITY CAUCUS CHAIR
R-Dona Ana, Otero & Sierra-37

August 26, 1998

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

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

Dear Secretary Williams:

As a New Mexico State Senator from the region of our State served by Union Pacific Railroad and very interested in economic development issues, I know how important our total transportation system is to the economic well being of our citizens. Currently, we have UP and Burlington Norther/Santa Fe competing in our State. This competition is best for shippers and our economy.

I believe that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico.

Effective rail competition in New Mexico depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, would go in the wrong direction, by weakening UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems.

Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states, wishing to promote international trade and commerce utilizing rail. A strong UP will assist us with our economic development goals in this regard.

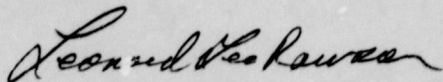
Further conditions are not needed to protect competition in the Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Norther/Santa Fe, Kansas Souther and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP battle its way out of the problems.

In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast and urge that the Surface Transportation Board reject them.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, reading "Leonard Lee Rawson".

Leonard Lee Rawson

New Mexico State Senate

State Capitol

Santa Fe

SENATOR JOHN ARTHUR SMITH

D-HIDALGO, LUNA & SIERRA-35

Mailing Address

1202 Allen Street

Alamogordo, New Mexico 88030

Business Telephone: 546-4979

Home Telephone: 546-8546

COMMITTEES:

Member:

Corporations

Finance

August 12, 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 #. 32760 (Sub-No. 26)

Dear Secretary Williams:

As a New Mexico State Senator from UP's service area and being very attuned to the area's economic development issues, I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, would go in the wrong direction, by weakening UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to promote international trade and commerce utilizing rail. A strong UP will assist us with our economic development goals in this regard.

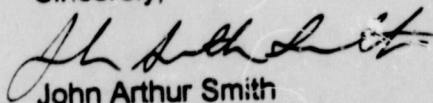
The Honorable Vernon A. Williams
August 12, 1998

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. Effective rail competition depends on a strong UP competing against a strong Burlington Northern/Santa Fe. New proposed 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 conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP. The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP work its way out of the problems, which I believe they can accomplish.

In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,



John Arthur Smith
New Mexico State Senator



State of New Mexico
House of Representatives
Santa Fe

MARY HELEN GARCIA

D-Doña Ana County
District 34

5271 State Highway 28
Las Cruces, NM 88005

Home Phone Number: (505) 526-6608

COMMITTEES:
Appropriations & Finance
Voters & Elections
Enrolling & Engrossing (B) (Chairperson)

August 14, 1998

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

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

Dear Secretary Williams:

I am a New Mexico State Representative from the region of our State served by Union Pacific Railroad and am very interested in economic development issues. I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, would go in the wrong direction, by weakening

The Honorable Vernon A. Williams
August 14, 1998
Page 2

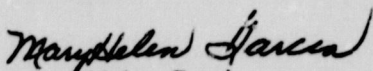
UP/SP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. A strong UP will assist us with our economic development goals in this regard.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UF fight its way out of the problems.

In conclusion, I oppose the requests for new conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,



Mary Helen Garcia
New Mexico State House of Representatives

State of New Mexico
House of Representatives
Santa Fe

J. ANDREW KISSNER
R-Doña Ana County
District 37

3245 East University Avenue #307
Las Cruces, NM 88011

Home Phone: (505) 522-1070
Business Phone: (505) 526-5581
Fax Number: (505) 523-5069

COMMITTEES:
Business & Industry
Energy & Natural Resources
Enrolling & Engrossing (A)

August 14, 1998

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

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

Dear Secretary Williams:

I am a State Representative from the region of our State served by Union Pacific Railroad and am very interested in economic development issues. I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved would go in the wrong direction, by weakening UP/SP at a time when it has already suffered large

The Honorable Vernon A. Williams, Secretary
August 14, 1998
Page 2

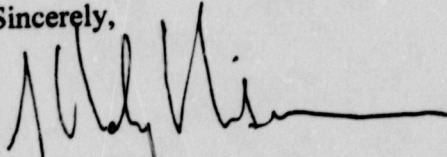
financial and traffic losses over the last year due to its service problems. A strong UP will assist us with our economic development goals in this regard.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems.

In conclusion, I oppose the requests for new conditions on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Andy Kissner", with a long horizontal flourish extending to the right.

J. Andy Kissner
New Mexico State House of Representatives, District 37

State of New Mexico
House of Representatives
Santa Fe

G. X. MCSHERRY

D- Doña Ana, Luna & Sierra District 32

Route 2, Box 138
Deming, NM 88030

Home Phone: (505) 546-8086

August 26, 1998

CHAIRMAN:
Agriculture & Water Resources

COMMITTEES:
Education

INTERIM COMMITTEES:
New Mexico Finance Authority Oversight
Integrated Water & Resource Planning
Interstate Grain Commission
NCSL Agriculture & International Trade
WLC - Water Policy

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

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

Dear Secretary Williams:

I am a state representative who represents an area of our State served by Union Pacific Railroad (UP) and feel the financial health of the railroad is very important to our total transportation system. We have UP and Burlington Northern/Santa Fe (BNSF) competing aggressively in our State. Such competition is best for shippers and the railroads in our total economy.

UP should be allowed to continue to make progress in operating the newly merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area. Improved finances will allow UP to go forward with needed capital improvements throughout their system and make the merger a success, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP competing against a strong BNSF.

New conditions proposed to the Surface Transportation Board, if approved, 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 recent service problems.

Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to promote international trade and commerce utilizing rail. Such projects will take a great deal of railroad company funds to make them work. I am concerned that such improvements cannot go forward if UP continues to suffer financial and traffic losses that further weaken the company.

The Honorable Vernon A. Williams
August 26, 1998
Page 2

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by BNSF, Kansas City Southern and Tex-Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

I feel the best answer to the service problems in Houston and the Gulf Coast area, and throughout the West, is to let UP work their way out of the problems and they have been making progress.

In conclusion, I oppose the requests for new conditions to be imposed on UP's operations around Houston and the Gulf Coast area and urge that the STB reject them.

I would appreciate any consideration of my request.

Sincerely,



Representative G. X. McSherry
New Mexico House of Representatives

State of New Mexico
House of Representatives
Santa Fe

MICHAEL OLGUIN

Majority Floor Leader
D-Catron, Sierra, Socorro & Valencia
District 49

701 Liles
Socorro, NM 87801

Business Phone: (505) 835-1331
Home Phone: (505) 835-3815

COMMITTEES:
Business & Industry
Transportation
Printing & Supplies
Rules & Order of Business

INTERIM COMMITTEES:
Legislative Council
Integrated Water &
Resource Planning (Advisory)
Interim Legislative Ethics

August 28, 1998

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

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

Dear Secretary Williams:

I am a state representative who also serves as House Majority Leader and am obviously very interested in transportation issues in our State. I feel the financial health of the railroads serving our State is extremely important to the economic well being of all of us. We have the Union Pacific Railroad (UP) and Burlington Northern/Santa Fe (BNSF) competing aggressively in our State. Such competition is best for shippers and the railroads in our total economy.

UP should be allowed to continue to make progress in operating the newly merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area. Improved finance will allow UP to go forward with needed capital improvements throughout their system and make the merger a success, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP competing against a strong BNSF.

New conditions proposed to the Surface Transportation Board, if approved, 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 recent service problems.

Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to promote international trade and commerce utilizing rail. Such projects will take a great deal of railroad company funds to make them work. I am concerned that such improvements cannot go forward if UP continues to suffer financial and traffic losses that further weaken the company.

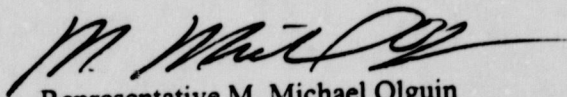
I do not believe that further conditions are needed to protect competition in Texas and the West. The conditions imposed by the Service Transportation Board on the UP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by BNSF, Kansas City Southern and Tex-Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would further weaken UP.

I feel the best answer to the service problems in Houston and the Gulf Coast area, and throughout the West, is to let UP work their way out of the problems and they have been making progress.

In conclusion, I oppose the requests for new conditions to be imposed on UP's operations in Texas and urge that the STB reject them.

I would appreciate any consideration of my request.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. Michael Olguin", with a long, sweeping horizontal line extending to the right.

Representative M. Michael Olguin
New Mexico House of Representatives

State of New Mexico
House of Representatives
Santa Fe

MURRAY RYAN
R-Grant, Luna & Sierra Counties
District 38

Box 110
Silver City, NM 88062

Home Phone: (505) 538-2085

COMMITTEES:
Energy & Natural Resources
Taxation & Revenue
Rules & Order of Business

August 17, 1998

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

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

Dear Secretary Williams:

As a NM House member from the region of our State served by Union Pacific Railroad, I am very interested in economic development issues related to transportation. I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with

The Honorable Vernon A. Williams
August 17, 1998
Page 2

needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface

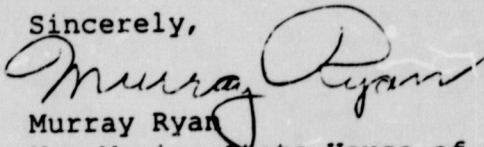
Transportation Board, if approved, would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. A strong UP will assist us with our economic development goals in this regard.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems, without new government requirements.

In conclusion, I oppose the requests for new conditions which are proposed to be imposed on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration on my request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Murray Ryan".

Murray Ryan
New Mexico State House of Representatives

Representative Raymond G. Sanchez
Speaker of the House
P.O. Box 1966
Albuquerque, New Mexico 87103
505-247-4321

August 26, 1998

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

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

Dear Secretary Williams:

I am a state representative who also serves as Speaker of the New Mexico House and am very interested in transportation issues in our State. I feel the financial health of the railroads serving our State is extremely important to our economic well being. We have the Union Pacific Railroad (UP) and Burlington Northern/Santa Fe (BNSF) competing aggressively in our State. Such competition is good for both shippers and the railroads and has a positive effect on our economy.

UP should be allowed to continue to make progress in operating the newly merged railroad without new conditions on its operations around the Houston and Gulf Coast area. Improved finances will allow UP to go forward with needed capital improvements throughout their system, including planned rail improvements in New Mexico, and make the merger a success. Effective rail competition depends on a strong UP competing against a strong BNSF.

I do not believe that further conditions are needed to protect competition in Texas and the West. The conditions imposed by the Service Transportation Board on the UP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP since the merger by BNSF, Kansas City Southern and Tex-Mex railroads. While these railroads want more opportunities, competition is working without imposing further conditions that would further weaken UP.

STB FD 32760 (Sub 26) 9-18-98 B 191210V4 10/11

Honorable Vernon A. Williams
August 25, 1998
Page Two

New conditions proposed to the Surface Transportation Board, if approved, could weaken UP at a time when it has already suffered large financial and traffic losses due to its recent service problems.

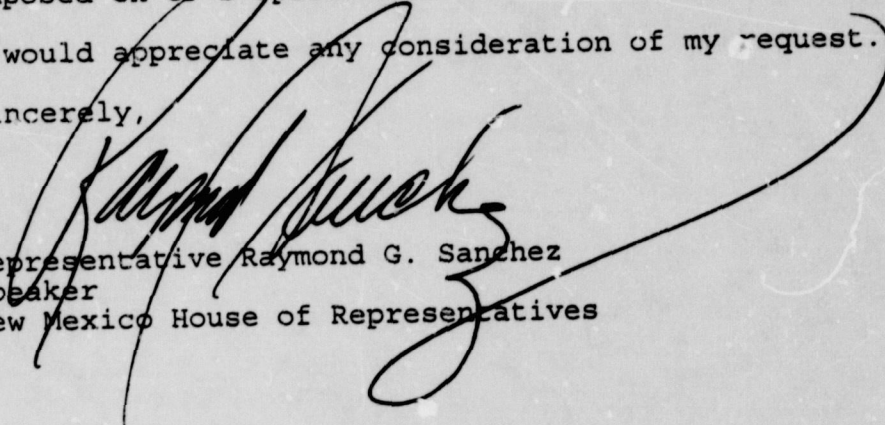
Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, which are working to promote international trade and commerce utilizing rail. I am concerned that necessary improvements planned by the company cannot go forward if UP continues to suffer financial and traffic losses.

I feel the best answer to the service problems in Houston and the Gulf Coast area, and throughout the West, is to let UP work their way out of these problems. I understand they have been making progress to this end.

In conclusion, I request that the new conditions asked to be imposed on UP's operations in Texas be rejected.

I would appreciate any consideration of my request.

Sincerely,



Representative Raymond G. Sanchez
Speaker
New Mexico House of Representatives

State of New Mexico
House of Representatives
Santa Fe

DANIEL P. SILVA

D. Bernalillo - Dist. 13

1323 Canyon Trail, SW
Albuquerque, NM 87121

Business Phone: 505-768-2822

Home Phone: 505-831-2185

Legislature: 505-986-4344

COMMITTEES:

Transportation (Chairman)
Voters & Elections

August 28, 1998

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

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

Dear Secretary Williams:

I am a state representative who serves as Chairman of the House Transportation Committee and am obviously very interested in transportation issues in our State. I feel the financial health of the railroads serving our State is extremely important to the economic well being of all of us. We have the Union Pacific Railroad (UP) and Burlington Northern/Santa Fe (BNSF) competing aggressively in our State. Such competition is best for shippers and the railroads in our total economy.

UP should be allowed to continue to make progress in operating the newly merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area. Improved finances will allow UP to go forward with needed capital improvements throughout their system and make the merger a success, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP competing against a strong BNSF.

New conditions proposed to the Surface Transportation Board, if approved, 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 recent service problems.

Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to promote international trade and commerce

The Honorable Vernon A. Williams
August 28, 1998
Page 2

utilizing rail. Such projects will take a great deal of railroad company funds to make them work. I am concerned that such improvements cannot go forward if UP continues to suffer financial and traffic losses that further weaken the company.

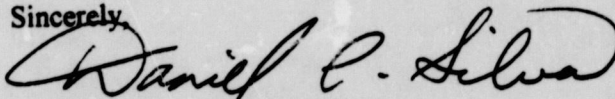
I do not believe that further conditions are needed to protect competition in Texas and the West. The conditions imposed by the Service Transportation Board on the UP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by BNSF, Kansas City Southern and Tex-Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would further weaken UP.

I feel the best answer to the service problems in Houston and the Gulf Coast area, and throughout the West, is to let UP work their way out of the problems and they have been making progress.

In conclusion, I oppose the requests for new conditions to be imposed on UP's operations in Texas and urge that the STB reject them.

I would appreciate any consideration of my request.

Sincerely,



Representative Daniel P. Silva
New Mexico House of Representatives



State of New Mexico
House of Representatives
Santa Fe

W. C. "DUB" WILLIAMS
R-Chaves, Lincoln & Otero Counties
District 56

HC66, Box 10
Glencoe, NM 88324

Home Phone: (505) 378-4181
Fax Number: (505) 257-3240

COMMITTEES:
Education
Transportation

August 17, 1998

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

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

Dear Secretary Williams:

As a NM House member from the region of our State served by Union Pacific Railroad, I am very interested in economic development issues related to transportation. I know how important our total transportation system is to the economic well being of our State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy.

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, the UP can drastically improve service and go forward with

The Honorable Vernon A. Williams
August 17, 1998
Page 2

needed capital improvements. Such improvements would be throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface

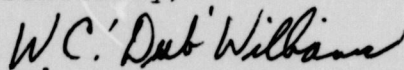
Transportation Board, if approved, would go in the wrong direction, by weakening UP at a time when it has already suffered large financial and traffic losses over the last year due to its service problems. A strong UP will assist us with our economic development goals in this regard.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems, without new government requirements.

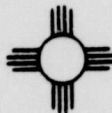
In conclusion, I oppose the requests for new conditions which are proposed to be imposed on UP's operations around Houston and the Gulf Coast and urge that the STB reject them.

Thank you for your consideration on my request.

Sincerely,

A handwritten signature in cursive script that reads "W.C. 'Dub' Williams".

W. C. "Dub" Williams
New Mexico State House of Representatives



SAM D. BACA, MAYOR

IN THE KINGDOM OF THE SUN

JOHN STRAND, ADMINISTRATOR

City of Deming

(505) 546-8848

P.O. BOX 706 • DEMING, NEW MEXICO 88031

POPULATION 12,000

August 20, 1998

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20003

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

Dear Secretary Williams:

As a Mayor from a city served by UP in southern New Mexico, I know how important our total transportation system is to the economic well being of our area and the State. We have UP and Burlington Northern/Santa Fe competing head-to-head in our State and that is best for shippers and our economy, in my view.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, that UP can drastically improve service. Improved finances will allow UP to go forward with needed capital improvements throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, 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.

Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to promote international trade and commerce utilizing rail. Such projects will take a great deal of railroad company funds to make them work and I am concerned that UP not continue to suffer financial and traffic losses that further weaken the company.

The Honorable Vernon A. Williams
August 20, 1998
Page 2

I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has seen aggressive

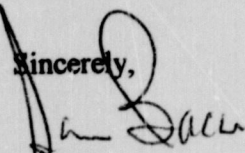
competition against UP, since the merger, by Burlington Northern/Santa Fe, Kansas City Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the West, is to let UP fight its way out of the problems.

In conclusion, I oppose the requests for new conditions to be imposed on UP's operations around Houston and the Gulf Coast area and urge that the STB reject them.

Thank you for your consideration of my request.

Sincerely,



Sam Baca
Mayor

Village of Tularosa

705 St. Francis Drive
TULAROSA, N.M. 88352
(505) 585-2771

August 27, 1998

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

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

Dear Secretary Williams:

As a Mayor from a Village served by UP in southern New Mexico, I know how important our total transportation system is to the economic well being of our area and the State. We have UP and Burlington Northern/Santa Fe competing head to head in our State and that is best for shippers and our economy, in my view.

I feel that if UP is allowed to continue to make progress in operating the merged railroad, without new conditions on UP's operations around the Houston and Gulf Coast area, that UP can drastically improve service. Improved finances will allow UP to go forward with needed capital improvements throughout their system, including planned rail improvements in New Mexico. Effective rail competition depends on a strong UP/SP competing against a strong merged Burlington Northern/Santa Fe Railroad. New conditions proposed to the Surface Transportation Board, if approved, 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.

Additionally, the North American Free Trade Agreement (NAFTA) and the latest version of the Intermodal Surface Transportation Efficiency Act (ISTEA) have opened up new possibilities for states like ours, wishing to promote international trade and commerce utilizing rail. Such projects will take a great deal of railroad company funds to make them work and I am concerned that UP not continue to suffer financial and drastic losses that further weaken the company.

The Honorable Vernon A. Williams

Page 2

August 27, 1998

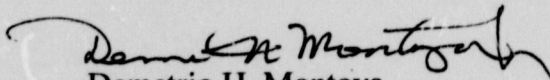
I do not believe that further conditions are needed to protect competition in Houston and the Gulf Coast. The conditions imposed by the Service Transportation Board on the UP/SP merger have worked well. The Houston and Gulf Coast has been aggressive competition against UP, since the merger by Burlington Northern/Santa Fe, Kansas City Southern and Tex Mex railroads. While these railroads want still more opportunities, competition is working without imposing further conditions that would weaken UP.

