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(Sub 30)

10-16-98

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OmniSource
CORPORATION

Rail & Barge Transportation
1610 North Calhoun Street
Fort Wayne, Indiana 46808
(219) 427-6329
Fax (219) 422-4308
October 13, 1998

Houston/Gulf Oversight Proceedings
Re: Finance Docket No. 32760 (Sub-Nos. 26 and 28)

My name is Phillip R. Bedwell. I am the Corporate Director of Rail and Barge Transportation for OmniSource Corporation. Our corporate office is located in Fort Wayne, Indiana with 20 locations throughout the midwest. We are in the business of buying, processing, and selling of ferrous and nonferrous scrap metals.

I am filing this Verified Statement in support of The Burlington Northern and Santa Fe Railway's ("BNSF") request that the Board grant permanent bi-directional overhead trackage rights on UP's Caldwell - Flatonia-Placedo line. I believe that this request will benefit our company and other shippers and will result in service improvements, needed operational flexibility and the ability to avoid adding unnecessary traffic to the Houston terminal area.

BNSF's rights on the Placedo route are temporary, directional (southbound) and conditional on UP continuing directional operations south of Houston. On September 18, 1998, UP indicated to the Board that it intends to end its directional running operations after it completes an additional siding near Angleton, TX. When UP ends directional operations on this route, BNSF will be barred by UP from further use of this line.

I believe that BNSF needs to ensure that it can avoid operating over the Algoa route - even if UP completes proposed capital improvements on that route - to minimize the risk of delay for its trains. Moreover, since operations via the Algoa route unnecessarily brings traffic through the Houston terminal area, an alternative routing such as BNSF requests make sense. Indeed, this routing was available to SP pre-merger since it was formerly an SP route and BNSF's request would simply permit BNSF to replicated the competitive options available to shippers by the former SP.

In addition, having permanent versus temporary trackage rights would permit BNSF to participate, as necessary and appropriate, in needed infrastructure investment (sidings, etc.) on this line. Understandably, BNSF is not likely to commit to such investment when its rights can be canceled on short notice by UP.

For all these reasons, the Board should grant BNSF's request to maintain these bi-directional overhead trackage rights on a long-term basis. This would benefit our company and other shippers and will result in service improvements for both UP and BNSF to provide greater operational flexibility and reduce congestion in the Houston terminal area.

I certify under penalty of perjury that the foregoing is true and correct. Executed this 13th day of October, 1998.

Sincerely,

Phillip R. Bedwell
Corporate Director Rail and Barge Transportation



OmniSource
CORPORATION

Rail & Barge Transportation
1610 North Cathoun Street
Fort Wayne, Indiana 46808
(219) 427-5329
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I am filing this Verified Statement in support of The Burlington Northern and Santa Fe Railway's ("BNSF") request that the Board grant permanent bi-directional overhead trackage rights on UP's Caldwell-Flatenia-San Antonio line. We believe that this request will benefit our company and other shippers and will result in service improvements and needed operational flexibility.

BNSF's trackage rights on UP's San Antonio line were granted by UP in July, 1997 to permit BNSF to bypass its more congested permanent trackage rights route via Temple-Smithville-San Antonio. These rights, however, are temporary and cancelable on short notice. In its September 18 filing, UP indicated to the Board that it intends BNSF to return to its permanent UP trackage rights route at some time in the future and commence directional operations on the Caldwell to Flatenia route.

The Board must understand the importance of these bi-directional rights to shippers. These rights have allowed BNSF to bypass congestion on BNSF's permanent UP trackage rights route, and to operate with greater consistency between Temple and San Antonio, TX, providing service at San Antonio and, in conjunction with additional routes, to the vital Eagle Pass, TX gateway with Mexico. BNSF's request is that it be provided the option by UP to use either the former SP or the former UP routes between Temple and San Antonio, whichever route is least congested and most capable, on a day to day basis, of providing for scheduled operations. This flexibility would enhance the consistency in BNSF's scheduled operations and service provided by BNSF to shippers like our company, without causing congestion for UP. Indeed, this routing was available to SP pre-merger since it was formerly an SP route and BNSF's request would simply permit BNSF to replicated the competitive options available to shippers by the former SP.

In addition, having permanent versus temporary trackage rights would also permit BNSF to participate, as necessary and appropriate, in needed infrastructure investment (sidings, etc.) on this line. Understandably, BNSF is not likely to commit to such investment when its rights can be canceled on short notice by UP.

For all of these reasons, the Board should grant BNSF's request to maintain these bi-directional overhead trackage rights on a long-term basis. This would benefit our company and other shippers and will result in service improvements for both UP and BNSF to provide greater operational flexibility and reduce congestion.

I certify under penalty of perjury that the foregoing is true and correct. Executed this 13th day of October, 1998.