The best answer to the service problems in Houston and the Gulf Coast, and throughout the west is to let UP fight its way out of the problems.

In conclusion, I oppose the requests for conditions on UP's operations around Houston and the Gulf Coast area and urge that the STB reject them.

Thank you for your consideration of my request.

Sincerely,



Demetrio H. Montoya

Mayor

DHM:mg



DAN RAMSEY
State Representative
District 47

Capitol:
2300 N. Lincoln
Room 500
Oklahoma City, OK 73105-4885
(405) 521-2711

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1828 Carolina Ave.
Chickasha, OK 73018

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Transportation

LEADERSHIP:
Republican Whip

House of Representatives

STATE OF OKLAHOMA

August 25, 1998

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

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

Dear Secretary Williams:

As State Representative of House District #47, I am very aware of the value of rail transportation service in our area. Union Pacific Railroad is important to our community because of its employees, the businesses served, and the contributions to the community through taxes, wages, purchases, and corporate giving.

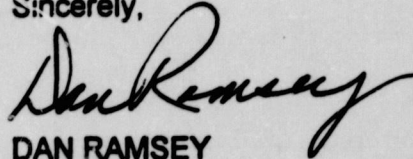
I am opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Coast areas. It is my understanding that the STB established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merge. The proposed additional conditions would seemingly 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 near collapse. Union Pacific has been struggling to improve operations of the combined system and has made great strides in ending the service crisis. Union Pacific has been a valuable corporate/community partner in Oklahoma. It provides an important boost to our local economies. Any change in regulation that would overly burden and drive up its cost of doing business would be extremely detrimental. To continue the progress, Union Pacific must 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 affected 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,

A handwritten signature in cursive script, appearing to read "Dan Ramsey".

DAN RAMSEY
State Representative
District 47

DR:BI



RICHARD DEVLIN
STATE REPRESENTATIVE
DISTRICT 24
CLACKAMAS AND WASHINGTON COUNTIES
HOUSE OF REPRESENTATIVES

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

14 September, 1998

Dear Secretary Williams

Re: Houston/Gulf Coast Oversight Proceeding Finance Docket No 32760 Sub No 26

I am writing to urge the Surface Transportation Board to decline to impose additional conditions on Union Pacific Railroad's operations in the Houston/Gulf Coast area.

Oregon has experienced being served by a financially-limited railroad company before Southern Pacific merged with Union Pacific. While service problems still exist, improvements and expansion are happening. We feel strongly that consistent and quality service is not possible if Union Pacific is not allowed to recover from its weakened condition. Imposing additional conditions will seriously threaten the organization's ability to recover.

In addition to the capital that Union Pacific has spent in the Gulf Coast area, it has also invested in improvements in Oregon's infrastructure. Additional investment in our state is needed and is possible through the revenue generated from Union Pacific's traffic base. However, Union Pacific experienced an unprecedented loss of \$230 million over the last three years and the proposed additional conditions would deprive the company of the revenue needed to continue this pattern of investment.

I strongly caution the Board against taking any action that will contribute further to the current competitive imbalance that exists in this region. I urge the Board to forego additional conditions that will undermine Union Pacific's ability to reinvest in infrastructure improvements and expansion in Oregon's rail service, and elsewhere.

Kind regards

Richard Devlin



BOB MONTGOMERY
STATE REPRESENTATIVE
DISTRICT 56
HOOD RIVER, CLACKAMAS, MULTNOMAH
AND WASCO COUNTIES
HOUSE OF REPRESENTATIVES

September 1, 1998

The 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 No. 32760 (Sub-No. 26)

Dear Secretary Williams:

I am writing to urge the Surface Transportation Board to decline to impose additional conditions on the Union Pacific Railroad's operations in the Houston/Gulf Coast area.

Here in Oregon, we experienced first-hand what it was like being served by an under-capitalized, poorly performing railroad before the Southern Pacific merger with Union Pacific. While service problems since that merger are still present in some areas, we have seen continuing improvement, and feel strongly that good, consistent service will not be possible if UP cannot recover from its currently weakened condition. The imposition of the additional conditions contemplated will seriously threaten that recovery.

Besides the large sums of money Union Pacific has spent in the Gulf Coast area, Union Pacific has invested heavily in both infrastructure improvements and capacity expansion in Oregon and elsewhere in its system. Additional investment is necessary, and can only be made out of revenues generated by UP's present and future traffic base. UP experienced an unprecedented loss of \$230 million over the last three consecutive quarters. The proposed additional conditions would deprive UP of the revenues needed to continue these investments, to the detriment of Oregon shippers.

Competitive, dependable rail service in the West assumes two strong railroads. We currently have only one, the BNSF. I strongly caution the Board against taking any action that will contribute further to the current competitive imbalance

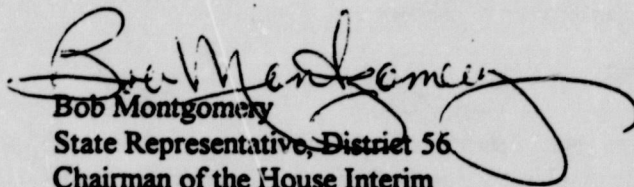
September 1, 1998

Page 2

that exists in the West. I urge the Board to forgo additional conditions that will undermine UP's ability to reinvest future revenues in much needed infrastructure improvements and capacity expansion in Oregon and elsewhere.

Thank you for your consideration.

Sincerely,


Bob Montgomery
State Representative, District 56
Chairman of the House Interim
Transportation Committee

RLM/dm



Bob Bullock
Lieutenant Governor of Texas
President, Texas Senate

The Capitol
Austin, Texas 78711-2068
(512) 463-0001

1-800-441-0373
1-800-735-2989 TDD

August 13, 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)

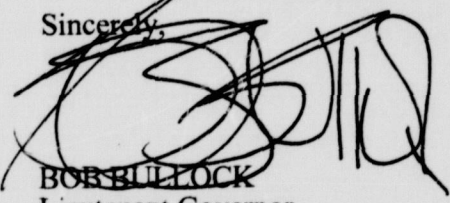
Dear Secretary Williams:

As Lieutenant Governor of Texas, I recognize an important component to a strong state economy is an efficient transportation system, which includes a strong rail network. Union Pacific is one of Texas' largest railroads, with approximately 6,300 miles of track and over 8,700 employees. It is important to Texas to maintain a responsive and effective rail transportation system in linking Texas shippers to worldwide markets.

I am writing in response to various requests filed by shippers and others asking for increased access to Union Pacific's traffic base in Texas and the Gulf Coast. After careful consideration of the issues, it is my belief that interference with Union Pacific's operations would financially weaken its position and impair its ability to compete effectively and efficiently with the other major railroad in Texas. One of the best solutions to service problems in the Houston and Gulf Coast Regions is to allow Union Pacific to work through their existing problems. Compared to three months ago, service has improved significantly and continues to do so.

The issues before the STB are complex. Clearly there have been economic effects as a result of the rail service problems. Now that the STB has declared that the crisis in the Houston and Gulf Coast Regions is over, the progress of Union Pacific should not be hindered by the imposition of new conditions. It is through patience and strong competition that economic growth can truly recover in Texas.

Sincerely,


BOB BULLOCK
Lieutenant Governor

BB:mhw



CAPITOL OFFICE
P.O. BOX 12068
CAPITOL BUILDING
AUSTIN, TEXAS 78711
PHONE: 512/463-0102
FAX: 512/463-7202
TDD: 1-800-735-2989

COMMITTEES
ECONOMIC DEVELOPMENT, *Vice Chair*
INTERGOVERNMENTAL RELATIONS
JURISPRUDENCE
STATE AFFAIRS



DAVID CAIN
STATE SENATOR

DISTRICT OFFICES
6301 GASTON AVE., STE. 355
DALLAS, TEXAS 75214
PHONE: 214/826-0160
FAX: 214/827-9506

2617 LEE STREET
GREENVILLE, TEXAS 75401
METRO: 903/450-9797
METRO FAX: 903/450-9796

13387 HIGHWAY 69 NORTH
TYLER, TEXAS 75706
PHONE: 903/882-8661
FAX: 903/882-3758

September 4, 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)

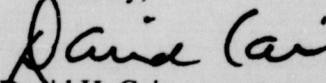
Dear Secretary Williams:

As a Texas State Senator and former Chairman of the House Transportation Committee, I am keenly aware that an efficient transportation system is essential for a strong state economy. A key element of this transportation infrastructure is a responsive and effective rail network linking Texas to national and international markets. Union Pacific (UP), one of Texas' largest rail carriers, is an important part of this system and must be allowed to progress and resolve its service problems in Houston without interference.

As a result, I am writing in opposition to any proposals that would increase access to UP's traffic base in Houston or along the Gulf Coast. Although I was deeply concerned that the Union Pacific/Southern Pacific merger would cause economic and transportation problems for Texas, UP has since come a long way towards restoring a healthy rail network throughout the state. Clearly problems remain, but I believe that interference with UP's operations would ultimately slow down resolving any remaining problems, damage the railroad financially, and impair UP's ability to compete effectively with the other major railroad in Texas.

Union Pacific's service problems have had serious and damaging effects on the Texas economy. However, now that the Surface Transportation Board has declared the crisis in Houston and the Gulf Coast to be over, further progress by UP should not be hindered by new conditions altering service access.

Sincerely,


David H. Cain
State Senator

DHC/ir

TEXAS SENATE

STATE CAPITOL, ROOM E1.706
P.O. BOX 12068
AUSTIN, TEXAS 78711
(512) 463-0106
FAX (512) 463-0346
TDD 1-800-735-2989



2205 CLINTON DRIVE
P.O. BOX 41
GALENA PARK, TEXAS 77547
(713) 678-8600
FAX (713) 678-7080

MARIO GALLEGOS, JR.

August 17, 1998

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

Re: Houston/Gulf Coast Oversight Proceeding
Finance Docket No. 32760 (Sub-No. 25)

Dear Secretary Williams:

As the Texas State Senator whose district encompasses the Port of Houston, I have watched the recent rail crisis in this state with concern and dismay. As you well know, estimates of economic losses in the hundreds of millions have diluted the effects of the otherwise positive factors of our manufacturing and shipping industry. The shippers and chemical manufacturers in my community are slowly starting to recover their footing, and I am growing more confident that corrective measures are beginning to show their dividends.

As I understand it, new conditions are being considered which would be placed on the Union Pacific railroad's operations around Houston and the Gulf Coast area. I have grave concerns that any misstep could jeopardize the fragile recovery that this industry is experiencing. My chief concern is the return to full service and operations for the manufacturers and other businesses in Texas who depend so heavily on the rail system. To that end, I urge you and your staff to cautiously review each new policy proposal and determine its impact on the progress that is being made in the shipping industry before proceeding with implementation.

There are many small businessmen and women in my district who are counting on you to make the right decisions for their economic well-being. If I can provide any information to help you reach an appropriate decision, please don't hesitate to contact me at any time.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mario Gallegos, Jr." with a stylized flourish at the end.
Mario Gallegos, Jr.



COMMITTEES: STATE AFFAIRS ★ INTERGOVERNMENTAL RELATIONS
HEALTH & HUMAN SERVICES ★ NOMINATIONS
COMMITTEE OF THE WHOLE ON LEGISLATIVE AND CONGRESSIONAL REDISTRICTING
DISTRICT 6



**SENATOR EDDIE LUCIO JR.
DISTRICT 27**

CAPITOL BUILDING, GE. 4
F.O. BOX 12068
AUSTIN, TEXAS 78711
(512) 463-0127
FAX (512) 463-0061
TDD (512) 475-3758

**The Senate of
The State of Texas**

DISTRICT OFFICES:

- ☐ 33 NORTH PARK PLAZA
BROWNSVILLE, TEXAS 77820
(210) 548-0227
FAX (210) 548-0440
- ☐ ONE PARK PLACE, SUITE 530
100 SAVANNAH
MCALLEN, TEXAS 78501
(210) 686-0127
FAX (210) 686-2231

August 27, 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)

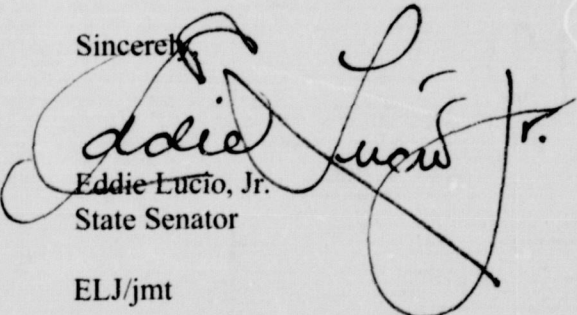
Dear Secretary Williams:

As a Texas State Senator, it is my pleasure to have this opportunity to contact you regarding the conditions that may be placed on Union Pacific's operations in Houston and the Gulf Coast area. With this area serving as home to one of our nation's largest cities as well as ports, I believe that such impositions could have serious consequences on railroad competition, and trade, in our state.

At a time when Union Pacific is diligently working to improve its operations, the proposed implementation of these conditions could adversely affect the rail service in the Houston and Gulf Coast area. While railroad competitors may reap from such imposed conditions, the shippers and rail service could easily encounter the inflated costs of having to grant concessions to other railroad competitors. During the past months, Union Pacific has made dramatic efforts in improving its service. It is ironic that these proposed conditions would only hinder the steady progress of Union Pacific.

Again, I appreciate your attention to this important matter, and hope that you will allow Union Pacific to continue to effectively serve this area of Texas.

Sincerely,


Eddie Lucio, Jr.
State Senator

ELJ/jmt



Committees
FINANCE

ECONOMIC DEVELOPMENT
INTERNATIONAL RELATIONS, TRADE & TECHNOLOGY

REDISTRICTING, ETHICS, AND ELECTIONS

SUBCOMMITTEE ON VETERANS AFFAIRS

NATURAL RESOURCES

SUBCOMMITTEE ON AGRICULTURE, Chair

THE TEXAS SENATE IS AN EQUAL OPPORTUNITY EMPLOYER AND DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE OR DISABILITY IN EMPLOYMENT OR THE PROVISION OF SERVICES.



Frank Madla

Texas State Senate
District 19

1313 S.E. Military Dr., Suite 101
San Antonio, Texas 78214-2850
(210) 927-464
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P.O. Box 12068
Austin, Texas 78711
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TDD 1-800-735-2989

September 1, 1998

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

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

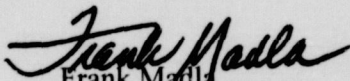
Dear Secretary Williams:

As a Texas Senator representing the largest Senatorial district in Texas and a district which has relied heavily on the rail system in our great state and as a member of the Senate Economic Development Committee, I know that a strong state economy is a direct result of a strong transportation system. Union Pacific is one of Texas' largest railroads, with over 6,000 miles of track and well over 8,500 employees. I feel this combination of track miles and employees creates a team commitment to maintain a rail system linking Texas shippers to global markets.

After careful review of the current requests filed by competing shippers asking for increased access to Union Pacific's traffic base in Texas and the Gulf Coast, I strongly feel that conditions are already in place to allow for aggressive competition between Union Pacific and those rail companies requesting intervention. Furthermore, I believe, any intervention to allow competing rail companies continued access to Union Pacific's rail lines in Houston and the Gulf Coast would grant special conditions in one part of the country at the expense of shippers elsewhere.

One of the best remedies to these past problems was to allow Union Pacific the opportunity to address past issues. I ask you to continue this action and allow Union Pacific the opportunity to address their current challenges. Only through patience and perserverance and Texas' economy continue to grow and flourish.

Sincerely,


Frank Madla

FM/ho





SENATOR DREW NIXON
DISTRICT 3

COMMITTEES:
State Affairs
Health and Human Services
Natural Resources
Subcommittee on Agriculture

**The Senate of
The State of Texas**

September 3, 1998

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320 North Street
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Nacogdoches, Texas 75961
(409) 564-4252

CAPITOL STATION:
P.O. Box 12068
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TDD (512) 475-3758

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:

I am writing to express my support to you for the way you have handled the situation with Union Pacific's operations. Their merger with Southern Pacific, and the related problems of combining two such large entities, created some anxious moments as the merger took place.

Through your leadership and the hard work of many at UP, the situation has vastly improved and my sources indicate that while service is not back to normal, it is making excellent progress. This progress is the reason for my letter.

I understand that your department is considering additional restrictions on UP. Based on their improving performance, it seems this would hinder their recovery rather than speed it along. Now that they seem to be back on track, continuing to monitor them is still appropriate and prudent, but allowing them more flexibility and limiting their regulation would be a good signal from those of us in government that we are pleased they have been working so hard to improve the situation.

Your consideration in this very important matter is greatly appreciated. If you have any questions or need additional information, just let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Drew Nixon", with a stylized flourish at the end.

Drew Nixon

CAPITOL OFFICE

E1.608
P.O. BOX 12068
AUSTIN, TEXAS 78711
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FAX: 512/463-0218
TDD: 1-800-735-2989
E-MAIL: eliot.shapleigh@senate.state.tx.us

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PHONE: 915/544-1990
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INTERNATIONAL RELATIONS,
TRADE & TECHNOLOGY
REDISTRICTING
VETERAN AFFAIRS
& MILITARY INSTALLATIONS

ELIOT SHAPLEIGH

TEXAS SENATE
DISTRICT 29
EL PASO COUNTY

September 8, 1998

The 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 a state senator from El Paso, a key port of entry and transportation hub served by both Union Pacific (UP) and Burlington Northern (BN), I am writing to express my concern about the proposed conditions on UP's operations around Houston and the Gulf Coast area. While I recognize that UP and its customers have experienced serious delays as a result of operational problems after the merger between UP and Southern Pacific, many of those problems existed prior to the merger because of Southern Pacific's weakness. Moreover, I understand that UP has worked diligently to resolve its problems and service has improved significantly in the past few months.

In the wake of the service crisis, UP has suffered large financial losses and lost large volumes of traffic to its primary competitors in Texas, BN and Kansas City Southern/Texas-Mexico Railroad. I am concerned that imposing additional conditions on UP's operations in Houston and the Gulf Coast area could exacerbate its losses and further weaken its ability to make critical infrastructure investments on the Gulf Coast which offer the best long-term solution to the problems shippers have experienced. In the short term, the proposed conditions could add to congestion and further disrupt service by placing additional trains of other railroads on UP's tracks.

I would respectfully urge you to carefully consider the effect of the proposed conditions on UP's ability to be an effective, vigorous competitor in Texas and throughout the West. Patience and strong competition are the keys to an effective rail system. Thank you for considering my views on this important issue.

Very truly yours,

A handwritten signature in dark ink that reads "Eliot Shapleigh".
Eliot Shapleigh

ES:jb

cc: The Honorable Silvestre Reyes
The Honorable Carlos Ramirez

FG:STBWilliamsVUnion PacificV2.wpd

1-800-544-1990





JOHN WHITMIRE

District 15
P.O. Box 12068
Austin, Texas 78711
(512) 463-0115
TDD: (512) 475-3758
FAX: (512) 475-3737

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Houston, Texas 77007
(713) 864-8701
FAX: (713) 864-5287

Committees:
CRIMINAL JUSTICE
Chairman
STATE AFFAIRS
INTERGOVERNMENTAL
RELATIONS

**The Senate of
The State of Texas**

August 14, 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. 25)**

Dear Secretary Williams:

As a Texas state senator from Houston whose constituents and district are directly impacted by the economic benefits which railroads brings to our state, I am writing to you to express my strong opposition to the proposed conditions which would be placed on Union Pacific's operations around Houston and the Gulf Coast area. Further impositions would only stifle the competitive balance that should be maintained among railroads and would place UP at a disadvantage.

Since the UP and Southern Pacific merger, UP has been struggling to improve operations of the merged railroad system and has made much progress in the effort to end the service crisis. Should the proposed conditions be adopted, not only would UP be denied the revenue needed to invest in service and infrastructure throughout its system, but it would also obstruct the progress in service improvements which we have seen in recent months. Furthermore, I am very concerned that shippers and rail service in the Houston and Gulf Coast area will have to bear the disproportionate costs that would result from allowing special concessions to UP's competitors in Texas.

I appreciate your time and attention to this important matter and hope that you will not allow these unnecessary conditions to impair UP's ability to serve the Houston and Gulf Coast area.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Whitmire", written over a circular stamp.

JOHN WHITMIRE

JW/yb



P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0924
512-463-5896/FAX

REPRESENTATIVE
Kevin Bailey



507 SAM HOUSTON PARKWAY EAST, #310
HOUSTON, TEXAS 77060
281-847-9000
281-999-8374/FAX

Texas House of Representatives

COMMITTEES:
Vice Chairman,
URBAN AFFAIRS
HIGHER EDUCATION
HOUSE ADMINISTRATION

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

Dear Secretary Williams,

As a State Representative from Houston, I know first hand the effect the crisis in the Houston and Gulf Coast Region has had on Union Pacific Railroad, its employees and various businesses who rely on the railroad to move goods.

I understand though the Surface Transportation Board declared the Houston service emergency to be over, many of Union Pacific's competitors are using the problems now resolved by the Emergency Service Order to gain access to Southern Union's facilities and traffic base. I strongly believe interfering with Union Pacific's operations would financially cripple the railroad making it unable to fairly compete with the other major railroad in Texas. Over the last three months, Union Pacific has taken a pro-active approach to remedying its own problems, and I have confidence the more than 8,000 employees who work for Union Pacific will continue to make improvements to their service.

Union Pacific Railroad should be allowed to operate as normal with no imposition of new conditions. This merger should be given the opportunity to succeed.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Kevin Bailey".

Kevin Bailey
State Representative
District 140



PRINTED ON RECYCLED PAPER



Committees:

- Public Safety
- State Affairs

**State of Texas
House of Representatives
BILL G. CARTER
DISTRICT 91**

**Chairman
Tarrant County Delegation**

August 25, 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-N. 26)

Dear Secretary Williams:

I am Bill Carter, State Representative District #91, and my home is in Ft. Worth, Texas. Railroads have always been important to our city and have played a large part in its history and urban growth.

I believe it would be very short-sighted to impose new restrictions and regulations on Union Pacific at this particular time. They have been through a crises and have taken bold and very expensive steps to correct the problems which contributed to the crisis.

They have specific needs to make further investments throughout their system.

Texas will continue to grow and NAFTA will add increasing demands on our railroad systems that can meet the needs. I cannot see where additional regulations that would inhibit competitive private enterprise would be good for Texas or our country as a whole.

Sincerely,

Bill G. Carter
State Representative

BGC/caf

Austin Office:
P.O. Box 2910
Austin, Texas 78768-2910
512-463-0482

District Office:
3525 Denton Hwy., Ste. A
Fort Worth Texas 76117
817-595-0072



The House of Representatives

P.O. BOX 2910 • AUSTIN • 78768-2910

512-463-0520

FAX: 512-463-5896

COMMITTEES:
GENERAL INVESTIGATING - VICE CHAIRMAN
LAND & RESOURCE MANAGEMENT
JUDICIAL AFFAIRS

— JOE CRABB • STATE REPRESENTATIVE • DISTRICT 127 —

September 10, 1998

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

Dear Secretary Williams:

This letter concerns certain requests to the Board to impose additional conditions on Union Pacific's operations in Texas. As a Texas state representative from Harris County, I am opposed to any actions that could significantly retard investment and progress on capital and infrastructure improvements throughout Union Pacific's system, especially in this area.

While the operational difficulties resulting from Union Pacific's merger with Southern Pacific are well documented, the Board has declared the Houston service emergency to be over. A healthy Union Pacific system is necessary to provide strong competition with Burlington Northern Santa Fe Railway. Competitive railroads will best serve the interests of our state and the nation.

Your efforts to facilitate an efficient and effective rail transportation system are greatly appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joe Crabb", with a long, sweeping horizontal line extending to the right.

Joe Crabb

JC/mj

DISTRICT OFFICE:

2240 NORTH PARK DRIVE, SUITE 101 • KINGWOOD • 77339 • 713-359-1270 • FAX: 713-359-3766

CROSBY/BAYTOWN • 713-422-2233

TOM CRADDICK
508 W. WALL, SUITE 750
MIDLAND, TEXAS 79701
915-682-3000
FAX 915-684-4864
F.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0500
FAX 512-463-7722



COPY

HOUSE OF REPRESENTATIVES
AUSTIN

CHAIRMAN:
WAYS AND MEANS

MEMBER:
SELECT COMMITTEE ON REVENUE
AND PUBLIC EDUCATION FUNDING
STATE AFFAIRS COMMITTEE
LEGISLATIVE BUDGET BOARD
LEGISLATIVE AUDIT COMMITTEE

September 4, 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 Mr. Secretary:

In light of Union Pacific's continued attempts to try to ameliorate and progress through their present challenges, I would be grateful if you would allow them to proceed in their efforts without impediment at this time.

Any and every consideration you might allow in this regard is gratefully appreciated. Our Texas economy is strong and our commitment to efficient rail transportation in a State the size of Texas provides us a viable option in our economic ascension. It is my understanding that Union Pacific has shown marked improvement in recent months and I would hope they be allowed to maintain their current momentum.

If I might be of assistance to you or you staff, please contact me at your earliest convenience.

Respectfully submitted,

/s/
Tom Craddick
State Representative
District 82



P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512/463-0526
FAX 512/463-6003

CHARLES FINNELL
STATE REPRESENTATIVE

ARCHER • BAYLOR • CLAY • COTTLE • FOARD • HARDEMAN • HASKELL
JACK • MONTAGUE • THROCKMORTON • WICHITA • WILBARGER • YOUNG

P.O. BOX 468
HOLLIDAY, TEXAS 76366
940/586-1245
FAX 940/586-0316

August 21, 1998

The Hon. 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 a ranking member of the Texas House Transportation committee, I am constantly striving to insure that Texas has a transportation system second to none. An integral part of such a transportation system is a healthy and competitive rail network. With this in mind, I am writing to express my strong opposition to any new conditions being imposed on Union Pacific in Texas and the Gulf Coast area.

Since the merger with Southern Pacific, UP has worked on resolving its operating problems. As part of that effort, UP has spent over \$300 million in capitol projects in Texas in the past year and a half. It has plans to spend more than \$1.4 billion in Texas capitol improvements over the next five years. Should the proposed conditions be adopted by the STB, the financial ability of UP to implement its infrastructure improvements would be placed in jeopardy.

Now that the STB has declared the service emergency in the Houston area over, it would be counterproductive to impose new conditions and restrictions on UP. I appreciate your time and consideration to this matter of vital interest to the Texas economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Finnell", written over a horizontal line.

Charles Finnell
68th District



Toby Goodman

STATE REPRESENTATIVE
DISTRICT 93

P.O. Box 2910
Austin, Texas 78768-2910
512/463-0562
Fax: 512/475-1128

August 21, 1998

1600 E. Lamar Blvd.
Suite 115
Arlington, Texas 76011
817/460-8290
Fax: 817/861-2125

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:

We are strongly opposed to the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Coast area. A competitive balance among railroads is necessary for effective competition. The conditions already in place have created such a balance, enabling BNSF, KCS and Tex Mex to compete aggressively with UP since the merger. The proposed additional conditions would disrupt this competitive balance giving BNSF disproportionate advantages and weakening UP is striving to regain strength.

When UP and SP merged, SP was close to collapse. UP has been struggling to improve the operations of the merged railroad system, and has made great strides toward ending the service crisis. In order to continue this progress, UP needs to make investments in service and infrastructure throughout its system. The proposed conditions would deprive UP of the revenue necessary to make these investments and would make it more difficult for UP to continue the promising service improvements that we have seen in recent months.

Furthermore, it would not be fair to grant special access conditions in one part of the country at the expense of shippers elsewhere. In particular, I am very concerned that shippers and rail service in Arlington will eventually bear the costs of granting special concessions to UP's competitors in Texas.

We have seen UP's service improve 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.

Sincerely,

A handwritten signature in cursive script, appearing to read "Toby Goodman".

Toby Goodman

COMMITTEES:

Chairman, Juvenile Justice and Family Issues
Civil Practices

Texas House of Representatives



Patrick B. Haggerty

District 78

Committees:
Appropriations
Licensing & Administrative Procedures

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. 327 (Sub-No 26)**

I want to go on record stating that I am opposed to the proposals to impose new conditions on Union Pacific Railroad operations in and around Houston and the whole gulf coast area. We need to maintain a competitive balance among railroads for the benefit of our constituents.

As you know, when Union Pacific and Southern Pacific merged, Southern Pacific was close to filing bankruptcy. Union Pacific has been struggling to improve operations of the merged railroads.

In my opinion it would be unfair to grant special access conditions in one part of the county at the expense of shippers elsewhere. In particular, I am very concerned that shippers in Texas will eventually bear the cost of granting special concessions to UP's competitors.

UP's service has improved considerably in recent months. They should not be hindered by the imposition of new conditions that ultimately harm our state, not to mention neighboring states.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat Haggerty", with a long horizontal flourish extending to the right.

Patrick B. Haggerty

GW:6



TALMADGE HEFLIN
TEXAS HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1998

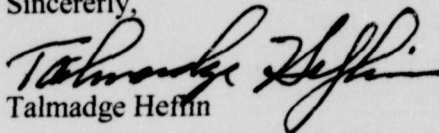
The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Reference: Houston/Gulf Coast Oversight Proceeding
Finance Docket #No. 3276 (Sub-No. 25)

Dear Secretary Williams:

I was an early and strong supporter of the merger of Union Pacific and Southern Pacific railroads. Anyone who was paying any attention to the matter was totally aware that Southern Pacific was on the brink of bankruptcy. You can imagine what a crisis that would have projected. I don't know if Union Pacific realized what a bag of problems it was picking up. To its credit Union Pacific has turned the chaotic situation around and is in the process of major overhaul and new construction to be able to give the best service possible to its Houston customers and customers all along its lines. I am not going to give you, Mr. Secretary, a lot of bull, I just want the Board to leave Union Pacific alone to proceed with efficiency in serving its customers without any sanctions or additional burdens of any sort. Thank you.

Sincerely,


Talmadge Hefflin

REPRESENTATIVE
Allen Hightower



COMMITTEES
CORRECTIONS, CHAIRMAN
STATE RECREATIONAL RESOURCES
REDISTRICTING

P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
(512) 463-0570

The State of Texas
House of Representatives
Austin, Texas

920 15TH STREET
HUNTSVILLE, TEXAS 77340
(409) 291-8441

September 4, 1998

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

Dear Secretary Williams:

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

As a rural Texas legislator, I know first hand the importance of an efficient and timely rail network. Union Pacific and Southern Pacific play a vital part in my legislative district and I am concerned that any interference with Union Pacific's traffic base in Texas and the Gulf Coast region might impair its ability to compete with another major railroad in Texas. Given the willingness of UP to turn around their company and regain their strength, I feel that this company must be given every consideration to allow them to do what is needed most - the opportunity to rebuild their infrastructure. To grant special access conditions in one part of the country at the expense of shippers elsewhere is wrong. This places an unfair burden on this company while it is trying to recover from a near collapse.

I have received reports that Union Pacific's service is showing improvement and this progress should not be hindered by any further conditions that would only be harmful. I do hope that the Board will very seriously consider any and all proposals imposing additional conditions and recognize the jeopardy those conditions place on Union Pacific. Our nation depends on fair and equitable competition not monopolies. I, and the citizens of Texas, trust that Union Pacific will be given the opportunity to rebound from this setback and once again, be a thriving entity on our rail system.

I thank you for your time and should you wish to speak with me personally about this matter, please do not hesitate to contact my office. Thank you for your consideration regarding Union Pacific.

Sincerely,

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

Allen Hightower
State Representative
District 18

AH/jm

DISTRICT 18: POLK • SAN JACINTO • TYLER • WALKER



THE TEXAS HOUSE OF REPRESENTATIVES

PAUL J. HILBERT

District 150

Committees:

Calendars, Vice-Chair
Civil Practices, Vice-Chair
Select Committee on Revenue and
Public Education Funding, Vice-Chair
State Affairs

September 1, 1998

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

Dear Secretary Williams:

As a State Representative in the great State of Texas, I recognize the importance of responsive and efficient rail transportation.

A large portion of Texas' transportation needs is served by Union Pacific Railroad Company. I am well aware of problems experienced by the railroad 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 that 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 Southern 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 improvements will not be taken from Union Pacific. I understand some are using the service problems that Union Pacific has been dealing with as an opportunity for additional access to Union Pacific's traffic base in Texas, thereby weakening a railroad our state depends on.

Piecemeal expedients which seek to cherry pick the best of the overall system in favor of other carriers will only delay implementation of a thoroughly sound system. The original merger plan should be given a chance to work. The sooner it is permanently in place, the better.

Sincerely,

Paul J. Hilbert



THE TEXAS HOUSE OF REPRESENTATIVES
COMMITTEE ON URBAN AFFAIRS

FRED HILL
CHAIRMAN

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

September 3, 1998

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

Dear Secretary Williams,

Union Pacific Railroad Company (UP), one of Texas' largest railroads, is important to the economy of Texas in both the 6,300 miles of track it covers and the 8,700 workers it employs. As a member of the Texas House of Representatives and also a member of the House Committee on Transportation, I am opposed to the proposals to impose new conditions on UP's operations around Houston and the Gulf Coast area.

I believe that Union Pacific is making important changes which are linked to a comprehensive plan to offer service and realize revenues from the combined routes of Union Pacific and Southern Pacific as was the goal when the merger was approved. They have made great strides towards improving the operations of the merged railroad system and towards ending the service crisis. Established routes and traffic essential to UP's ability to support large investments for improvements should not be taken from Union Pacific. The proposed conditions would deprive Union Pacific of the revenue necessary to make these investments would make it more difficult for UP to continue the promising service improvements they have begun putting into place in the last few months.

The Surface Transportation Board has announced that the crisis in the Houston and Gulf Coast Regions is over, so I would appreciate it if the board would choose not to hinder the progress of Union Pacific by the imposition of new conditions.

Your cooperation in this matter would be appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Fred Hill".

Fred Hill
FH/dmo

P.O. Box 2910 • Austin, Texas 78768-2910 • FAX (512) 480-0512 • (512) 463-9904

Kevin Bailey, Vice Chairman

MEMBERS:

Lon Burnam • Ron Clark • Harryette Ehrhardt • Domingo Garcia • Terri Hodge • John Shields • Arlene Wohlgenuth

STATE of TEXAS
HOUSE of REPRESENTATIVES

P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0718
512-463-6244 - FAX



P.O. BOX 1498
ABILENE, TEXAS 79604
915-677-0211
FAX - 915-674-2130

August 24, 1998

BOB HUNTER
DISTRICT 71

The 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:

As State Representative for District 71 in West Central Texas, I recognize the importance of an efficient transportation system in promoting the economy of our region.

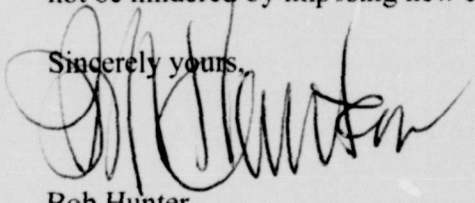
We strongly oppose the proposals to impose new conditions on Union Pacific's operations around Houston and the Gulf Coast area since we feel that the conditions already in place have created a competitive balance among railroads. The additional conditions being proposed would only disrupt this competitive balance and would give Burlington Northern Santa Fe disproportionate advantages while weakening Union Pacific at a time when it is striving to regain strength.

When Union Pacific and Southern Pacific merged, Southern Pacific was close to collapse. Union Pacific has been struggling to improve the operations of the merged railroad system and has made great progress towards ending the service crisis. In order to continue this progress, Union Pacific needs to make investments in service and infrastructure throughout its system. The proposed conditions would deprive UP of the revenue necessary to continue these service improvements.

In addition, it would be unfair to grant special access conditions in one part of the country at the expense of shippers elsewhere. I am especially concerned that shippers and rail service in our region will eventually bear the costs of granting special concessions to Union Pacific's competitors.

We have seen Union Pacific's service improve greatly in recent months and feel this progress should not be hindered by imposing new conditions.

Sincerely yours,


Bob Hunter

TEXAS HOUSE OF REPRESENTATIVES

CAPITOL OFFICE
P.O. Box 2910
AUSTIN, TEXAS 78768-2910
(512)-463-0734
FAX (512) 463-0391



DISTRICT 129
1350 NASA ROAD ONE, #212
HOUSTON, TEXAS 77058-3165
(281) 333-1350
FAX (281) 335-9101

MIKE JACKSON

September 2, 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 a member of the Texas House of Representatives, I am very much aware of the important role UP plays in our community. For that reason, I am opposed to proposals to impose new conditions on UP's operations in the Houston/Gulf Coast area.

A competitive balance among railroads is necessary for effective competition. That balance has been created by the conditions in place, and has enabled BNSF, KCS and Tex Mex to compete aggressively with UP since the UP/SP merger. Additional conditions such as those proposed will disrupt this competitive balance and give BNSF disproportionate advantages while weakening UP at a time when it is striving to regain strength.

When UP and SP merged, SP was close to collapse. UP has been struggling to improve the operations of the merged railroad system, and has made great strides towards ending the service crisis. In order to continue this progress, UP needs to make investments in service and infrastructure throughout its system. The proposed conditions would deprive UP of the revenue necessary to make these investments and would make it more difficult for UP to continue the promising service improvements that we have seen in recent months.

We have seen UP's service improve markedly in recent months. This progress should not be hindered by the imposition of new conditions that will harm UP and our community.

Sincerely,

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

Mike Jackson
State Representative



State of Texas
House of Representatives

P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0516
E2.902



200A NORTH ROGERS
WAXAHACHIE, TEXAS 75165
972-938-9392
FAX: 972-937-2842

Representative Jim Pitts

August 25, 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 Mr. Williams:

Please accept this letter in opposition to the proposals that would impose new conditions on the operations of Union Pacific Railroad around Houston and the Gulf Coast area. I fully realize that the merger of Union Pacific and Southern Pacific created problems for both the railroad and its customers. However, I believe that Union Pacific is currently involved in conscientious efforts to improve its service and that the improvements will enable the railroad to reach its goal envisioned at the time of the merger.

Realizing the importance of our rail transportation system in Texas, I ask that your agency allow Union Pacific to work through their problems and continue to serve our state with no added restrictions or conditions. I am confident that this will enable Union Pacific to move forward with their plans to provide all of Texas with reliable rail service. Imposition of added conditions at this time could jeopardize business which allows Union Pacific to invest in infrastructure and capital throughout Texas. We must not allow that to happen.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Pitts", written over a horizontal line.