Sincerely,

Phillip R. Bedwell

Corporate Director Rail and Barge Transportation



OmniSource
CORPORATION

Rail & Barge Transportation
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I am filing this statement in support of the The Burlington Northern and Santa Fe Railway's ("BNSF") request that the Board grand overhead trackage rights to enable BNSF, should it determine to do so, to join the directional operations over any UP line or lines where UP commences directional operations and where BNSF has trackage rights over one, but not both, lines involved in the UP directional flows. We believe that this request will benefit our company and other shippers and will result in service improvements and needed operational flexibility.

Under present operations, BNSF has to run bi-directional operations in certain situations over UP trackage rights lines where UP has instituted directional operations such as over the Fort Worth to Dallas, TX line (via Arlington). In such instances, BNSF trains are delayed when running "against the current" of UP's directional operations until the line is cleared of UP trains. In addition to delaying BNSF traffic, UP traffic is potentially delayed while BNSF operates against the UP "current of traffic", consuming more of the line's capacity than would be utilized with directional operations. These delays to both BNSF and UP traffic adversely impact service to our company and other shippers.

We believe that UP's unilateral and unanticipated institution of temporary directional flows on various lines in Houston/Gulf Coast area have harmed the effectiveness of the rights granted to BNSF by the Board. UP's accommodation of its own operational needs--and later decisions to cease directional running on its lines such as on the former SP Caldwell-Flatonia-Placedo line--causes disruption to BNSF's operations and inhibits BNSF's ability to provide consistent, predictable and reliable service to our company and other shippers. Such significant changes in rail operations not only undermines the competitive rights BNSF was granted but understandably inhibits BNSF's incentive to make capital commitments to enhance service to shippers.

In sum, we believe that the BNSF's request would help to alleviate the degradation in service and reduce congestion on the lines over which UP has instituted directional operations. We are also in favor of this request because it would eliminate the potential for UP to favor its own traffic over that of BNSF moving on trackage rights lines.

For all of these reasons, the Board should grant BNSF's request. It would benefit our company and other shippers and will result in service improvements for both UP and BNSF.

I certify under penalty of perjury that the foregoing is true and correct. Executed this 13th day of October, 1998.

Sincerely,

Phillip R. Bedwell

Corporate Director Rail and Barge Transportation



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CORPORATION

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1610 North Calhoun Street
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My name is Phillip R. Bedwell. I am the Corporate Director of Rail and Barge Transportation for OmniSource Corporation. Our corporate office is located in Fort Wayne, Indiana with 20 locations throughout the midwest. We are in the business of buying, processing, and selling of ferrous and nonferrous scrap metals.

I am filing this Verified Statement in support of The Burlington Northern and Santa Fe Railway's request that the Board order that a neutral switcher shall supervise the Baytown/Cedar Bayou Branches. We believe that this request will benefit our company and other shippers on the branch and will result in service improvements for both UP and BNSF.

A neutral switcher would enhance the efficiency of operations for several reasons.

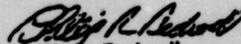
First, with only one neutral switcher on the branch, there would be less overall activity on the branch, a likely reduction in the number of switches and generally less congestion for all customers on the branch whether their rail services are provided by BNSF or UP. More specifically, with one carrier switching a shipper's facilities instead of two (potentially) now, there will be savings in the amount of time needed to perform the switching services, a reduction in rail movements through the plant or sidetrack, less need for supervision of the switching function, and the elimination of a need to separate shipments and cars between two directly servicing carriers.

Second, if there is only one neutral party supervising the switching of our plant, it would provide for better coordination of all activities including loading and emptying cars. Third, with increased efficiencies that a neutral switcher could provide, we would expect improved turnaround times on cars. Lastly, shippers like our company would benefit by having equal access to the linehaul services of BNSF and UP.

In sum, shippers need improved, efficient and competitive rail transportation service. We believe that this request will benefit our company and other shippers on the branch and will result in service improvements for both UP and BNSF.

I certify under penalty of perjury that the foregoing is true and correct. Executed this 13th day of October, 1998.

Sincerely,


Phillip R. Bedwell

Corporate Director Rail and Barge Transportation



OmniSource
CORPORATION

Rail & Barge Transportation
1610 North Calhoun Street
Fort Wayne, Indiana 46808
(219) 427-5329
Fax (219) 422-4308

October 13, 1998

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I am filing this statement in support of The Burlington Northern and Santa Fe Railway's ("BNSF") request that the Board grant trackage rights on additional UP lines in the Houston terminal area for BNSF to operate over any available clear routes throughout the terminal. We believe that this request will benefit our company and other shippers and will result in service improvements and needed dispatching flexibility in the Houston terminal.