Jim Pitts

JP/dw

Gilbert Serna



P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0954
FAX: 512-463-8366

State of Texas
House of Representatives
Austin, Texas

201 WEST MAIN STREET
FABENS, TEXAS 79838
TEL: 915-764-5211
FAX: 915-764-5198
PG: 915-287-3786

September 2, 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.25)

Dear Secretary Williams:

As a Texas State Representative for District 75, I recognize the importance of the rail system to our state economy. Our community owes it's early development to the railroad system and it continues to play an important component of the transportation needs of El Paso.

West Texas understands the competitive necessity of the system for our region. The proposed additional conditions as proposed in the Gulf Coast would disrupt the balance that now exists with the system as it serves the Western part of our state. Union Pacific is one of the railroads that serve to access other parts of the nation and connections to the systems with Mexico.

I am writing in response to the request filed by shippers and others asking for increased access to the traffic base of West Texas and the Gulf Coast. It is my belief that interference with the current operations would weaken the Union Pacific's ability to compete with other systems in Texas. I also know that Union Pacific has improved significantly and will continue to work through its existing problems.

Sincerely,

A handwritten signature in cursive script, reading "Gilberto Serna".

Gilberto Serna
State Representative
District 75



The State of Texas
House of Representatives



P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0686

1777 N.E. LOOP 410, SUITE 910
SAN ANTONIO, TEXAS 78217
210-824-8821

Bill Siebert

DISTRICT 121

August 28, 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:

As a member of the Texas House of Representatives and Vice-Chairman of the House Committee on Transportation, I recognize that a responsive and efficient rail system is integral to the viability of the economy. Union Pacific is one of the largest railroads in Texas and it is important to maintain a transportation system to link Texas shippers to worldwide markets.

Recently, requests have been made by shippers and others asking for increased access to Union Pacific's traffic base in Texas and the Gulf Coast. After careful consideration of the issues, I feel that the Union Pacific is making conscientious efforts to realize the operating improvements envisioned as goals of the merger with Southern Pacific. Furthermore, I feel that any efforts to interfere with Union Pacific's operations will dramatically hinder its financial position and impair its ability to compete with other major railroads in Texas.

Due to the merger with an ailing Southern Pacific and a simultaneous increase in demand, strains were made on Union Pacific operations. In the last few months, Union Pacific has demonstrated that it can handle the increased traffic and continues to improve with each passing week. Now that the Surface Transportation Board has declared the crisis in Houston and the Gulf Coast regions is over, the progress of Union Pacific should not be obstructed by new conditions.

Sincerely,

A handwritten signature in cursive script that reads "Bill Siebert".

Bill Siebert
State Representative

BS:cmg

VICE CHAIRMAN,
COMMITTEE ON JUVENILE
JUSTICE AND FAMILY ISSUES

MEMBER, COMMITTEE ON
LAND AND RESOURCE
MANAGEMENT



TODD STAPLES
STATE REPRESENTATIVE
DISTRICT 11

CAPITOL OFFICE:
P.O. BOX 2910
AUSTIN, TX 78768-2910
(512) 463-0592
FAX: (512) 463-8792

DISTRICT OFFICE:
118 E. PALESTINE AVE.
PALESTINE, TX 75801
(903) 729-7717
FAX: (903) 723-0408

August 28, 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 represent House District 11 in the Texas Legislature and have monitored the UP/SP merger since the beginning. In fact, I was on record with the Surface Transportation Board as being opposed to the merger because of its negative impact on my legislative district.

UP has been struggling to improve operations of the merged railroad system and has made definite improvement toward ending the service crisis. In order to continue this progress, it is imperative UP make investments in service and infrastructure throughout its rail system.

I am opposed to the proposed conditions which would deprive UP of the revenue necessary to make these investments and would make it more difficult to continue service improvements. A competitive, fair balance is necessary for effective competition.

The Surface Transportation Board has had extremely difficult choices to make in the past few months. I appreciate the patience and perspective you have exhibited during these demanding times. I am sure you will make the proper decisions regarding these proposed new conditions and make every effort to continue the viability of an effective rail system in Texas. In my opinion, the proposed conditions would negatively impact the future of the rail system in Texas.

Thank you for your consideration of my comments.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Todd Staples".

Todd Staples

TS/pb

STATE of TEXAS
HOUSE of REPRESENTATIVES



Austin Office:
P.O. Box 2910
Austin, Texas 78768-2910
512-463-0546
FAX: 512-463-8067

District Office:
4526 East University
Building V, Suite G
Odessa, Texas 79762
915-367-2721
FAX: 915-368-5149

G.E. (BUDDY) WEST
DISTRICT 81

August 31, 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:

Please accept this letter as my complete and unqualified statement of support for the Union Pacific Railroad Company and their opposition to the permanent imposition of additional conditions on their Gulf Coast area operations. It is with great concern that I write to you on their behalf.

It is my best understanding that Union Pacific is currently resolving their operating problems with all deliberate speed and thoroughly sufficient progress. Given their significant presence in Texas and their operation's importance to both our state's economy and the fundamental concept of competition, additional interference at this juncture would be extremely counterproductive, even harmful, to UP, its customers, its employees, and our great state. I firmly believe, now that the STB has declared the Houston service crisis over, that Texas' rail shipping and transportation industry, and the dependents thereon, will be best served by allowing UP to continue unobstructed their own efforts to correct the matter.

If you have any questions regarding this letter, or my position on the matter, please do not hesitate to contact me. I am very eager to see this issue resolved quickly and equitably.

Sincerely,

A handwritten signature in dark ink, appearing to read "Buddy West", with a long horizontal flourish extending to the right.
Buddy West
State Representative
District 81

ECTOR COUNTY
Committees: Appropriations, House Administration, State, Federal and International Relations



August 24, 1998

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

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

Dear Secretary Williams:

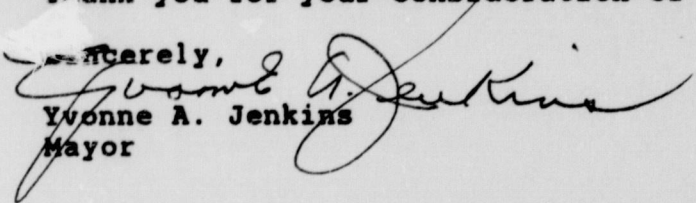
As the Mayor of the City of Argyle, Texas, I am pleased to add our letter of support for the Union Pacific Railroad (UPRR) operations in our area. Daily, as the trains rumble down the track, we are reminded of the valuable contributions that UPRR has made to our community. Such activities as the crossing clearing project, installation of crossing signal arms, the repair, mowing, drainage improvements and maintenance of the track bed and right of way; plus the tax base they provide are major contributions to our City. More important to a small City, is the accessibility of their employees and their timely response to our concerns.

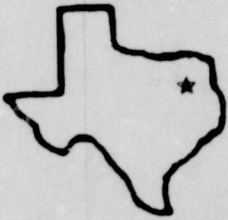
Mergers can create or solve financial problems for the railroad companies and competitors usually "cry foul". We would be strongly opposed to proposals that would impose new conditions on UPRR operations in the Houston and Gulf Coast area that would diminish the overall excellent performance and the very positive improvement that UPRR is making.

The City of Argyle has benefited from our association with the UPRR and the service progress and corporate/community partnership should not be hindered by the imposition of new conditions that will harm UPRR, our City and others around the country. We urge the STB to maintain the established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merger.

Thank you for your consideration of our concerns.

Sincerely,


Yvonne A. Jenkins
Mayor



CITY OF

Marshall

P.O. Box 698

Texas 75671-0698

Mayor & City
Commission
(903) 935-4423

City Manager
(903) 935-4418

Assistant
City Manager
(903) 935-4419

City Secretary
(903) 935-4450

Engineering
(903) 935-4400

Finance
(903) 935-4445

Fire Chief
(903) 935-4580

Library
(903) 935-4465

Parks and
Recreation
(903) 935-4470

Personnel
(903) 935-4425

Planning and
Community
Development
(903) 935-4455

Police Chief
(903) 935-4520

Public Works
(903) 935-4485

Purchasing
(903) 935-4419

Water/Waste
Water Utilities
(903) 935-4485

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

August 25, 1998

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

Dear Secretary Williams;

These comments are written to you and the Surface Transportation Board (STB) in support of Union Pacific Railroad regarding the scheduled hearing on the already approved Union Pacific and Southern Pacific Railroad merger. I am strongly opposed to additional conditions that are proposed and think they would be harmful to Union Pacific Railroad in their efforts to make this venture work for all of us.

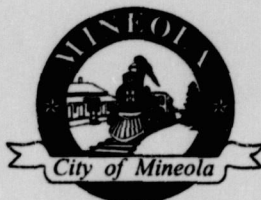
As I have observed their struggle over the past year to provide good operations under difficult circumstances, I would hope that you will be very cautious about adding further complications to their situation by altering the competitive balance of the original merger system. We should be encouraging Union Pacific to make future investments in this system not propose conditions that reduce their ability to make their improvements. In my opinion, it would be unfair to allow Union Pacific's competitors to take advantage of them at this critical stage.

I urge you not to impose harmful conditions on Union Pacific Railroad that will hinder them in their efforts to provide stable rail transportation service to my City, Marshall, and my state of Texas.

Sincerely,

Audrey Karfel
Mayor
City of Marshall, Texas

City Hall
300 Greenville Hwy.
Mineola, Texas 75773



Office: (903) 569-6183
Fax: (903) 569-6551

Celia Scott Boswell
Mayor

August 23, 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 32760 (Sub-No. 26)

Dear Secretary Williams:

Our city was founded as a "railroad town" in the late 19th century and Union Pacific Railroad has always had a high visibility in Mineola, Texas. We have followed closely the travails of the UP-SP merger and the difficult transition into one company. It is our understanding that the kinks have been worked out and that freight rail transportation in Texas is back on track.

If Union Pacific is able to perform now and satisfy the Surface Transportation Board as well as its customers who choose rail for shipping further special access conditions would seem unwarranted.

On behalf of our city and the Union Pacific employees who reside in this community we support efforts to permit U.P. to continue to streamline its operation and serve the needs of shippers in Texas on its trackage.

Very Truly Yours,

Celia Boswell, Mayor



NACOGDOCHES

September 2, 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:

As Mayor of the City of Nacogdoches, a community that is home to Union Pacific track, I am writing to you to express my strong support for Union Pacific Railroad.

Union Pacific has demonstrated a strong commitment to working through their existing problems and making major improvements on their current and future service as a whole. Union Pacific is one of the state's largest railroads, employing over 8,500 people and owning over 6,000 miles of track. We ask that Union Pacific's progress not be hindered by new conditions on their operations.

While there have been economic effects as a result of the rail service problems and the issues before the Surface Transportation Board are complex, Union Pacific has been diligent in its efforts to correct the problems and proactive in its agenda for future improvements. It is our sincere hope that you will allow Union Pacific to continue without any further conditions imposed on their operations.

Thank you for your time and consideration.

Sincerely,

Richard D. Johnson
Mayor

cc: Ron Olson, Union Pacific
Susan Lilly, Lilly & Company



City of Palestine

R. E. McKELVEY
MAYOR
GEORGE FOSS
MAYOR PRO TEM
Tele: (903)731-8437
Fax: (903)731-8486

August 27, 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:

Union Pacific Railroad has been a valued corporate citizen in Palestine for over 100 years. Their presence in our community is critical with over 120 jobs represented in addition to their economic support and grants made available to our youth and citizens in need.

We are opposed to proposals to impose additional conditions on their operations in our area and around the Houston and Gulf Coast area. The Surface Transportation Board has already established competitive conditions which were integrated into its approval of the Union Pacific/Southern Pacific merger. 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 having great difficulties. Since the merger Union Pacific has worked hard to improve operations of the combined system and has made a great deal of progress. The proposed conditions could very well deprive Union Pacific of the revenue necessary to make needed investments to improve services and infrastructure and would make it more difficult for the company to continue the service improvements seen in recent months.

Additionally, it seems unfair to grant special access conditions in one part of the country at the expense of shippers elsewhere. I am particularly concerned that our community and economy would be adversely impacted if Union Pacific competitors are granted concessions in another part of the UP system. It would seem reasonable 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 benefitted from our association with Union Pacific Railroad. This relationship should not be hindered by the imposition of new conditions that will harm Union Pacific, our community and others around the country.

Sincerely,

R. E. McKelvey
Mayor

REM/de



CITY OF VICTORIA

Established 1824, Founded By Congress, Republic of Texas, 1839

OFFICE OF MAYOR AND COUNCIL
City Hall Square, Main at Juan Linn

September 3, 1998

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

Dear Sirs:

On behalf of the City of Victoria and Victoria County and our entire community, I wish to express support for Union Pacific Railroad Company in their request before you. The City of Victoria is the county seat and only incorporated municipality in Victoria. The City population is approximately 62,000 and the County population approximately 82,000. The mainstay of our local economy is made up of petrochemical and plastics manufacturing plants located south of the City. These industries depend on barge canal, highways and the railroads as their lifelines for commerce. The railroad system runs through our City and County, serving numerous other local businesses and contributes significantly to the City and County tax base.

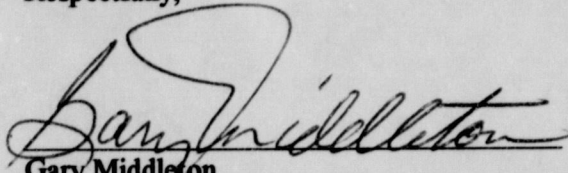
Our community is vitally interested in having a safe, efficient and viable rail transportation system in our County. Union Pacific has recently invested heavily to improve most all of the numerous railroad crossings in our City. They have also improved track conditions. These investments have made the crossings safer for the motoring public, reduced the risks of derailments, and have allowed trains to move through our town a little faster.

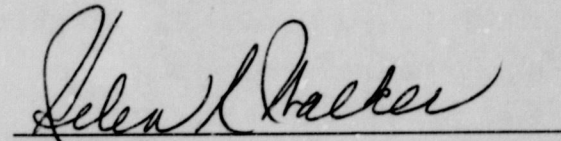
For a significant time period not too long ago, our City endured a serious safety problem because of the excessive number of trains rolling over the Union Pacific tracks in Victoria. This negatively impacted the ability of our Police, Fire and EMS forces to provide the emergency services to over 80,000 residents. It also created greater chances of derailments and auto accidents at intersections. Thankfully, those adverse conditions have abated recently. We support Union Pacific's attempts to not allow excessive train traffic resume through our community.

Another concern we have is the extra cost involved to our community from excessive train traffic over the Victoria Barge Canal draw bridge. This community pays the bill for this very expensive operation.

We want Union Pacific to be financially able to continue to make improvements to their systems in Victoria County. To the extent that increased Federal Government mandated access to their trackage and facilities in Victoria hinders that effort, our community would oppose such. Union Pacific has shown us they are willing to partner with the local community to improve safety and service; Victoria wants them to continue to be able to do so.

Respectfully,


Gary Middleton
Mayor


Helen Walker
County Judge



MICHAEL O. LEAVITT
GOVERNOR

STATE OF UTAH
OFFICE OF THE GOVERNOR
SALT LAKE CITY
84114-0601

OLENE S. WALKER
LIEUTENANT GOVERNOR

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 have been informed that the Surface Transportation Board has a proceeding pending to determine if additional conditions need to be imposed on the Union Pacific Railroad (UP) in the Gulf Coast area as a result of its merger with the Southern Pacific Railroad (SP). While I am unfamiliar with many of the details of the problem in the Gulf Coast area, there are certain principles in this proceeding and your ongoing oversight of the UP/SP merger which have, or could have, significant impact upon the state of Utah.

When the UP/SP merger was announced there were many in Utah who expressed concern that there might be a serious lapse of rail competition in the state with the loss of SP as a competitor to UP. The Burlington Northern Santa Fe (BNSF), however, was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. In part as a result of UP's congestion problems arising in Texas, BNSF has made significant inroads into UP's market share in Utah. Rail competition since the UP/SP merger, therefore, has been stronger than expected.

Union Pacific Corporation and its subsidiaries have incurred substantial operating losses over each of the last three quarters. Additionally, they have consumed huge amounts of their financial resources making capital investments in their railroad operations. It would not be wise at this time to impose any further conditions which would weaken UP's financial position, jeopardize its ability to make further needed capital improvements, or hurt its ability to compete effectively. We need a strong Union Pacific Railroad in Utah.

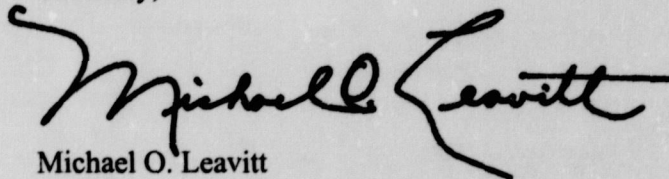
Honorable Vernon A. Williams
August 26, 1998
Page 2

Utah also supports Resolution 98-020 of the Western Governors' Association. Particularly relevant at this time are the first three paragraphs, which are:

1. The Governors support the ongoing efforts of the Surface Transportation Board to address western railroad service and economic problems and the establishment of a cooperative resolution approach involving small and large shippers, short line railroads and Class 1 railroads.
2. The Governors believe that at least two healthy Class 1 railroads, as well as a system of regional short line railroads and motor carrier providers, must serve the West in order to maintain a transportation system which provides efficient, high capacity flexible and safe transportation at a reasonable cost to western shippers.
3. The Western Governors further believe that resolution and mitigation of the current problems caused by the merger of western railroads requires that the partnership of western shippers, agricultural, forest and mineral producers; STB; federal, state, and local entities; regional short lines; and the two Class 1 railroads be continued as recommended at the May roundtable.

The most important points are that we endorse a cooperative resolution approach involving small and large shippers, short line railroads and Class 1 railroads, not a litigious approach; also, that we need two healthy Class 1 railroads serving the West along with regional short line railroads and other transportation providers. A full copy of the Western Governors' Association resolution is attached for your information.

Sincerely,

A handwritten signature in black ink, reading "Michael O. Leavitt". The signature is fluid and cursive, with the first name "Michael" and last name "Leavitt" clearly distinguishable.

Michael O. Leavitt
Governor

DBW/gam



Michel O. Leavitt
Governor
Thomas R. Warne
Executive Director
Clint Topham
Deputy Director

State of Utah

DEPARTMENT OF TRANSPORTATION

4501 South 2700 West
Salt Lake City, Utah 84119-5998
(801) 965-4000
Fax: (801) 965-4338
Internet: www.sr.ex.state.ut.us

Commission
Glen E. Brown
Chairman
James G. Larkin
Ted D. Lewis
Hal M. Clyde
Dan R. Eastman
Sheri L. Griffith
Stephen M. Bodily

August 10, 1998

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

Dear Secretary Williams:

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

It has come to our attention that the Surface Transportation Board has scheduled a hearing in September 1998 to determine if additional conditions need to be imposed on the Union Pacific Railroad as a result of their merger with Southern Pacific.

With this in mind, we instructed our Rail Planner to contact four major Utah shippers heavily dependent on rail transport, as well as the president of the Utah Mining Association, and ask for their assessment of service by Union Pacific since the merger took place. This letter is written with the benefit of their response, as well as our own experiences with them.