Specifically, this request would permit BNSF to operate over any available clear routes through the terminal as determined and managed by the Spring Consolidated Dispatching Center, and not just over the former HB & T East and West Belts. The result would be to reduce congestion caused by BNSF trains staged in the Houston terminal waiting for track time to use the main trackage rights lines they currently share through the terminal and on the former HB & T East and West Belt lines.

This request would create an important safety valve for dispatchers to permit BNSF trains to traverse clear routes in the Houston terminal. It is a reasonable measure to avoid congestion and should pose no harm to UP as it does not give any competitive advantage to BNSF's operations in the Houston terminal.

The request thus stands to benefit all rail carriers operating in the Houston terminal area and the shipping public. It is in everyone's best interest to achieve better service for shippers and to reduce the congestion in the Houston terminal area. Accordingly, the Board should grant BNSF's request.

I certify under penalty of perjury that the foregoing is true and correct. Executed this 13th day of October, 1998.

Sincerely,

Phillip R. Bedwell

Corporate Director Rail and Barge Transportation



190077



July 17, 1998

ENTERED
Office of the Secretary

JUL 22 1998

Part of
Public Record

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

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

Dear Secretary Williams:

My name is Dan Curran, and I am Manager for Distribution and Customer Services for Penford Products. Our company has production facilities located in Cedar Rapids, Iowa as well as Idaho Falls, Idaho and is a manufacturer of specialty starches for the paper industry. Our facility is one of the major employers in the area and has been in business for over 100 years. We have a fleet of approximately 500 rail cars, which moves almost 75% of our finished product.

Penford is currently shipping about 100 boxcars per year of its product from Cedar Rapids to customers in Mexico over the El Paso gateway via the Burlington Northern and Santa Fe Railway Company. Our company is actively looking to expanding its market in Mexico and is concerned about the ability to have efficient and competitive service to all the Mexican gateways and South Texas.

We have been directly impacted by the congestion on UP lines in and around Houston and South Texas. Because of UP's unreliability and erratic transit times, we have had to supplement our rail shipments with truck shipments of raw materials coming out of Freeport, TX.



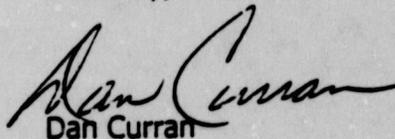
PENFORD
PRODUCTS CO

Based on our recent problems with rail services, we are supporting the requests of BNSF for: (i) permanent bi-directional overhead trackage rights on UP's Caldwell-Flatonia -San Antonio and Caldwell-Flatonia-Placedo lines; and (ii) overhead trackage rights on UP's San Antonio-Laredo line. It is our position that were the Board to grant BNSF's requests, S.T.B. would help to diminish the congestion on UP in and around Houston and South Texas as well as preserve competition as the Board originally envisioned in its decision approving the UP/SP merger.

If I can be of further assistance in this matter, please contact me directly at 319-298-3248.

I state under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Sincerely,


Dan Curran



PINSA

July / 2 / 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street. N. W.
Washington, D.C. 2043-0001

SUBJECT: Docket No. 32760 / Sub-No. 26

We are a company dedicated to the manufacture of steel reinforced bars, which have been doing business with enterprises in the USA and Canada.

Lately, or better said since the merger of UP/SP we have experienced a lot of delays on our business to the USA mainly because of the lack of competitiveness on rail transportation over the Laredo, Tx./ Nuevo Laredo Tamaulipas border.

The delays as we all know, have been due the problems that the UP/SP merger have incurred in handling appropriately this merger to the fact that we as many other companies have been jeopardizing our international business because of deals incurred in traffic.

Our company stongly believes that the UP/SP merger has not given us the opportunity of "alternate competition" on rail transportation services to perform the traffic through the mentioned border as the STB envisioned when it approved the UP/SP merger.

Therefore we kindly request that the BNSF obtain overhead trackage rights on UP's San Antonio - Laredo line, and that also obtain permanent bi-directional trackage rights on UP's Caldwell - Flatonia - San Antonio and Caldwell - Flatonia Placedo lines, in place of temporary trackage rights at present.

We believe that by approving these trackage rights, all parties involved, even the UP/SP will benefit from it, since they will hardiy incur in congestion again, since there will be another company that will compete with them and will enforce that both companies become efficient if they want to participate in the market.

Thanking you in advance for your kindly attention to my request and hoping that my request will be approved.

SINCERLY

Marco Medina
Sales Manager

PERFILES INDUSTRIALES DEL NORTE, S.A. DE C.V.