Having been served by Union Pacific for over a century now, it has been our experience that they maintain their track system to very high standards. As an example, several years ago Union Pacific abandoned a 30-mile branch line (the Park City Branch) that had rarely been used for a number of years. When the tracks were removed, the inspector and the salvage company were equally impressed with how good the line had been originally constructed as well as maintained. In their view, the branch, however lightly used, was of the highest standard and compared favorably with Union Pacific's actively-used mainline tracks.

One of the major reasons why Utah supported the merger of the Union Pacific and the Southern Pacific was that we felt that Union Pacific would then begin to bring Southern Pacific's huge and largely neglected system up to Union Pacific's high and demanding standards. It appears, however, that Union Pacific didn't appreciate just how much time and effort this was going to take. Added to this were the expected problems that usually occur when trying to integrate and coordinate two systems as large as Union Pacific and Southern Pacific.



The Honorable Vernon A. Williams

Page 2

August 10, 1998

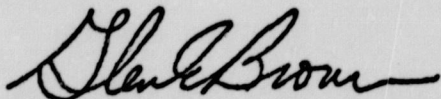
We are mindful that many shippers have been negatively impacted by trains whose frequency have been inadequate and whose scheduling has been sporadic, especially in the Houston area. However, we believe that Union Pacific is making every effort to correct this problem in the most expedient manner possible. In doing so, they have and are investing heavily to bring this about.

An up-to-date report from Union Pacific Media Relations quotes the railroad as having spent a total of \$3.5 billion replacing or upgrading 1,000 miles of Southern Pacific track, constructing 807 miles of new rail, purchasing 270 new locomotives and 2,600 new freight cars, and installing 2.5 million wood ties and 347,000 concrete tiers.

This enormous investment in time, money, and manpower has been made to bring the entire system up to Union Pacific's already high standards physical plant as well as operation. Therefore, it would be a regrettable breach of faith on the part of the Surface Transportation Board to now consider any new conditions to be imposed on Union Pacific other than those at the time of the merger. To do so may jeopardize the efforts underway to correct the scheduling problems mentioned earlier, while upgrading the railroad infrastructure.

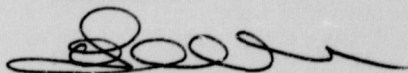
It is apparent that shippers have been angry and frustrated. Up to this point, the Surface Transportation Board has demonstrated a willingness to work with Union Pacific in order to allow the railroad to solve these problems on their own. For this, we commend the Board. Given the magnitude of this undertaking, it would seem appropriate to allow Union Pacific additional time to effect all the terms of this merger. If this is done, we believe the country will end up with a first class rail system that will provide the kind of service to all of its shippers that we know the Union Pacific Railroad is capable of providing.

Sincerely,



Glen E. Brown
Utah Transportation Commission

Sincerely,



Thomas R. Warne, Executive Director
Utah Department of Transportation



UTAH STATE SENATE

R. LANE BEATTIE

PRESIDENT

319 STATE CAPITOL
SALT LAKE CITY, UTAH 84114

RESIDENCE
1313 NORTH 1100 WEST
WEST BOUNTIFUL, UTAH 84087

September 9, 1998

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

Dear Secretary Williams:

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

It is my understanding that the Surface Transportation Board has scheduled a hearing during this month to consider imposing further conditions on the Union Pacific Railroad as a result of its merger with Southern Pacific.

I am aware of the expressed concern over the negative impact this merger could have on rail competition in Utah; however, with the granting of trackage rights to Burlington Northern Santa Fe and the increase in authority granted to the Utah Railway Company, rail competition in Utah has been stronger than expected.

I believe every effort is being made to correct the scheduling problems and reduce the rail congestion. As a matter of fact, Union Pacific has spent several billion dollars upgrading track, constructing new rail, purchasing new locomotives and freight cars, and otherwise improving its operations. Imposing additional restrictions on Union Pacific at this time would weaken its financial position and would greatly impede its ability to regain profitability and become a viable competitor in the state of Utah.

We need a strong Union Pacific Railroad in Utah. I would encourage the Surface Transportation Board to carefully study the issues and consider all possible ramifications before taking any action that would jeopardize Union Pacific's ability to compete effectively.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Lane Beattie", with a long, sweeping horizontal line extending to the right.

Lane Beattie, President
Utah State Senate

UTAH STATE SENATE

319 STATE CAPITOL • SALT LAKE CITY, UTAH 84114
(801) 538-1035 • FAX (801) 538-1414

SENATOR
SCOTT N. HOWELL

MINORITY LEADER

EIGHTH DISTRICT
SALT LAKE COUNTY

319 STATE CAPITOL
SLC UT 84114
O-(801) 538-1406
F-(801) 538-1449
showell@le.state.ut.us



EXECUTIVE APPROPRIATIONS COMMITTEE
LEGISLATIVE MANAGEMENT COMMITTEE
APPROPRIATIONS SUBCOMMITTEE
Health and Human Services
STANDING COMMITTEES
Education

September 9, 1998

THE 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 have been informed that the Surface Transportation Board has a proceeding pending to determine if additional conditions need to be imposed on the Union Pacific Railroad (UP) in the Gulf Coast area as a result of its merger with the Southern Pacific Railroad (SP). While I am unfamiliar with many of the details of the problem in the Gulf Coast area, there are certain principles in this proceeding and your ongoing oversight of the UP/SP merger which could have a significant impact upon the State of Utah.

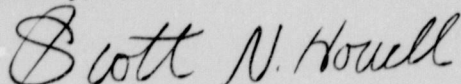
When the UP/SP merger was announced there were many in Utah who expressed concern that there might be a serious lapse of rail competition in the state with the loss of SP as a competitor to UP. The Burlington Northern Santa Fe (BNSF), however, was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. In part, as a result of UP's congestion problems arising in Texas, BNSF has made significant inroads into UP's market share in Utah. Rail competition since the merger actually has been stronger than expected.

The Union Pacific Corporation and its subsidiaries have incurred substantial operating losses over each of the last three quarters. Additionally, they have consumed huge amounts of their financial resources making capital investments in their railroad operations. An up-to-date report from Union Pacific Media Relations quotes the railroad as having spent a total of \$3.5

• The Honorable Vernon A. Williams
September 9, 1998
Page 2

billion replacing or upgrading 1,000 miles of Southern Pacific track, constructing 807 miles of new rail, purchasing 270 new locomotives and 2,600 new freight cars, and installing 2.5 million wood ties and 347,000 concrete ties. This enormous investment in time, money, and manpower has been made to bring the entire system up to Union Pacific's already high standards physical plant as well as operation. Therefore, it would be a regrettable breach of faith on the part of the Surface Transportation Board to now consider any new conditions to be imposed on Union Pacific other than those at the time of the merger. This would weaken Union Pacific's financial position, jeopardize its ability to make further needed capital improvements and hurt its ability to compete effectively. We need a strong Union Pacific Railroad in Utah.

Sincerely,

A handwritten signature in cursive script that reads "Scott N. Howell". The signature is written in dark ink and is positioned below the word "Sincerely,".

Senator Scott N. Howell
Senate Minority Leader

SNH:dch

UTAH STATE SENATE

SENATOR
AL MANSELL

TENTH DISTRICT
SALT LAKE COUNTY

9015 SOUTH CANYONGATE CIRCLE
SANDY, UTAH 84093
O-(801) 567-4000 / 567-4150
H-(801) 942-6019



APPROPRIATIONS

Business, Labor and Agriculture

STANDING COMMITTEES

Business, Labor and Economic Development
Energy, Natural Resources and Agriculture

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 #32760 (Sub-#26)

Dear Secretary Williams;

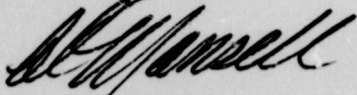
This letter is in support of the Union Pacific Railroad Company's position before the Surface Transportation Board. The company is opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There doesn't seem to be any basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many concerns expressed in Utah that there may be a loss of rail competition in the state. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular basis. Utah Railway's trackage rights were also expanded. Rail competition has not only survived, but has flourished. As a result of the congestion problems in Texas, BNSF has made great strides into UP's market share in Utah and other states.

Requests that would further erode UP's traffic base could seriously harm its recovery efforts at the very time when recovery is complete in most key areas. Granting additional rights over UP's tracks could permanently damage rail competition in Utah as well as other parts of the west, including Texas. Utah officials stated during the merger debate that it was essential to the interests of Utah shippers to have strong rail competition in this state. The petitioners' efforts to have the STB impose additional merger conditions could result in a shift in that competitive balance that would leave UP in a weakened condition and possibly unable to perform the needed repairs and expansion of SP's infrastructure which had left the SP in a debilitated condition. Rail service and competition alike will best be served by a strong UP that can compete effectively with BNSF.

This letter is in support of UP's position in your deliberations and deny the petitioners' request for additional conditions.

With best regards,

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

Senator Al Mansell

LAM:kj



MELVIN R. BROWN
SALT LAKE COUNTY

HOUSE OF REPRESENTATIVES
OFFICE OF THE SPEAKER
SALT LAKE CITY, UTAH 84114

LEGISLATURE
538-1612
BUSINESS
355-6079
RESIDENCE
255-0556

September 9, 1998

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

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

Dear Secretary Williams:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the request filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the state with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

Requests that would further erode UP's traffic base and complicate its operation could seriously jeopardize its recovery efforts at the very time when recovery is complete in most key areas. Granting additional rights over UP's tracks could permanently damage rail competition, not only in Texas, but throughout the west, including Utah. Utah officials repeatedly stated during the merger debate that it was absolutely essential to the interests of Utah shoppers to have strong rail competition in this state. The petitioners' efforts to have the STB impose additional merger conditions could result in a shift in that competitive balance that would be difficult for UP to overcome and leave it in a weakened condition, unable to perform the needed repairs and expansion of SP's infrastructure which had left the SP in a debilitated condition. It would be bad policy to weaken UP at the time it is fighting back from its service problems. Competition and rail service will be served best by a strong UP that can make needed investments and compete effectively with BNSF.

Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Sincerely,

Melvin R. Brown
Speaker

August , 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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the State with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Very truly yours,

Rep. James Earl Buffum
Dist. 35 - Utah

August , 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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the State with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Very truly yours,

Rep. Ron E. Rush

HOUSE OF REPRESENTATIVES
STATE OF UTAH



REPRESENTATIVE BEVERLY A. EVANS

54TH DISTRICT
(DUCHESE AND WASATCH COUNTIES)
HC65, BOX 36
ALTAMONT, UTAH 84001-9801
RES. 454-3719 / BUS. 722-4523
FAX 722-1998
August 16, 1998

STANDING COMMITTEES: RETIREMENT; EDUCATION, CHAIR;
ENERGY, NATURAL RESOURCES AND AGRICULTURE
APPROPRIATIONS: GENERAL GOVERNMENT AND CAPITAL
FACILITIES

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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the State with the loss of the SP as a competitor to UP. These concerns never materialized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' request for additional conditions.

Sincerely,

Beverly Evans
Beverly Evans
District 54

HOUSE OF REPRESENTATIVES
STATE OF UTAH



REPRESENTATIVE BRENT H. GOODFELLOW

119TH DISTRICT
(SALT LAKE COUNTY)
1620 SOUTH 6000 WEST
WEST VALLEY CITY, UTAH 84120
RES. 968-0626 / BUS. 957-3313

STANDING COMMITTEES: ENERGY, NATURAL RESOURCES
AND AGRICULTURE; STATE AND LOCAL AFFAIRS
APPROPRIATIONS: GENERAL GOVERNMENT AND
CAPITAL FACILITIES

August 21, 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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the State with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway has not only survived since the UP/SP merger, but has flourished. In part, as a result of UP's congestions problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Very truly yours,

A handwritten signature in dark ink, reading "Brent H. Goodfellow".
Brent H. Goodfellow

mc

HOUSE OF REPRESENTATIVES
STATE OF UTAH

REPRESENTATIVE DAVID M. JONES
MINORITY LEADER

25TH DISTRICT
(SALT LAKE COUNTY)
545 SOUTH 1100 EAST
SALT LAKE CITY, UTAH 84102
RES. 582-8247



STANDING COMMITTEES: PUBLIC UTILITIES AND
TECHNOLOGY
APPROPRIATIONS: ECONOMIC DEVELOPMENT AND
HUMAN RESOURCES

September 9, 1998

The Honorable Vernon A. William
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:

It has come to my attention that the Surface Transportation Board has scheduled a hearing for September 1998 to determine if additional conditions need to be imposed on the Union Pacific Railroad as a result of their recent merger with Southern Pacific Railroad. There are certain principles in this proceeding and your continuing oversight of the Union Pacific-Southern Pacific merger that may have significant impact upon the state of Utah.

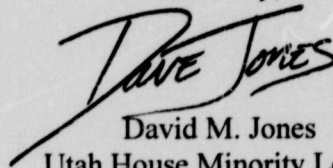
Union Pacific has long been regarded for their demanding standards and high quality service. When Union Pacific agreed to merge with Southern Pacific, it was known that Southern Pacific's neglected system would need significant improvement. Unfortunately, Union Pacific did not realize the length of time and effort this improvement would take. Union Pacific has spent a total of \$3.5 billion in replacing and upgrading the Southern Pacific track. There has been an enormous investment of time and money to integrate Southern Pacific into Union Pacific's high quality system. Any additional conditions may jeopardize the continuing efforts to upgrade Union Pacific's infrastructure. Therefore, it would be damaging for the Surface Transportation Board to consider any new conditions to be imposed on Union Pacific.

Honorable Vernon A. Williams
September 9, 1998
Page 2

Union Pacific Railroad is highly capable of providing first class service. However, due to the magnitude of this merger, it seems appropriate to allow Union Pacific more time to meet all conditions relating to the merger. The imposition of further conditions would weaken Union Pacific's financial position, impact its ability to make further improvements, and hurt its ability to compete effectively. For these reasons, it would be wise for the Surface Transportation Board to refrain from imposing additional conditions on Union Pacific.

Union Pacific has a positive impact on the state of Utah, as well as the entire shipping industry. The continued support from the Surface Transportation Board is both needed and appreciated.

Sincerely,

A handwritten signature in black ink that reads "DAVE JONES". The signature is stylized with a large, sweeping "D" and "J".

David M. Jones
Utah House Minority Leader

HOUSE OF REPRESENTATIVES
STATE OF UTAH



REPRESENTATIVE PETER C. KNUDSON

2ND DISTRICT
(BOX ELDER COUNTY)
1209 MICHELLE DRIVE
BRIGHAM CITY, UTAH 84302
RES. 723-2035 / BUS. 723-6366 OR 479-8980
FAX 723-6371

STANDING COMMITTEES: TRANSPORTATION & PUBLIC
SAFETY; BUSINESS, LABOR AND ECONOMIC
DEVELOPMENT
APPROPRIATIONS: HUMAN SERVICES AND HEALTH

August 11, 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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

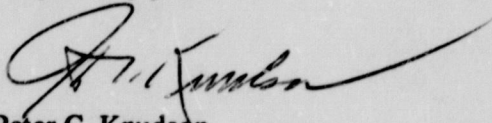
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effectively with BNSF.

Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Respectfully yours,

A handwritten signature in dark ink, appearing to read "P. C. Knudson", with a long, sweeping horizontal stroke extending to the right.

Peter C. Knudson
Utah House of Representatives
Chair, House Standing Committee for
Business, Labor and Economic Development

STB FD 32760 (Sub 26) 9-18-98 B 191210V4 11/11

August / , 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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Very truly yours,

Lowell A. Nelson
REPRESENTATIVE
UTAH HOUSE

August 19, 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:

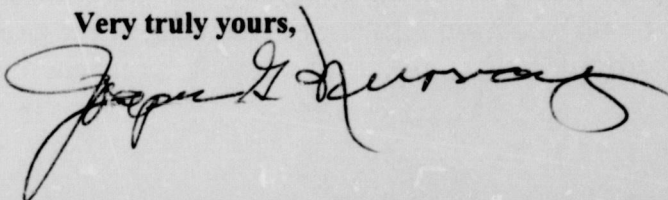
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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Joseph L. Murray", is written over a horizontal line.

August , 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:

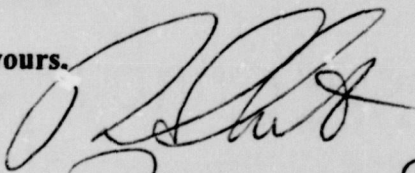
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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Very truly yours.


Raymond W. Street
Representative

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:

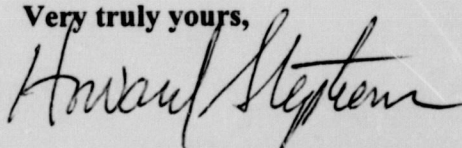
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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Very truly yours,



HOUSE OF REPRESENTATIVES
STATE OF UTAH

REPRESENTATIVE JOHN E. SWALLOW

51ST DISTRICT
(SALT LAKE COUNTY)
1260 EAST BELL VIEW CIRCLE
SANDY, UTAH 84094
RES. 572-8201 / BUS. 553-9805
FAX 571-6545



STANDING COMMITTEES: LAW ENFORCEMENT AND
CRIMINAL JUSTICE; REVENUE AND TAXATION
APPROPRIATIONS; COMMERCE AND REVENUE

August 11, 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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the State with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

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Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Respectfully yours,

A handwritten signature of John E. Swallow in dark ink, featuring a stylized, cursive script.
John E. Swallow

**HOUSE OF REPRESENTATIVES
STATE OF UTAH**



**REPRESENTATIVE JOHN L. VALENTINE
ASSISTANT MAJORITY WHIP**

58TH DISTRICT
(UTAH COUNTY)
857 EAST 970 NORTH
OREM, UTAH 84057
HES. 224-1693 / BUS. 373-6345
FAX 377-4991

STANDING COMMITTEES: REVENUE AND TAXATION
EXECUTIVE APPROPRIATIONS
APPROPRIATIONS: COMMERCE AND REVENUE

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:

This letter is to express support for Union Pacific Railroad Company's ("UP Railroad") position in a hearing pending before the Surface Transportation Board. This position is in opposition to requests filed by several interested persons, seeking to impose additional conditions on the Railroad after its merger with South Pacific for the Gulf Coast area.

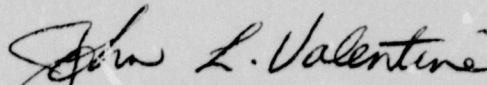
When the merger was announced, there were many including the undersigned, who were concerned about the potential lack of rail competition in the state of Utah. These concerns never materialized. In fact, rail competition in Utah has not only survived since the merger, but has continued become overbalance in favor of Burlington Northern and Santa Fe Railroad. The Burlington Northern and Santa Fe Railroad was granted trackage rights in Utah. It provides service at competitive rates in the Utah market, while maintaining it dominant position in the Texas market. As a result of UP Railroad's problems in upgrading the Texas area infrastructure, it is my opinion that they are now in a weaken condition to compete with more established and incumbent railroads.

Granting additional conditions on the merger, such as additional trackage rights over the UP Railroad tracks, could damage rail competition in Utah and the rest of the western United States. It seems to be a poor choice in public policy to weaken an already weakened competitor, while it is still seeking to upgrade a poor service area.