AVE. HUMBERTO LOBO 9015 • CD. INDUSTRIAL MITRAS • GARCIA, N.L.
TELE. (81) 381-01-04, 05, 06, 07 • 381-01-37, 38 • FAX (81) 381-00-93

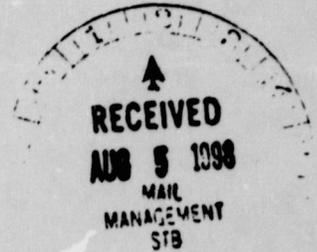

Rocky Mountain Steel Mills
TRAFFIC/SHIPPING
PO BOX 316
PUEBLO, CO 81002

190402

ENTERED
Office of the Secretary

AUG - 6 1998

Part of
Public Record



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

Re: Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

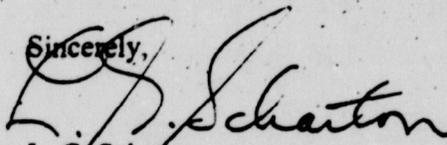
My name is Larry Scharon, and I am the Manager Traffic/Shipping for Rocky Mountain Steel Mills, an Oregon Steel Mills Company doing business at 1612 E. Abriendo Street, Pueblo, Colorado 81004. I am submitting this verified statement in support of The Burlington Northern and Santa Fe Railway Company's (BNSF) request for permanent overhead trackage rights between San Antonio and Laredo, Texas.

RMSM is currently shipping 10 to 12 carloads of Fluor Dust per month via Laredo. RMSM does yearly ship over 100 cars via Laredo and some of the other gateways. Laredo because of the destination of shipments would be our primary choice of gateways.

The UP/SP merger and the privatization of Mexico's railroads has resulted in a significant reduction in competition of rail services for our company and other shippers over the Mexican gateways. Because RMSM must rely on rail transportation to and from Mexico, and the fact that the majority of its rail traffic must move via the Laredo gateway due to customers's requirements and final destination of shipments. RMSM has been directly impacted by the lack of competitive service under the conditions the Board imposed in the UP/SP merger proceeding.

BNSF is hampered from providing RMSM with competitive service over the Laredo gateway for several reasons. First, the congestion problems associated with shipping traffic via BNSF over the Laredo gateway cause us great concern. Our traffic does not need to go through the Houston or Gulf Coast areas. However, since BNSF's only access to the Laredo gateway is by connecting with the Tex Mex via the heavily congested Algoa-Corpus Christi line, our traffic is subject to considerable delay and congestion. In addition, the reluctance of Tex Mex to enter into any long-term agreement with BNSF prevents BNSF from offering rates competitive to UP.

Sincerely,


L. G. Scharon

LGS

ROQUETTE AMERICA
1417 EXCHANGE STREET
KEOKUK, IOWA 52632
319-526-2204
FAX: 319-5262358

July 6, 1998

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

Dear Secretary Williams:

Now comes William R. Mudd, Director of Logistics, Roquette America Inc., 1417 Exchange Street, Keokuk, Iowa in Support of the Burlington Northern Santa Fe's petition for permanent overhead trackage rights on the Union Pacific's San Antonio-Laredo line permitting Burlington Northern Santa-Fe access to more direct route to Laredo.

Roquette America is a Corn Wet Miller with plants in Keokuk, Ia and Gurnee, Ill and have in excess of 500 employees. We produce Corn Syrup, Starch, Fructose, Dextrose and Sorbitol in addition to the by-products of wet milling. We currently are shipping Sorbitol from our Keokuk facility to various locations in Mexico via the Burlington Northern Santa-Fe railroad which serves this facility.

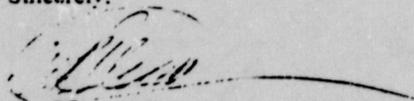
It is anticipated that the current volume will increase in the next 12 months from 10 cars /year to over 50 Cars / year. By granting these overhead trackage rights to the Burlington Northern Santa-Fe railroad we believe our transit time will be reduced substantial. We currently lease in excess of 850 rail tankcars to handle deliveries to our customers. The reduction in transit time directly affects our cost and allows Roquette America to become more competitive.

We pray that the Surface Transportation Board will consider this statement and grant the trackage right in order to improve the competitive position of Roquette America in this lane.

Mr. Vernon Williams
Page 2
July 6, 1998

Thank You for your consideration.

Sincerely,

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

W. R. (Bill) Mudd
Director Logistics

SANTA'S BEST.



2902 MUNICIPAL DRIVE
LUBBOCK, TX 79403
(806) 744-3272
FAX (806) 744-3273

October 14, 1998

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

Dear Sir,

My name is Richard Nugent. I am Vice President of Operations of Santa's Best. Our Company is a Seasonal-Decorative manufacturer and distributor with multiple locations in the United States. I am responsible for the Lubbock, Texas Division.

This letter is written in support of permanent overhead trackage rights on UP's San Antonio-Laredo line, and is specially in reference to: Finance Docket No. 32760 (Sub Numbers 26-28).

During 1998, the Lubbock Division imported approximately 700 railcars from our operation in San Luis Potosi, Mexico. Due to the "mass" traffic problems at the Laredo border and/or the San Antonio-Laredo line, I was forced to utilize the Eagle Pass Gateway to transport our product from San Luis Potosi, Mexico to Shallowater, Texas. The Eagle Pass routing increased the rail freight costs within Mexico by approximately 10% over a more direct route via San Luis Potosi - Laredo. It also increased mileage of the route, which increased my intransit time of the railcars, as compared to the San Luis Potosi-Laredo route.

I am filing this Verified Statement in support of The Burlington Northern and Santa Fe Railway's ("BNSF") request that the Board grant permanent trackage rights on the UP's San Antonio-Laredo line. I believe that this request will benefit our Company and other shippers and will result in service improvements and create meaningful competition for rail shippers to the Laredo Gateway.

It is my understanding that BNSF's request for trackage rights over San Antonio-Laredo line is designed to ensure that competition at this critical Mexican gateway does not

NORTHFIELD, IL

VINELAND, NJ

MANITOWOC, WI

HONG KONG

Honorable Vernon A. Williams

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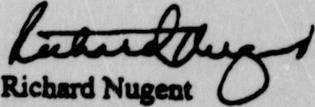
October 14, 1998

continue to be adversely impacted by UP's south Texas congestion and service problems specifically on the UP's Alcoa to Corpus Christi route.

Granting BNSF trackage rights to the Laredo Gateway through San Antonio will also allow BNSF to bypass the TexMex, with whom BNSF has been unable to conclude a competitive, long term commercial arrangement. I am concerned that the unexpected lack of competition in the privatized Mexican rail systems is preventing shippers from receiving a fully competitive service at the Laredo Gateway.

For all of these reasons I respectfully request that the Board grant BNSF's request for trackage rights over the San Antonio-Laredo line. I believe that this would benefit our Company and other shippers, and would result in service improvements to the Laredo Gateway, as well as provide a competitive alternative for shippers.

Sincerely,


Richard Nugent
Vice President

mm

11 11

SOUTH TEXAS LIQUID TERMINAL, INC.

THE COLONNADE, SUITE 793
9901 IH-10 WEST
SAN ANTONIO, TEXAS 78230
(210) 690-1956

SAN ANTONIO TERMINAL
(210) 228-3274
DALLAS TERMINAL
(214) 630-5094
CLOVIS TERMINAL
(505) 762-3361

October 14, 1998

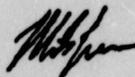
The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423

Re: Finance Docket No. 32760 (Sub-Nos. 26 and 28)

Dear Honorable Williams:

We support the Burlington Northern Santa Fe (BNSF) petition referenced in the above subject. Anything that will keep the rail traffic fluid and improve service to San Antonio we support.

Sincerely,



Miler Lee
General Operations Manager

ML/ddj

11 11

SYSCO



October 15, 1998

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

Re: Finance Docket No. 32760 (Sub-Nos. 26 and 28)

Dear Honorable Vernon A. Williams:

My name is Richard A. Kell. I am the Senior Director of Logistics of Sysco Corporation. Our company is headquartered in Houston, Texas and is the largest marketer and distributor of foodservice products in North America. Our distribution network is comprised of 70 distribution facilities throughout the United States including six facilities in Texas and Louisiana. These facilities receive inbound shipments by rail (intermodal as well as carload) and truck from origins throughout the United States.

Our company's need for reliable and efficient rail transportation services is expected to grow in the future. It is therefore important to our business that efficient and fluid rail service be available in the Houston/South Texas market. We have seen a degradation in service and fewer competitive options available for our rail transportation needs since the UP/SP merger. For these reasons, I am submitting this Verified Statement in support of The Burlington Northern and Santa Fe Railway's ("BNSF") requests for additional remedial conditions.

We support BNSF's requests because they will benefit our company and other shippers and will result in service improvements, needed operational flexibility and the ability to avoid adding unnecessary traffic to the Houston terminal area. For example, BNSF has requested that the Board grant trackage rights on additional UP lines in the Houston terminal area for BNSF to operate over any available clear routes throughout the terminal. We support this request because it would permit BNSF to operate over any available clear routes through the terminal as determined and managed by the Spring Consolidated Dispatching Center, and not just over the former HB&T East and West Belts. The result would be to reduce congestion caused by BNSF trains staged in the Houston terminal waiting for track time to use the main trackage rights lines they currently share through the terminal and on the former HB&T East and West Belt lines.

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Surface Transportation Board

October 15, 1998

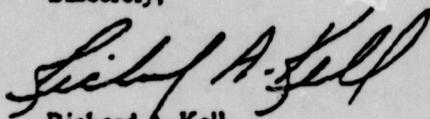
Page 2

We also support the requests of BNSF for (i) permanent bidirectional overhead trackage rights on UP's Caldwell-Flatonia-San Antonio and Caldwell-Flatonia-Placedo lines; and (ii) overhead trackage rights on UP's San Antonio-Laredo line. It is our position that were the Board to grant BNSF's requests, they would help to diminish the congestion on UP's lines in and around Houston and South Texas, as well as preserve competition as the Board originally envisioned in its decision approving the UP/SP merger.