Honorable Vernon A. Williams
August 18, 1998
Page 2

I hope that you will consider this letter of support for the UP Railroad's position, and deny the requests for additional conditions on the merger.

Sincerely,

A handwritten signature in dark ink, reading "John L. Valentine". The signature is fluid and cursive, with the first name "John" being more prominent and stylized than the last name.

John L. Valentine,
Representative, Dist. 58

DEEDEE CORRADINI
MAYOR

SALT LAKE CITY CORPORATION
OFFICE OF THE MAYOR

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:

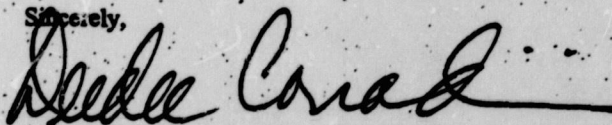
This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the State with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

Requests that would further erode UP's traffic base and complicate its operation could seriously jeopardize its recovery efforts at the very time when recovery is complete in most key areas. Granting additional rights over UP's tracks could permanently damage rail competition, not only in Texas, but throughout the west, including Utah. Utah officials repeatedly stated during the merger that it was absolutely essential to the interests of Utah shippers to have strong rail competition in this State. The petitioners' efforts to have the STB impose additional merger conditions could result in a shift in that competitive balance that would be difficult for UP to overcome and leave it in a weakened condition, unable to perform the needed repairs and expansion of SP's infrastructure which had left the SP in a debilitated condition. It would be bad policy to weaken UP at the time it is fighting back from its service problems. Competition and rail service will be served best by a strong UP that can make needed investments and compete effectively with BNSF.

Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Sincerely,


Deedee Corradini
Mayor

Brent Overson, Chairman
Salt Lake County
Commission

Mindy Nielsen
Administrative Assistant



SALT LAKE COUNTY
GOVERNMENT CENTER
2001 S. State Street
Suite N2100
Salt Lake City
Utah 84190-1000
Tel (801) 468-3351
Fax (801) 468-3535

August 6, 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:

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced there were many in Utah that expressed concern that there might be a loss of rail competition in the State with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

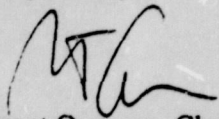
Requests that would further erode UP's traffic base and complicate its operation could seriously jeopardize its recovery efforts at the very time when recovery is complete in most key areas. Granting additional rights over UP's tracks could permanently damage rail competition, not only in Texas, but throughout the west, including Utah. Utah officials repeatedly stated during the merger debate that it was absolutely essential to the interests of Utah shippers to have strong rail competition in this state. The petitioners' efforts to have the STB impose additional merger conditions could result in a shift in that competitive balance that would be difficult for UP to overcome and leave it in a weakened condition, unable to perform the needed repairs and expansion of SP's infrastructure which had left the SP in a debilitated condition. It would be bad

Vernon A. Williams
August 6, 1998
Page 2

policy to weaken UP at the time it is fighting back from its service problems. Competition and rail service will be served best by a strong UP that can make needed investments and compete effectively with BNSF.

Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Respectfully,

A handwritten signature in dark ink, appearing to be 'B. Overson', written over a faint, diagonal-lined background.

Brent Overson, Chair
Salt Lake County Commission

Mary Callaghan

Salt Lake County
Commission

Sam Klemm

Administrative Assistant



SALT LAKE COUNTY
GOVERNMENT CENTER
2001 S. State Street
Suite N2100
Salt Lake City
Utah 84190-1000
Tel (801) 468-3350
Fax (801) 468-3535

August 7, 1998

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

Dear Secretary Williams:

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

This letter is to express support for Union Pacific Railroad Company's position before the Surface Transportation Board opposing the requests filed by several interests to impose additional UP/SP merger conditions in the Gulf Coast area. There appears to be no basis to support additional conditions from either a competitive or service standpoint.

When the UP/SP merger was announced, there were many in Utah that expressed concern that there might be a loss of competition in the state with the loss of the SP as a competitor to UP. These concerns were never realized. The BNSF was granted trackage rights and has been serving rail shippers in Utah on a regular and increasing basis. Utah Railway's trackage rights were also expanded as a condition of the UP/SP merger. Rail competition has not only survived since the UP/SP merger, but has flourished. In part as a result of UP's congestion problems arising in Texas, BNSF has made serious inroads into UP's market share in Utah and elsewhere.

Requests that would further erode UP's traffic base and complicate its operation could seriously jeopardize its recovery efforts at the very time when recovery is complete in most key areas. Granting additional rights over UP's tracks could permanently damage rail competition, not only in Texas, but throughout the west, including Utah. Utah officials repeatedly stated during the merger debate that it was absolutely essential to the interests of Utah shippers to have strong rail competition in this state. The petitioners' efforts to have the STB impose additional merger conditions could result in a shift in that competitive balance that would be difficult for UP to overcome and leave it in a weakened condition, unable to perform the needed repairs and expansion of SP's infrastructure which had left the SP in a debilitated condition. It would be bad policy to weaken UP at the time it is fighting back from its service problems. Competition and rail service will be served best by a strong UP that can make needed investments and compete effectively with BNSF.

Please consider this letter in support of Union Pacific's position in your deliberations and deny the petitioners' requests for additional conditions.

Sincerely,

Mary Callaghan, Commissioner
Salt Lake County Commission

MC/dd



Washington State Senate

Olympia Office:
102 Institutions Building
PO Box 40482
Olympia, WA 98504-0482

Senator Eugene A. Prince
9th Legislative District

(360) 786-7620
Olympia FAX: (360) 786-1255
e-mail: prince_eu@leg.wa.gov
Legislative Hotline: 1-800-562-6000

August 26, 1998

The 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:

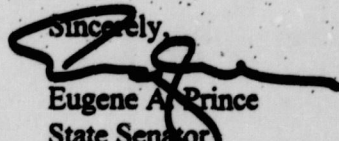
I am writing to express my opposition to the proposed conditions on Union Pacific Railroad pending before the Surface Transportation Board.

The rail network in the State of Washington is dominated by Union Pacific's largest competitor. Nonetheless, the presence of UP as a viable, competitive alternative to our shippers has helped improve service and deter rate inflation. Any actions by the federal government that will serve to further weaken an already weak UP will undermine the competitive balance necessary in Washington and elsewhere throughout the Western rail network.

Union Pacific has spent and will spend large sums of money to restore service in the Houston/Gulf Coast area. They are continuing to invest in infrastructure improvements and capacity expansion throughout the rest of their system, as well, despite suffering an unprecedented \$230 million in losses over the last three consecutive quarters. Future investments and improvements must come from the revenues generated by the present and future traffic base. Imposition of these additional, unnecessary conditions will threaten that traffic base and undermine UP's ability to continue needed improvements, to the detriment of Washington shippers.

I urge the Surface Transportation Board to decline to impose additional conditions on the Union Pacific Railroad that will further cripple their on-going recovery and ability to compete effectively. Thank you for your consideration.

Sincerely,


Eugene A. Prince
State Senator
9th Legislative District

EAP:mt



TOMMY G. THOMPSON

**Governor
State of Wisconsin**

September 4, 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,

On behalf of the State of Wisconsin, I am writing in opposition to proposals filed by shippers and others 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, as this action could harm Union Pacific's service to Wisconsin businesses, who rely on UP's rail transportation.

Union Pacific's biggest customers in Wisconsin are our coal-fired utilities and General Motors (GM), which has a plant located in Janesville, Wisconsin. I am aware that since C&NW merged into Union Pacific that UP has upgraded its track to 50 M.P.H. from Harvard, Illinois (the terminus of its Metra commuter operations) into Janesville to better serve GM. Wisconsin wants this GM plant to remain competitive, and upgraded rail transportation is important. It is also important to us that UP continue to make capital improvements and capacity improvements to its track and to purchase locomotives to move low sulfur coal out of the western coal fields for delivery to our Wisconsin utilities.

At the same time, UP has cooperated with one of our short line railroads by leasing a line north of Madison to them. The shortline has increased service and traffic on this low density line, which will strengthen the line's future prospects.

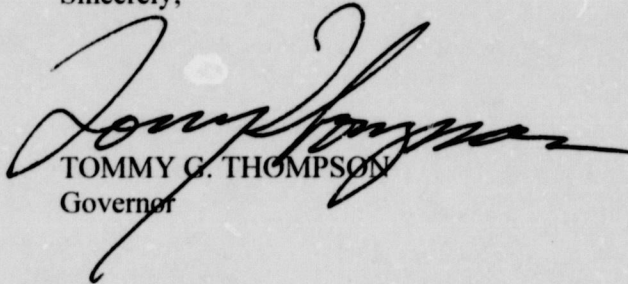
If Union Pacific is financially weakened by additional conditions not contemplated in the initial merger with Southern Pacific by jeopardizing its revenues, it could lead to fewer capital expenditures that will benefit Wisconsin rail users and could hinder UP's ability to provide service to our shippers and curtail economic development. There is no basis for taking away more traffic and revenue from UP, when the initially-imposed pro-competitive conditions are working and should be allowed to continue as initially approved by the STB.



I am concerned that Wisconsin's economy will be adversely impacted if UP's competitors are granted more concessions in another part of the country. UP has a 1,000 mile rail system and 560 employees in Wisconsin serving our economy. Service to our state should not be put in peril when there has not been a clear showing that the approved conditions in Texas and the Gulf Coast are not working.

Do not jeopardize the economic success that we have built over a long period of time in Wisconsin.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tommy Thompson", written over the printed name and title.

TOMMY G. THOMPSON
Governor

TGT/cl



Office of the Commissioner of Railroads

610 N. Whitney Way
P O. Box 8968
Madison, WI 53708-8968

Rodney W. Kreunen, Commissioner

Tel: (608) 266-7607
Fax: (608) 261-8220
TTY (608) 267-1479

August 20, 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 Commissioner of Railroads in the state of Wisconsin, one of the foremost goals is to ensure the highest level of rail safety in the state, including at rail/highway grade crossings and in other areas. As a state public official, I am always working with the Wisconsin rail industry to improve the rail network in Wisconsin. With a strong rail network, as one component of Wisconsin's transportation infrastructure, we can ensure that the state's economy continues to prosper as it has done the last 12 years.

While Union Pacific Railroad (UP) is not Wisconsin's largest railroad, its 1,086-mile system is very important in making Wisconsin goods and products competitive in national and world markets. Also, UP employs 559 people in Wisconsin.

This letter is being filed 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 it is premature and this action could harm UP and its Wisconsin customers.

Honorable Vernon A. Williams
Surface Transportation Board

August 20, 1998
Page 2

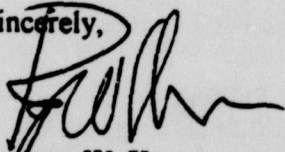
Effective western rail competition depends on a strong UP. The requested conditions would upset the competitive balance and financially undermine UP after it has already suffered large traffic and financial losses. UP's traffic volumes are down by nearly 10%. There is no basis for taking away even more revenue and traffic from UP, when it seems that the initially imposed pro-competitive conditions of the UP/SP merger have been working and should be allowed to continue as initially approved by the STB.

UP has been making capital improvements in Wisconsin on its mainlines. These improvements need to continue in the future. In 1996, UP made \$17.7 million of capital expenditures in Wisconsin, in 1997 it made \$15.4 million, and it plans \$7 million for 1998, or a total of \$40.1 million in the three years to its track structure only. This does not count the new locomotives and cars that have been purchased that have contributed to Wisconsin industry, especially the coal-fired utilities that UP serves in Wisconsin with Wyoming low-sulfur coal.

If UP does not stay financially strong, future needed improvements to its Wisconsin infrastructure could be delayed or canceled. It is not fair to ask Wisconsin to pay that price, especially when there has not been a clear showing that the approved conditions in Texas and the Gulf Coast are not working.

Do not make a change in Texas and the Gulf Coast that will penalize Wisconsin, our progress on improving our rail system and our economy.

Sincerely,



Rodney W. Kreunen
Commissioner

RWK/dal

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 28, 1998

Senate

SENATOR HENRY H. R. "HANK" COE

Vice President

Senate District #8

Park County

P.O. Box 1088

Cody, Wyoming 82414

Committees:

Travel, Recreation, Wildlife and
Cultural Resources, Chairman

Management Audit

Management Council

Rules and Procedure

School Capital Construction

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.

The recent problems resulted from the weakness of the Southern Pacific system, which was under tremendous external stresses before the two railroads were merged. Union Pacific Railroad has spent hundreds of millions of dollars in lost traffic, escalated costs and claims exposure and at the same time has managed to resolve the service problems in the southern corridor. Several important indicators such as car inventory, transit times from Houston/Gulf Coast, unblocked sidings and train speeds are irreconcilable with the notion that there is still a service crisis that justifies additional federal regulatory conditions.

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 Wyoming. 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.

I appreciate the opportunity to comment to this very important issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "Hank Coe".

Hank Coe
State Senator

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 19, 1998

Senate

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

SENATOR IRENE DEVIN

Senate District 10
Albany County
3601 Grays Gables Road
Laramie, Wyoming 82070

Committees:

Education
Labor, Health and Social Services
Journal

Dear Secretary Williams:

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

I believe that additional regulatory conditions would be damaging in a number of ways. The extensive financial and traffic losses in its southern corridor can not continue without damage to the company and their ability to serve all customers.

Future investments by the Union Pacific Railroad into its infrastructure is vital for Western states such as Wyoming. The Union Pacific must have the resources to increase rail transportation to Wyoming's Powder River Basin, for increased movement of soda ash, and increased traffic demands on the main line. Employment of many families and the tax base of our state, particularly education are heavily dependent on a vigorous and healthy mining industry. Rail transportation is the most important element of maintaining a strong mining industry at this time. Additional federal regulatory conditions in the Houston and Gulf Coast will erode Union Pacific's ability to invest in infrastructure throughout its system, including Wyoming.

I urge the Surface Transportation Board not impose any additional conditions. Such action would surely weaken an already financially stressed railroad. Your time and thoughtful consideration is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Irene K. Devin".

Irene Devin
State Senator

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>

August 12, 1998



Senate

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

SENATOR ROBERT GRIEVE

President of the Senate

Senate District 11
Albany/Carbon Counties
Star Route, Box 1400
Savary, Wyoming 82332

Committees:

Management Council, Chairman
Rules and Procedure, Chairman
School Capital Construction
Select Water

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 major gains throughout its system. Indicators in the southern corridor such as, average dwell times at the major yards have improved by six percent, and system train speed has increased from 13.9 to 14 mph 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 improvement did not occur without a price. Union Pacific has reported large financial losses and has lost large volumes of traffic in its effort to resolve 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 Wyoming.

Union Pacific's ability to continue its financial and operational efforts is the ultimate solution to the service related problems in the Gulf Coast area because it allows directional running and other efficiencies that have recently pulled the southern corridor out of its congestion crisis. It would be completely counterproductive to add more burdens to the Union Pacific because of the series of uncontrollable events.

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,

A handwritten signature in cursive script that reads "Robert Grieve".

Robert Grieve

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



Senate

August 20, 1998

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

SENATOR RAE LYNN JOB

Senate District 12
Sweetwater/Carbon/Fremont Counties
1344 Moran
Rock Springs, Wyoming 82901

Committees:

Education
Corporations, Elections and
Political Subdivisions
Transportation and Highways
Journal

Dear Secretary Williams:

I have learned that the Surface Transportation Board will commence oversight proceedings to decide if additional federal regulatory conditions should be imposed on the Union Pacific Railroad in the Houston and Gulf Coast area. I urge the Board not to impose additional federal regulatory conditions upon the Union Pacific Railroad, who is already financially and operationally weakened from its efforts in resolving the recent service and rail traffic crisis.

To date, Union Pacific Railroad has lost hundreds of millions of dollars in lost traffic, escalated costs and claims exposure. However, at the same time, Union Pacific has managed to resolve the service problems and has cleared the train congestion within the Houston and Gulf Coast area. Important rail traffic indicators such as Union Pacific's car inventory, transit times within the Houston - Gulf Coast area, unblocked siding counts, and train speeds all show that Union Pacific has cleared the train congestion and has returned efficient rail service. The notion that there is still a rail service crisis in the southern corridor of Union Pacific's system is not justified, nor is the need for additional regulatory conditions justifiable at this time.

Substantial investments toward Union Pacific's infrastructure will be required if Union Pacific expects to compete against the major Class I western railroads. These investments must be generated from Union Pacific's current and future traffic base, including Union Pacific's railroad in Sweetwater County and in the State of Wyoming. If additional conditions are imposed upon Union Pacific in Houston and the Gulf Coast, they would undermine Union Pacific's ability to make important investments in that area as well as throughout their system. Additional federal regulatory conditions would be counter productive and would burden the already weakened Union Pacific Railroad.

Your consideration of my comments are appreciated. If you have any questions regarding my comments, please contact me at 307-352-3400.

Sincerely,

A handwritten signature in cursive script, reading "Rae Lynn Job".

Rae Lynn Job
State Senator

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7381
<http://legisweb.state.wy.us>

August 30, 1998



Senate

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

SENATOR GRANT C. LARSON

Senate District 17
Fremont/Sublette/Teton Counties
P.O. Box 3490
Jackson, Wyoming 83001

Committees:

Transportation and Highways, Chairman
Revenue

Dear Secretary Williams:

I am writing to express my official opposition to the Surface Transportation Board imposing any additional federal regulatory conditions upon the Union Pacific Railroad in the Huston and Gulf Coast area: Docket NO. 32760(Sub-No. 26).

Since 1868, the State of Wyoming has relied on the Union Pacific Railroad to help with the growth and expansion of our large state. Union Pacific continues to be an important part of Wyoming's economy today. Without the Union Pacific to haul our valuable mineral such as coal and trona to market, the economy and tax base of Wyoming would suffer irreparable harm.

The problems in Union Pacific's southern corridor has drawn much criticism. We in Wyoming have also experienced some problems relating to levels of service. We believe however, that recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These improvements did not come without a price. We believe that if additional federal regulatory conditions were imposed, they erode Union Pacific's ability to make important investments in infrastructure throughout it's system. Union Pacific's ability to invest in it's infrastructure and to effectively compete and critical issues to the state of Wyoming.

I urge the Surface Transportation Board not to impose any additional conditions on the Union Pacific Railroad in the Huston and Gulf Coast area. Such action could only result in harm to Wyoming and the west.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, reading "Grant C. Larson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Grant C. Larson
Wyoming State Senator

Wyoming State Legislature

213 State Capitol • Cheyenne, Wyoming 82008 • Telephone 307 • 777-7881
<http://legisweb.state.wy.us>



September 8, 1998

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

SENATOR E. JAYNE MOCKLER
Senate District 3
Cheyenne, Wyoming 82008
Phone 307-777-7881
Fax 307-777-7882
E-mail mockler@legisweb.state.wy.us

Dear Secretary Williams,

This letter serves as my official comment in opposition to the imposition of additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No. 32760 (Sub-No. 26).

The problems in Union Pacific's southern corridor have drawn much criticism. However, recent reports filed with by the Union Pacific Railroad to the Surface Transportation Board seem to indicate that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. I am sure that these accomplishments did not come without a price. If additional federal regulatory conditions are imposed, they could risk the Union Pacific's ability to make important investments for its infrastructure throughout its system and could seriously undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the west.