In sum, BNSF's requests for remedial conditions stand to benefit all rail carriers operating in the South Texas and the shipping public. It is in everyone's best interest to achieve better service for shippers and to reduce the congestion in the Houston terminal and South Texas areas. Accordingly, the Board should grant BNSF's requests.

I certify under penalty of perjury that the foregoing is true and correct. Executed this 15th day of October, 1998.

Sincerely,



Richard A. Kell
Senior Director of Logistics
SYSCO CORPORATION



P. O. BOX 325 · RANCHO CUCAMONGA, CA 91739-0325

July 7, 1998

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

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

Dear Secretary Williams:

My name is Luke M. Pietrok, and I am Vice President, Purchasing for TAMCO, located at 12459 Arrow Highway, Rancho Cucamonga, California. I am submitting this verified statement in support of The Burlington Northern and Santa Fe Railway Company's ("BNSF") request for permanent overhead trackage rights between San Antonio and Laredo, Texas.

TAMCO is a steel mill, presently the only existing mill located in the state of California, with melting capabilities. In our manufacturing operations, it is necessary for us to extract the solids from the emissions that are generated in our melting process, in order to meet or exceed the state and federal air standards. These solids are classified as hazardous waste by the EPA, and must be shipped to a qualified recycling facility. We generate approximately 500,000 lbs. per month of waste that is shipped and routed through the Laredo gateway in Texas. It is therefore essential, that we have an efficient railway system in order for us to have a continuity of railcars, and at an economical cost. Being located in the west, we are already at a cost disadvantage, when you consider the distance we are required to ship this waste, compared to other steel mills that are located in the Midwest.

The UP/SP merger and the privatization of Mexico's railroads have resulted in a significant reduction in competition of rail services for our company and other shippers over the Mexican gateways. Because TAMCO must rely on rail transportation, and the fact that all of our rail traffic to and from Mexico must move via the Laredo gateway due to this being the only authorized crossing point into Mexico, TAMCO has been directly impacted by the lack of competitive service under the conditions the Board imposed in the UP/SP merger proceeding.



(909) 899-0880 ✦ FAX: (909) 899-1910 (ADMINISTRATION) ✦ FAX: (909) 899-4293 (SALES)

11
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July 8, 1998

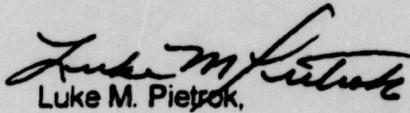
BNSF is hampered from providing TAMCO with competitive service over the Laredo gateway for several reasons. First, the congestion problems associated with shipping traffic via BNSF over the Laredo gateway causes us great concern. Our traffic does not need to go through Houston or Gulf Coast areas. However, since BNSF's only access to the Laredo gateway is by connecting with the Tex Mex Railroad via the heavily congested Algoa-Corpus Christi line, our traffic is subject to considerable delay and congestion. In addition, the reluctance of Tex Mex to enter into any long term agreement with BNSF, prevents BNSF from offering rates that are competitive to UP Rail.

In addition, the privatization of Mexico's railroad system (the FNM) has provided less than anticipated competition within Mexico, preventing shippers from realizing competitive service at the Laredo gateway.

Although UP/SP's service has shown some improvement recently, TAMCO continues to experience delays in service, lack of equipment, increased dwell times, and inefficient routing. If the Board were to grant BNSF's request, it would permit BNSF to provide effective competition for us and other shippers at the Laredo gateway as a replacement for SP, as was anticipated by the Board. It is the only long-term solution to address the service and competition problems that have, and continue to affect inbound and outbound traffic over the Mexican gateway.

Thank you for taking into consideration TAMCO's views on this important issue.

Sincerely,


Luke M. Pietrok,

Vice President, Purchasing

Cc: Patrick LeClaire - BNSF

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TEXAS CRUSHED STONE COMPANY

P.O. BOX 1000 • GEORGETOWN, TEXAS 78627-1000 • PHONE 512 963-5511 AUSTIN: 225-4405 • FAX 512 244-6255

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

Re Finance Docket No. 32760 (Sub-No. 26)

On behalf of the Texas Crushed Stone Company, I am submitting this verified statement to express my support of the Burlington Northern and Santa Fe Railway Company's (BNSF) request for permanent overhead trackage rights on the Union Pacific's Taylor-Milano line.

My name is William B. Snead, and I am President of the Texas Crushed Stone Company located in Georgetown, Texas. Our business address is P. O. Box 1000, Georgetown, Texas 78627. Our company is in the business of quarrying crushed limestone. Our product is used in a variety of ways including as a base material for roads, as aggregate in concrete, as aggregate in hot mix asphalt, in agriculture to neutralize soil acidity, and as an air scrubbing material in coal fired power plants. We ship our stone products outbound from our quarry near Georgetown to customers in Houston and other points along the Texas and Louisiana gulf coast. Additional shipments are made to points all over East Texas. In bound shipments to points on the Georgetown Railroad consists of empty stone cars, loaded lumber cars, loaded ammonium nitrate cars, and occasional shipments of other materials.

Currently, our rail service transportation needs are being provided by both BNSF and UP with an interchange with Georgetown Railroad at Kerr/Round Rock. For stone movements into and out of our quarry, the BNSF uses the trackage rights it was granted over the Kerr-Temple-Taylor line and sometimes the trackage rights it was granted over the Kerr-Taylor-Sealy line. It has been our experience that these routes are inadequate because of heavy congestion on UP lines and the circuitous routing on the Taylor-Temple-Milano route.

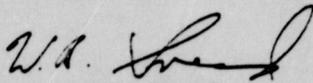
Because of the inefficiencies of the rail service being provided to us, we have been unable to fill our customers orders in a timely manner. Our customer's orders have accumulated to the point that we have had more than 1200 rail cars released for shipment. Again

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because of UP's congestion problems and BNSF's circuitous routing we have been only able to ship an average of about 90 cars per day. This has forced our customers to delay construction projects and lose money because they have had men and equipment waiting for the stone necessary to build these projects. Since many of these projects involve the construction or rehabilitation of vital highway projects, these delays are having a negative impact on the transportation infrastructure of the state of Texas.

If BNSF were granted overhead trackage rights over the UP's Taylor-Milano line, BNSF could provide Texas Crushed Stone with better, more efficient service by avoiding much of the congested and circuitous trackage rights that BNSF is currently using. The benefits derived from these BNSF trackage rights will benefit Texas Crushed Stone, our customers, the UP and the BNSF.

I certify under the penalty of perjury that the foregoing is true and correct. Executed this 6 day of July 1998.

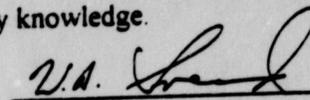


William B. Snead
President
Texas Crushed Stone Company

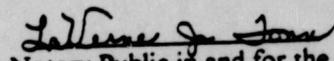
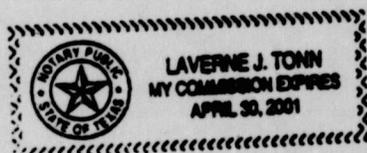
Verification

State of Texas
County of Williamson

I William B. Snead hereby verify that I have read the statements above and find that the statements are true and correct to the best of my knowledge.


William B. Snead

Subscribed and sworn to before me this 6th day of July 1998.


Notary Public in and for the
State of Texas

My Commission Expires 4/30/2001

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036

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

TELEPHONE:
(202) 347-7170

FAX:
(202) 347-3619

WRITER'S E-MAIL:

kjd@sloverandloftus.com

October 16, 1998

VIA HAND DELIVERY

Adrian L. Steel, Jr., Esq.
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Re: Finance Docket No. 32760 (Sub. Nos. 26 and 28)

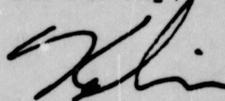
Dear Adrian:

Enclosed please find the final, original Verified Statement of TMPA's Earle Bagley, in support of BNSF's Fort Worth-Dallas trackage rights request.

We would appreciate it if you could provide us with an extra copy of your rebuttal filing, for our client. Should you have any questions regarding the Statement, please give a call.

With best regards,

Sincerely,



Kelvin J. Dowd

KJD/cbh
Enclosure

VERIFIED STATEMENT
OF
EARLE BAGLEY

My name is Earle Bagley, and my business address is P.O. Box 7000, Bryan, Texas 77805. I am Manager of Fuel and Land Resources for the Texas Municipal Power Agency. In this capacity, I have responsibility for various aspects of TMPA's utility fuel supply and transportation arrangements, including those for the rail transportation of coal to our Gibbons Creek Steam Electric Station near College Station, Texas.

I am making this Statement in support of the Burlington Northern Santa Fe Railway's request for trackage rights over the lines of the Union Pacific Railroad between Fort Worth and Dallas, Texas. These rights would provide BNSF with an alternative routing for the transportation of coal to Gibbons Creek, which should allow BNSF to avoid train delays that otherwise would result from operations changes implemented by UP to alleviate its own system service problems.