The Union Pacific Railroad has a long history with the State of Wyoming. Through the years much of Wyoming's growth and success have been in association with the Union Pacific Railroad. As you can imagine, Union Pacific's ability to invest in its infrastructure and to effectively compete are critical factors to Wyoming. The Union Pacific Railroad will continue to be an important component of rebuilding Wyoming's ailing economy. Additional federal regulatory conditions at this time would be counterproductive and could further weaken the railroad's ability to recover from previous financial and traffic losses; losses which were quite a hardship on many workers and businesses in Wyoming.

Again, I would urge the Board not to impose any additional conditions on the Union Pacific operations in the Houston and Gulf Coast area. Thank you for the opportunity to comment and please feel free to contact me if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Jayne Mockler".

E. Jayne Mockler

August 24, 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 in its southern corridor. Considering the financial and operational losses experienced by the Union Pacific in its efforts to resolve these problems, I do not believe that additional federal regulatory conditions will be of any benefit to the Union Pacific or its customers.

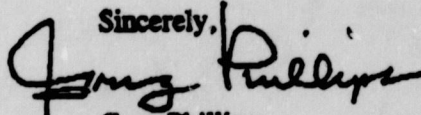
Reports submitted to the Surface Transportation Board have indicated that Union Pacific train speeds are up on all major corridors emanating from Houston and Memphis. On lines from Houston to New Orleans, speeds are up by factors of 50% to almost 100%. Dwell times for Union Pacific trains in major Houston yards are much reduced by 46% at Englewood yard and by 38% at Settegast yard, two Union Pacific yards critical to southern corridor train movement.

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 has been disappointments with Union Pacific's service over the past year, Union Pacific has improved conditions considerably and needs the opportunity to continue its progress.

Your attention to this issue is much appreciated.

Sincerely,

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

Greg Phillips
State Senator

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881



Senate

SENATOR VINCENT V. PICARD
Senate District 9 - Albany County
1402 Steele
Laramie, Wyoming 82070

Committees:
Judiciary
Travel, Recreation, Wildlife
and Cultural Resources

August 19, 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 will commence oversight proceedings to decide whether to impose additional conditions on the Union Pacific/Southern Pacific merger in the Houston and Gulf Coast area. I am writing to urge the Board not to impose additional conditions.

Additional conditions placed on the Union Pacific would severely weaken Union Pacific at a time when it has already suffered extensive financial and traffic losses due to its service crisis over the past year. Any additional conditions placed on the Union Pacific would further hinder Union Pacific's financial position by costing well over half a billion dollars in annual gross revenues. The best way to deal with the problems facing Union Pacific is to let them work their way back. Significant headway has been made by Union Pacific in the past few months. There is no basis from either a competitive or a service-related standpoint to impose additional conditions.

Union Pacific Railroad is an important part of Wyoming's economy. Weakening the Union Pacific's ability to effectively compete and provide service will have negative consequences throughout its system, including Wyoming. Again, I urge the Board not to impose additional conditions. Thank you for your time and consideration.

Sincerely,

Signed 8/19/98
VVP

Vincent V. Picard
State Senator

Wyoming State Legislature c.

100 State Capitol, Cheyenne, WY 82002 Telephone 307 777 7121
FAX 307 777 7122



August 17, 1998

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

REPRESENTATIVE RODNEY "PETE" ANDERSON

House District 1
Laramie County
P.O. Box 100
One State Wyoming Plaza
Cheyenne, Wyoming 82002

Committees:

Education
Agriculture, Public Lands and Water Resources

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No 32760(Sub-No.26).

The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years the growth and expansion in Wyoming have been synonymous with that of Union Pacific Railroad.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishments did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the western states. Union Pacific Railroad's ability to invest in its infrastructure and to effectively compete are critical factors to the State of Wyoming.

Wyoming State Legislature

111 State Capitol, Cheyenne, Wyoming 82002 Telephone 307-777-7881
TDD: 307-777-7881



REPRESENTATIVE RODNEY "PETE" ANDERSON

House District 10

Laramie County

P.O. Box 338

Rock Springs, Wyoming 82902

Committees:

Education

Agriculture, Public Lands and Water Resources

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

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

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 10, 1998

Senate

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

SENATOR GUY E. CAMERON

Majority Floor Leader

Senate District 7

Laramie County

P.O. Box 5086

Cheyenne, Wyoming 82003

Committees:

Travel, Recreation, Wildlife and

Cultural Resources

Minerals, Business and Economic Development

Management Audit

Management Council

Rules and Procedure

School Capital Construction

Transportation of Oil, Gas and Minerals

Dear Secretary Williams:

It is my understanding that recent reports have been submitted to the Surface Transportation Board that indicate that the Union Pacific Railroad's operational and service related problems have been resolved in its southern corridor near Houston and the Gulf Coast. While there have been disappointments with Union Pacific's service, Union Pacific has managed to turn things around in spite of the Board's earlier emergency service orders, which the Board declined to extend on August 2, 1998. Union Pacific's efforts show that it is capable and willing to resolve the 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 Wyoming.

Wyoming is an important part of the Union Pacific Railroad system. Growth in rail movements across Wyoming has increased that importance by adding new employment to our state and providing improved rail transportation for key Wyoming products such as coal and soda ash. The recent service crisis experienced by Union Pacific Railroad in its southern corridor has weakened the Union Pacific both financially and operationally. I would urge the Surface Transportation Board not to further burden the Union Pacific Railroad by imposing additional federal regulatory conditions upon Union Pacific Railroad at a time when it appears that the Union Pacific has ended the crisis and is returning rail traffic to normal levels.

Additional federal regulatory conditions would be counter productive by weakening Union Pacific when it has already suffered large financial and traffic losses over the last year due to the service problems. I recommend the Board not impose additional federal regulatory conditions on Union Pacific in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Guy E. Cameron".

Guy Cameron

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



House of Representatives

REPRESENTATIVE ROSS DIERCKS

House District 2
Converse/Goshen/Niobrara/Western Counties
514 South Oak
Lusk, Wyoming 82225

Committees:

Agriculture, Public Lands and Water Resources
Corporations, Elections and
Political Subdivisions
Management Council
Select Committee on School Finance
Transportation of Oil, Gas and Minerals

August 15, 1998

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

Dear Secretary Williams,

The State of Wyoming is an important part of the Union Pacific Railroad system. In turn, the Union Pacific is vital to Wyoming's exports of coal and soda ash. I understand that the recent service crisis experienced by Union Pacific Railroad in its southern corridor has weakened the Union Pacific both financially and operationally.

Recent reports have been submitted to the Board that indicate that the operational and service related problems have been resolved in the UP's southern corridor. Union Pacific has managed to turn things around in spite of the Board's earlier emergency service orders. These efforts show that Union Pacific is capable and willing to resolve the problems; however, additional federal regulatory conditions would weaken Union Pacific's continued efforts and erode the investments it must make to keep the system moving. These investments are critical to Wyoming.

Additional federal regulatory conditions would be counter-productive by weakening Union Pacific when it has already suffered large financial and traffic losses over the last year due to the service problems. I recommend the Board not impose additional federal regulatory conditions on Union Pacific in the Houston and Gulf Coast area.

Sincerely,

A handwritten signature in cursive script, reading "Ross Diercks".

Ross Diercks
State Representative

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82006 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>

August 13, 1998



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

House of Representatives

REPRESENTATIVE FLOYD ESQUIBEL

House District 44
Laramie County
1222 West 31st Street
Cheyenne, Wyoming 82001

Committees:

Corporations, Elections and
Political Subdivision
State Hospital and Mental Health

Dear Secretary Williams:

I understand that the Surface Transportation Board on August 2, 1998, declined to extend emergency service orders on the Union Pacific in its Houston and Gulf Coast area and yet the 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. Rail service reports indicate that the Union Pacific has resolved the service problems and has significantly improved the 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 southern corridor, I do not believe that additional federal regulatory conditions will be of benefit to the State of Wyoming, Union Pacific or its customers.

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.

Reports have indicated that Union Pacific train speeds are up on all major corridors emanating from Houston and Memphis. Dwell times for Union Pacific trains in major Houston yards are much reduced by 46% at Englewood yard and by 38% at Settegast yard, two Union Pacific yards critical to southern corridor train movement.

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

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Floyd Esquibel".

Floyd Esquibel
State Representative

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 18, 1998

House of Representatives

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

REPRESENTATIVE LEO GARCIA

House District 12
Laramie County
1113 Southwest Drive
Cheyenne, Wyoming 82007

Committees:

Travel, Recreation, Wildlife and
Cultural Resources
Transportation and Highways
Management Council

Dear Secretary Williams:

I am writing to state my opposition to the Surface Transportation Board's imposition of additional federal regulatory conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Western state rail transportation and competition are best served by having strong, balanced rail systems. The proposal to impose additional regulatory conditions upon the Union Pacific Railroad in its southern corridor would go in the wrong direction by weakening Union Pacific and strengthening the Burlington Northern/Santa Fe, Kansas City southern Railroad and the TexMex Railroad at Union Pacific's expense. Union Pacific has fought its way back from its service problems and needs the ability to invest heavily in its infrastructure both in the Houston - Gulf Coast area and throughout its twenty-three state system, including the state of Wyoming.

Additional federal regulatory conditions would curtail Union Pacific's competitive position against other very strong competing railroads and undermine its ability to be an effective, vigorous competitor throughout the West. The consequence is that shippers such as the Powder River Basin coal producers and the Green River soda ash producers and Wyoming communities along the Union Pacific main line (Cheyenne) will ultimately suffer due to any weakening of Union Pacific's competitive position.

It is my opinion that additional federal regulatory conditions would be unfair and counterproductive. I urge the Board not to impose conditions on the Union Pacific in the Houston and Gulf coast area. Your time and consideration is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Leo Garcia".

Leo Garcia

State Representative

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7861
<http://legisweb.state.wy.us>



August 21, 1998

House of Representatives

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

REPRESENTATIVE JOHN HANES

House District 42
Laramie County
848 Creighton Street
Cheyenne, Wyoming 82009

Committees:

Corporations, Elections and
Political Subdivisions, Chairman
Management Council
Technology in the Legislature

Dear Secretary Williams:

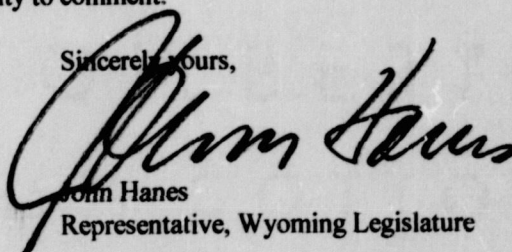
The State of Wyoming is an important part of the Union Pacific Railroad system. Recent growth in rail movements across Wyoming has increased that importance by adding new employment to our state and providing improved rail transportation for key Wyoming products such as coal and soda ash. The service crisis experienced by Union Pacific Railroad in its southern corridor (Houston and the Gulf Coast area) has weakened the Union Pacific both financially and operationally. I am writing this letter to urge the Surface Transportation Board not to further burden the Union Pacific Railroad by imposing additional federal regulatory conditions upon Union Pacific Railroad at a time when it appears that the Union Pacific has ended the crisis and is returning rail traffic to normal levels.

Recent reports submitted to the Surface Transportation Board indicate that the operational and service related problems have been resolved in Union Pacific's southern corridor. While there has been disappointment with Union Pacific's service, Union Pacific has managed to turn things around in spite of the Board's earlier emergency service orders. These efforts show that Union Pacific is capable and willing to resolve the 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 Wyoming.

Additional federal regulatory conditions would be counter productive by weakening Union Pacific when it has already suffered large financial and traffic losses over the last year due to the service problems. Continued losses could negatively impact Union Pacific's ability to strengthen its infrastructure throughout its system, including Cheyenne and the state of Wyoming. I view further federal intervention as counterproductive and would curtail Union Pacific's recent improvements and progress. I urge the Board not to impose additional federal regulatory conditions on Union Pacific in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely yours,



John Hanes
Representative, Wyoming Legislature

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881

August 24, 1998



House of Representatives

REPRESENTATIVE RAY HARRISON
House District 27 - Washakie County
170 West River Road
Worland, Wyoming 82401
Committee:
Transportation & Highways,
Chairman

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 southern corridor, I do not believe that additional federal regulatory conditions will be of any benefit to the Union Pacific or its customers.

Reports have indicated 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 are much reduced by 46% at Englewood yard and by 38% at Settegast yard, two Union Pacific yards critical to southern corridor train movement.

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 has been disappointments with Union Pacific's service over the past year, Union Pacific has improved conditions considerably and needs the opportunity to continue its progress.

Your attention to this issue is much appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Ray Harrison".
Ray Harrison

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 25, 1998

House of Representatives

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

REPRESENTATIVE BRUCE A. HINCHEY

Speaker of the House
House District 36
Natrona County
4011 Kent Street
Casper, Wyoming 82609

Committees:
Rules and Procedure, Chairman
Management Council
Select Water

Dear Secretary Williams:

Wyoming is a vital part of Union Pacific Railroad system. Recent growth in rail movements across Wyoming has increased that importance by adding a new employment to our state and providing improved rail transportation for key Wyoming products such as coal and soda ash. I understand that the recent service crisis experienced by Union Pacific Railroad in its southern corridor has weakened the Union Pacific both financially and operationally. I would urge the Surface Transportation Board not to further burden the Union Pacific Railroad at a time when it appears that the Union Pacific has ended the crisis and is returning rail traffic to normal levels.

Recent reports have been submitted that indicate that the operational and service related problems have been resolved in Union Pacific's southern corridor. While there has been disappointments with Union Pacific's service, Union Pacific has managed to turn things around in spite of the Board's earlier emergency service orders. These efforts show that Union Pacific is capable and willing to resolve the problems. However, additional federal regulatory conditions would weaken Union Pacific's continued efforts to erode the investments it must make to keep its system running. These investments are critical to Wyoming.

Additional federal regulatory conditions would be counter productive by weakening Union Pacific when it has already suffered large financial and traffic losses over the last year due to the service problems. I recommend the Board not impose additional federal regulatory conditions on Union Pacific in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bruce A. Hinchey".

Bruce A. Hinchey
Speaker
Wyoming House of Representatives

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 22, 1998

House of Representatives

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

REPRESENTATIVE ROGER HUCKFELDT

House District 4
Goshen County
Bison Basin Ranch
HC 74 Box 10
Torrington, Wyoming 82240

Committees:

Travel, Recreation, Wildlife and
Cultural Resources
Labor, Health and Social Services
Management Audit

Dear Secretary Williams:

I would like to offer my comments in opposition to the Surface Transportation Board imposing more federal regulation on the Union Pacific Railroad. (Docket no.32760 sub-No.26)

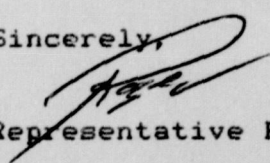
Wyoming and the U.P. Railroad have both suffered with up's and downs with growth through out the years. I believe much of the problems were compounded by unnecessary intervention from federal governmental agencies.

The recent problems with U.P. Railroad's southern corridor have had an impact on the State of Wyoming as well. However as of late the major problems with congestion have been addresses and train movements have improved. I believe in a recent report to the Surface Transportation Board from the Union Pacific Railroad it will show that to be true. The costs associated with these improvements are not minor ones. Competition in that industry is great and to place extra burdens on one player would have a devastating effect on their ability to compete. It's not the Wyoming or American way to kick a dog when it's working to get the job done. It hurts productivity and takes longer to get the chore at hand finished.

I urge the Surface Transportation Board to NOT impose addition regulatory conditions on the Union Pacific Railroad in its southern corridor. The Union Pacific Railroad is very important to Wyoming's economy. I truly feel any additional regulatory conditions would hurt not only the Union Pacific Railroad but also the State of Wyoming.

I appreciate and thank you for the chance to comment on this issue.

Sincerely,


Representative Roger Huckfeldt

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881



House of Representatives

REPRESENTATIVE WAYNE JOHNSON

House District 9 - Laramie County
5502 Canyon Road
Cheyenne, Wyoming 82009

Committees:

Corporations, Elections &
Political Subdivisions
Transportation & Highways

August 6, 1998

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

Dear Secretary Williams:

I am writing to oppose the Surface Transportation Board's imposing additional conditions upon the Union Pacific Railroad's Houston and Gulf Coast operation. I don't understand the logic of how harming a company and benefiting its competitors will make that company's operations better.

The Union Pacific Railroad has already been financially and operationally weakened due to its efforts to correct the service crisis that occurred last year in its southern corridor. Additional federal regulatory conditions would only further hinder Union Pacific Railroad's financial position and restrict important operational practices. This would cause further disruption and harmful effects.

Recent reports have indicated that the congestion in the southern corridor has cleared and service has improved. These improvements and accomplishments should not be weakened by further federal intervention.

I urge the Surface Transportation Board not to impose further conditions and to allow Union Pacific Railroad to continue to fight its way back as a competitor by improving services to customers in the Houston/Gulf Coast area as well as throughout its twenty-three state system.

Thank you for the opportunity to comment.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Wayne A. Johnson'.

Wayne A. Johnson

Representative Mac McGraw
Wyoming House of Representatives
District 41
3526 Essex Rd. Cheyenne, WY 82001

August 19, 1998

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

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No. 32760(Sub-No.26).

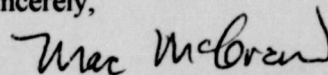
The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years the growth and expansion in Wyoming have been synonymous with that of the Union Pacific.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishments did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the Western states. Union Pacific's ability to invest in its infrastructure and to effectively compete are critical factors to the state of Wyoming.

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,



Representative Mac McGraw

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 11, 1998

House of Representatives

REPRESENTATIVE GEORGE B. MCMURTREY

House District 52
Campbell County
P.O. Box 229
Rozet, Wyoming 82727

Committees:

Corporations, Elections and Political Subdivisions
Labor, Health and Social Services
State Hospital and Mental Health Services

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

Dear Secretary Williams:

I am writing to state my opposition to the Surface Transportation Board imposing additional federal regulatory conditions on the Union Pacific Railroad in the Houston and Gulf Coast areas.

Rail transportation and competition in the Western states are best served by having two strong, balanced rail systems. The proposal to impose additional regulatory conditions upon the Union Pacific Railroad in its southern corridor would go in the wrong direction by weakening Union Pacific and strengthening the Burlington Northern/Santa Fe, Kansas City Southern Railroad and the TexMex Railroad at the Union Pacific's expense. Union Pacific has fought its way back from its service problems and needs the ability to invest heavily in its infrastructure both in the Houston-Gulf Coast area and throughout its twenty-three state system, including the state of Wyoming.

Additional federal regulatory conditions would curtail Union Pacific Railroad's competitive position against other very strong competing railroads and undermine its ability to be an effective, vigorous competitor throughout the West. The consequence is that shippers such as the Powder River Basin coal producers will ultimately suffer from these steps to weaken Union Pacific's overall competitive position.

It is my opinion that additional federal regulatory conditions would be unfair and counterproductive. I urge the Board not to impose conditions upon the Union Pacific in the Houston and Gulf Coast area. Your time and consideration is appreciated.

Sincerely,

A handwritten signature in dark ink, reading "George B. McMurtrey". The signature is fluid and cursive, with a large, stylized "M" at the end.

George B. McMurtrey, M.D., F.A.C.S.
Representative Wyoming Legislature
House District 52

GBM:ppe

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 31, 1998

House of Representatives

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

REPRESENTATIVE LARRY MEULI

House District 8
Laramie County
5417 Gateway Drive
Cheyenne, Wyoming 82001

Committees:

Travel, Recreation, Wildlife and
Cultural Resources
Transportation and Highways

Dear Secretary Williams:

As I understand it the Surface Transportation Board is considering adding new conditions upon the Union Pacific in their southern corridor. Since it appears that Union Pacific service is improving it would be counter productive to place new conditions upon them. It would seem more appropriate to allow the open market to work without interference from the government. That is what makes the free enterprise system work.

From my point of view any additional conditions placed upon Union Pacific from the Surface Transportation Board would have a harmful effect upon competition in this area. Therefore, I urge the Surface Transportation Board not to impose additional regulatory conditions upon Union Pacific. Let the free market system work!

Thank you,

R. L. Meuli
R. Larry Meuli, M.D., MPH
Representative
House District 8

RLM/sm

X:\msword\sheril\083198

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>

August 18, 1998



House of Representatives

REPRESENTATIVE WAYNE REESE

House District 11
Laramie County
716 East 20th
Cheyenne, Wyoming 82001

Committees:

Transportation and Highways
Minerals, Business and Economic Development
Management Audit

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

Dear Secretary Williams:

I am writing this letter to urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston/Gulf Coast area.

I have learned that several railroads and individual shippers in the Houston area are asking the Board for additional conditions on the Union Pacific. These requests are clearly unwarranted. The UP/SP merger, as conditioned by the STB, did not reduce competition in the Houston/Gulf Coast area or elsewhere. The service problems did not result from any loss of competition, but rather from a series of stresses that overwhelmed a weak SP infrastructure in the Gulf area. Additional conditions would interfere with UP's recovery from the service crisis. They would put more trains of other railroads on UP's already busy lines and would interfere significantly with UP's operations. Most importantly, these conditions could interfere with the UP's newly implemented safety programs and practices.

The additional federal regulatory conditions would also badly weaken UP at a time when it has already suffered extensive financial and traffic losses due to its service crisis over the past year. UP has lost over \$230 million over the last three quarters because of the problems in the Gulf area and the need to expand capacity immediately. These additional conditions would further undermine UP's financial position by exposing well over half a billion dollars in annual gross revenues to potential diversion to other competing railroads.

The Surface Transportation Board must recognize that additional conditions for UP in the Houston/Gulf Coast area are completely unnecessary in order to preserve competition between UP and BNSF or KCS/TexMex. I strongly urge the Board not to impose further conditions.

Thank you for accepting my comments.

Yours Truly,

A handwritten signature in cursive script that reads "Wayne Reese".

Wayne Reese
State Representative

Wyoming State Legislature

213 State Capitol, Cheyenne, Wyoming 82008 Telephone 307 / 777-7881
http://legisweb.state.wy.us



August 18, 1998

House of Representatives

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

REPRESENTATIVE TONY ROSS

House District 7
Laramie County
1712 Pioneer Avenue
Cheyenne, Wyoming 82001

Committees:

Corporations, Elections and
Political Subdivisions
Labor, Health and Social Services
State Hospital and Mental Health Services

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No. 32760(Sub-No. 26).

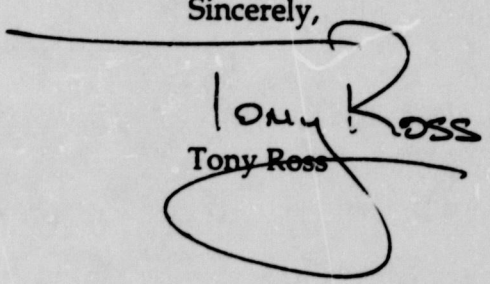
The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years the growth and expansion in Wyoming have been synonymous with that of Union Pacific Railroad.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishments did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the Western states. Union Pacific Railroad's ability to invest in its infrastructure and to effectively compete are critical factors to the State of Wyoming.

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

 Tony Ross.

Tony Ross

TR:bas

cc: Richard Hartman

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>

August 17, 1998



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

House of Representatives

REPRESENTATIVE PEGGY L. ROUNDS

House District 19
Uinta County
56 County Road 159
Evanston, Wyoming 82930

Committee:
Labor, Health and Social Services

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No.32760(Sub-No.26).

The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years the growth and expansion in Wyoming have been synonymous with that of Union Pacific Railroad.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishments did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the Western states. Union Pacific Railroad's ability to invest in its infrastructure and to effectively compete are critical factors to the State of Wyoming.

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

Peggy Rounds

Wyoming State Legislature

Wyoming State Legislature

August 17, 1998



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

Representative Marlene J. Simons
House District 1 - Cheyenne
West, Address 20
Berkeley, Wyoming 82712
Committees:
Education
Public and Private

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No. 32760 (Sub-No. 26).

The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years, the growth and expansion in Wyoming have been synonymous with that of Union Pacific Railroad.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishments did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the Western states. Union Pacific Railroad's ability to invest in its infrastructure and to effectively compete are critical factors to the State of Wyoming.

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script, reading "Marlene Simons".
Representative Marlene Simons

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7801
<http://legisweb.state.wy.us>



House of Representatives

REPRESENTATIVE BILL STAFFORD

House District 3
Goshen/Platte Counties
467 CS Road
Chugwater, Wyoming 82210

Committees:

Minerals, Business and
Economic Development, Chairman
Revenue
Rules and Procedure

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

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No.32760(Sub-No.26).

The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years the growth and expansion in Wyoming have been synonymous with that of Union Pacific Railroad.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishments did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the Western states. Union Pacific Railroad's ability to invest in its infrastructure and to effectively compete are critical factors to the State of Wyoming.

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Stafford", followed by a long horizontal line.

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



August 16, 1998

House of Representatives

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

REPRESENTATIVE JACK STEINBRECH

House District 48
Sweetwater County
2064 Skyview
Rock Springs, Wyoming 82901

Committees:

Agriculture, Public Lands and
Water Resources
Travel, Recreation, Wildlife and
Cultural Resources

Dear Secretary Williams,

This letter will serve as my official comment in opposition to the surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No.32760(Sub-No.26).

The Union Pacific Railroad has a long history in the State of Wyoming and our growth and expansion in southern Wyoming have been closely linked to Union Pacific Railroad.

The unexpected problems in Union Pacific's southern corridor experienced after the Union Pacific/Southern Pacific merger have drawn much publicity and criticism. Additional federal regulatory conditions, if imposed will certainly erode Union Pacific's ability to remedy a difficult situation and make investments in important system wide infrastructure including much needed investment in Wyoming. I have never known a regulatory burden to be a benefit to the party being regulated or to the long term benefit of the public.

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Jack Steinbrech".

Jack Steinbrech
Wyoming State Representative

cc: Richard M. Hartman
Union Pacific Railroad

Wyoming State Legislature

State Capitol, Cheyenne, Wyoming 82002 Telephone 307-777-1131
No registered state bills



August 17, 1998

REPRESENTATIVE HARRY B. TIPTON

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

1998-1999
1998-1999-2000
Committees:
1998-1999
1998-1999

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No.32760(Sub-No.26)

The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years the growth and expansion in Wyoming have been synonymous with that of Union Pacific Railroad. We have had differences but overall the relationship has been very beneficial.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishment did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the Western states. Union Pacific Railroad's ability to invest in it's infrastructure and to effectively compete are critical factors to the State of Wyoming.

Union Pacific Railroad continue to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast area.

Thank you for the opportunity to comment.

Sincerely,

Representative Harry B. Tipton, MD

HBT/tr
cc: Dick Hartman

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881

August 19, 1998



House of Representatives

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

REPRESENTATIVE LOUIE TOMASSI

House District 20
Lincoln, Sublette Counties
P.O. Box 549
Big Piney, Wyoming 83113

Committee:

Corporations, Elections and
Political Subdivisions

Dear Secretary Williams:

This letter will serve as my official comment in opposition to the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area: Docket No. 32760 (Sub-No.26).

The Union Pacific Railroad has a long history with the State of Wyoming, beginning in 1868. Through the years the growth and expansion in Wyoming have been synonymous with that of Union Pacific Railroad.

The unexpected problems in Union Pacific's southern corridor has drawn much criticism. However, recent reports filed by the Union Pacific Railroad to the Surface Transportation Board have indicated that the major congestion problems have been resolved and that significant improvement in service and train movements have been accomplished. These accomplishments did not come without a price. If additional federal regulatory conditions were imposed, they would erode Union Pacific's ability to make important investments for its infrastructure throughout its system and undermine its ability to effectively compete against other railroads, not only in the Houston and Gulf Coast area, but throughout the Western states. Union Pacific Railroad's ability to invest in its infrastructure and to effectively compete are critical factors to the State of Wyoming.

Union Pacific Railroad continues to be an important part of Wyoming's economy. Additional federal regulatory conditions imposed by the Surface Transportation Board would be counterproductive by weakening the Union Pacific Railroad when it has already suffered large financial and traffic losses. I urge the Surface Transportation Board not to impose additional conditions on the Union Pacific Railroad in the Houston and Gulf Coast Area.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script, appearing to read "Louie".
Louie Tomassi,

Representative House Dist. 20

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>



House of Representatives

REPRESENTATIVE LOREN "TEENSE" WILLFORD

House District 47
Albany/Carbon Counties
P.O. Box 103
Saratoga, Wyoming 82331

Committees:

Agriculture, Public Lands and
Water Resources, Chairman
Revenue
Rules and Procedure
Select Water

August 22, 1998

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

Dear Secretary Williams:

It is my understanding that the Surface Transportation Board intends to initiate oversight proceedings to determine if additional federal regulatory conditions should be imposed on Union Pacific Railroad in the Texas and Gulf Coast area. I would urge the Board not to impose these conditions for the following reasons,

-The Union Pacific Railroad is already financially and operationally weakened from measures taken to resolve the service crisis.

-Over the next several years, the Union Pacific Railroad will be required to substantially invest in systemwide infrastructure upgrades. The resources for these upgrades will be generated from current and future traffic base systemwide.

-Imposition of additional federal regulatory conditions in the Houston and Gulf Coast areas will shift this burden to places like Wyoming and will have adverse impact on Wyoming based shippers and the economy on the State of Wyoming and its communities.

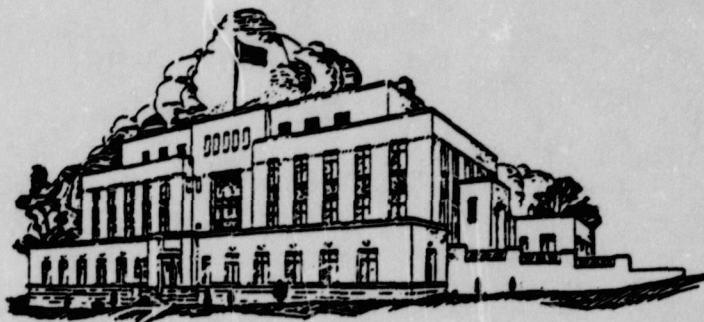
The proposed imposition of additional regulations by the STB is both unfair and will impede Union Pacific's ability to continue to make improvements in service and traffic movements. Future investments by Union Pacific into its infrastructure are vital for Western States like Wyoming. I urge the Board not to impose further regulatory conditions.

Thank you,

A handwritten signature in cursive script, reading "Teense Willford".

L.H. "Teense" Willford
State Representative House district # 47

Art Zeiger, Chairman
Gary Graalman
Linda Fleming



P.O. BOX 6
RAWLINS, WY. 82301
1-307-328-2671

Commissioners of Carbon County

Rawlins, Wyoming 82301

August 18, 1998

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

Dear Secretary Williams:

We are writing to urge the Surface Transportation Board not to impose additional conditions upon the Union Pacific Railroad in the Houston and Gulf Coast area.

Houston, Texas and the Gulf Coast may seem a long way from Carbon County, Wyoming, however, Union Pacific Railroad is an important link to many markets across the country. It is our belief that additional conditions placed upon Union Pacific in its southern corridor could have negative impacts upon rail service to Carbon County and the State of Wyoming.

We are concerned that further regulatory conditions will undermine Union Pacific's ability to invest in service and infrastructure throughout its system, including Carbon County and the State of Wyoming.

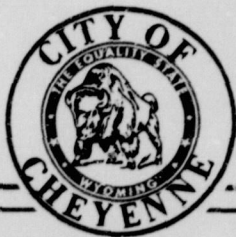
For this reason, the Carbon County Commissioners oppose the imposing of additional conditions by the Surface Transportation Board on Union Pacific Railroad operations around Houston and the Gulf Coast. Thank you for the opportunity to comment.

Sincerely,
BOARD OF COMMISSIONERS
Carbon County, Wyoming

Artlin Zeiger, Board Chairman

Gary Graalman, Commissioner

Linda Fleming, Commissioner



OFFICE OF THE MAYOR
2101 O'Neil Avenue, Room 310
Cheyenne, WY 82001
(307) 637-6300
FAX: (307) 637-6378
E-mail: mayor@cheyenneweb.com

6 August 1998

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

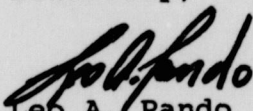
Dear Secretary Williams:

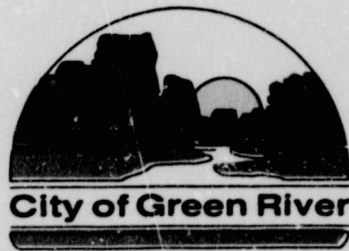
I am writing to oppose additional conditions being imposed upon Union Pacific Railroad in the Houston and Gulf Coast area.

Rail service and competition in the West are best served by having a balanced rail system. Additional regulatory conditions would go in the wrong direction by weakening Union Pacific and strengthening its competitors at Union Pacific's expense. Union Pacific has fought its way back from its service problems in the southern corridor and needs the ability to invest heavily in its infrastructure both in the southern corridor and throughout its system, including Cheyenne, Wyoming. Imposing additional conditions will have harmful effects for the overall quality of Union Pacific's service in the West.

I urge the Board not to impose additional conditions upon Union Pacific Railroad and to let the Union Pacific continue its recovery efforts.

Sincerely,


Leo A. Pando
Mayor



MAYOR

August 28, 1998

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

Dear Secretary Williams:

This letter will serve as an official comment regarding the Surface Transportation Board imposing additional federal regulatory conditions upon the Union Pacific Railroad in the Houston and Gulf Coast areas: Docket No. 32760 (Sub-No. 26).

Union Pacific Railroad has a long history with the City of Green River, Wyoming, beginning in 1868. Through the years, the growth and expansion of the City of Green River has been synonymous with that of Union Pacific Railroad. During the UP/SP merger proceedings, it was very evident that once again Green River would be a recipient of potential economic growth.

The unexpected post-merger problems in Union Pacific's southern corridor has drawn much criticism. However, reports filed to the Surface Transportation Board indicate that the major problems have been resolved and that significant improvement in service and train movements are occurring. These accomplishments did not come without a price. Additional federal regulatory conditions would curtail Union Pacific's continued efforts and erode the investments it must make to keep its system running. These investments are critical to the City of Green River and the State of Wyoming.

The City of Green River opposes additional conditions upon the Union Pacific Railroad in the Houston and Gulf Coast areas. Additional conditions would be counterproductive by weakening Union Pacific Railroad when it has already suffered large financial and traffic losses over the last year.

Thank you for the opportunity to comment.

Sincerely,

Norman C. Stark
Mayor

lh



Laramie County Government

The Board of County Commissioners

Fred Emerich, D.V.M.
Chairman

Jack Knudson
Vice Chairman

Jeff Ketcham
Commissioner

August 13, 1998

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

Dear Secretary Williams:

It is the understanding of the County Commissioners of Laramie County, Wyoming, that the Surface Transportation Board will commence oversight proceedings to decide whether to impose additional conditions on the Union Pacific/Southern Pacific merger in the Houston and Gulf Coast area. We are opposed to this action and urge the Board to not further limit Union Pacific's ability to recover from the service crisis it experienced for the past year.

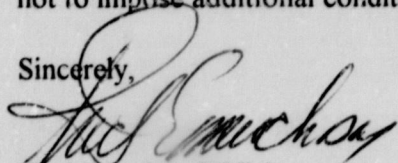
It is our opinion that additional regulatory conditions would not benefit rail service in Union Pacific's southern corridor, nor would they have a positive effect upon the rail service throughout the Union Pacific system. Additional conditions would only weaken Union Pacific after it has already incurred significant losses due to the costs of the service crisis and the need to invest in expanded capacity. To further weaken Union Pacific is a mistake.

After more than one-hundred years of having Union Pacific as a vital part of our economy, we believe there is no basis from either a competitive or a service-related standpoint to impose additional conditions upon a railroad that has a strong history of fighting back and resolving problems.

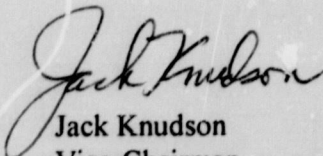
Since the merger, there have been more Union Pacific trains moving on the main line, up to seventy per day, and Union Pacific employment has increased and is expected to continue to grow with the growing importance of the main line. While there have been disappointments with Union

Pacific's service over the past year, it has improved significantly over the past few months. These service improvements will continue without need for further federal intervention. We urge the Board not to impose additional conditions. Thank you.

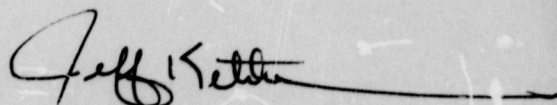
Sincerely,



Fred Emerich, DVM
Chairman
Commissioner



Jack Knudson
Vice-Chairman
Commissioner



Jeff Ketcham
Commissioner

FE, JBK, JEK/jr

August 19, 1998

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



CITY OF ROCK SPRINGS
212 D STREET • ROCK SPRINGS, WYOMING 82901

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 in the Houston and Gulf Coast area. I would urge the Board not to impose additional federal regulatory conditions upon the Union Pacific Railroad, who is already financially and operationally weakened from its efforts in resolving the recent service and rail traffic crisis.

Union Pacific railroad has lost hundreds of millions of dollars in lost traffic, escalated costs and claims exposure. However, at the same time, Union Pacific has managed to resolve the service problems and cleared the train congestion within the Houston and Gulf Coast area. Important rail traffic indicators such as Union Pacific car inventory, transit times within the Houston-Gulf Coast area, unblocked siding counts and train speeds, all show that Union Pacific has cleared the train congestion and has return efficient rail service. The notion that there is still a rail service crisis in the southern corridor of Union Pacific's system is not justified, nor is the need for additional regulatory conditions justifiable.

Substantial investments toward Union Pacific's infrastructure will be required if Union Pacific experts to compete against the major Class I western railroads. These investments must be generated from Union Pacific's current and future traffic base, including Union Pacific's railroad in Sweetwater County and in the State of Wyoming. If additional conditions are imposed upon Union Pacific in Houston and the Gulf Coast, they would undermine Union Pacific's ability to make important investments in throughout their system, including Wyoming. Additional federal regulatory conditions would be counter productive and would burden the already weakened Union Pacific Railroad.

Your consideration of my comments is very much appreciated.

Sincerely,

Paul S. Oblock
Mayor