Background

TMPA is a Texas municipal agency which was created in 1975. It is a political subdivision of the State of Texas, whose sole business is the generation and transmission of electric

power to the Member Cities who created TMPA. The Member Cities are:

City of Bryan, TX
City of Denton, TX
City of Garland, TX
City of Greenville, TX

The Gibbons Station is owned and operated by TMPA for the benefit of its Member Cities. Gibbons Creek is a 462-megawatt facility which consumes approximately 2 million tons of sub-bituminous Powder River Basin coal each year. All of the coal is delivered by BNSF, pursuant to a contract which took effect in 1996. The total round-trip distance from the origin mines to Gibbons Creek is over 2800 miles, which accents the importance of reliable and timely rail service to TMPA's ability to maintain adequate fuel inventories.

Impact of the UP Routing Changes

One of the primary routes traveled by loaded coal trains bound for Gibbons Creek includes a southbound BNSF movement via trackage rights over the UP line between Fort Worth and Waxahachie, TX. Our empty trains also move northbound over this segment. While precise transit time differentials are not available, this routing usually is preferable to a routing over BNSF's own line from Dallas, due to the fact that freight

shipments via Dallas must contend and co-exist with commuter rail operations in the Dallas area.

The importance of minimizing delays in transit for our coal shipments cannot be overstated. For example, a comparison of average round-trip cycle times during the period from May through August, 1998 to those from the same period in 1997 showed an increase of some 17.5 hours in the loaded direction, or over 17%. For TMPA, the difference translated into a drop in coal inventory from approximately 90,000 tons (our minimum target level) on May 1 to approximately 22,000 tons -- barely three days' supply -- by August. We only were able to recover our inventory, in part, because of mechanical failures at the Station which forced its shutdown. By contrast, inventories remained relatively constant at between 85,000 and 90,000 tons during the summer of 1997. Clearly, delays or interruptions in rail service have a significant, negative impact on TMPA's fuel security.

It is against this backdrop that we have deep concerns over UP's decision to institute northbound-only directional operations over its Fort Worth-Waxahachie line, as part of its-- Houston/Gulf Coast service recovery program. With UP shifting to a northbound-only operation over the line, it seems to us inevitable that southbound BNSF trains destined for Gibbons Creek will encounter more delays and slow orders as they attempt to

"swim upstream" against UP train flows. Unfortunately, any disruption to BNSF's operations over the Fort Worth-Waxahachie line means disruption to our fuel supply chain -- disruption which TMPA and its Member Cities can ill afford.

BNSF's Trackage Rights Request

We understand that BNSF has requested that it be granted trackage rights over UP's main line between Fort Worth and Dallas, to provide an alternative route to avoid the transit delays that otherwise would result from UP's directional running plan. According to information available to TMPA, these rights would enable BNSF to access its existing line from Dallas south without having to contend with Dallas-area commuter rail traffic. In effect, BNSF would be able to route its southbound traffic (including TMPA's coal traffic) around the newly-problematic Fort Worth-Waxahachie line. TMPA supports this request.

We at TMPA are sympathetic to UP's desire to find solutions to its persistent service difficulties in the Houston area. However, our obligations are to our Member Cities and the electric consumers they serve. TMPA did not create the Houston/Gulf Coast service problem, and we do not feel that our interests in a stable and reliable coal supply should be compromised as a result. If UP is to be permitted to implement

changes in its operations that adversely affect parties that are not responsible for the problem being addressed, UP should accommodate those parties to the extent practicable in order to alleviate the adverse effects. UP's directional running plan over the Fort Worth-Waxahachie line is just such an operations change, and BNSF's trackage rights request a practicable remedy. TMPA urges that it be granted by the Board.

VERIFICATION

STATE OF NEVADA)

COUNTY OF Washoe)

) ss:
)
)
)

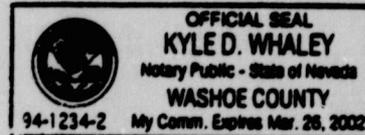
Earle Bagley, being duly sworn, deposes and says that he has read the foregoing Statement, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.

Earle Bagley
Earle Bagley

Sworn and subscribed before me
this 14th day of October, 1998

[Signature]
Notary public

My Commission expires: March 26, 2002





July 2, 1998

C. W. PEGRAM
Traffic Manager

Tosco Refining Company
A Division of Tosco Corporation
2000 Crow Canyon Place
Suite 400
San Ramon, CA 94583
(510) 277-2304 Telephone
(510) 277-2410 Fax

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

Subject: Finance Docket 32760 (Sub-No. 26)

Members of the Board:

My name is Charles W. Pegram. I am Traffic Manager for Tosco Refining Company which operates six petroleum refineries on the west coast.

This is my verified statement to the Board in support of the Burlington Northern Santa Fe Railway's request that neutral switching supervision be imposed on the former SP Baytown (Texas) Branch.

Tosco ships approximately 200 tank cars/year to customers at Mont Belvieu, Texas. With the completion of a butamer unit at one of our refineries, it is anticipated that shipments of product into Mont Belvieu will increase.

Since the completion of the UP/SP merger, service failures have cost my company thousands of dollars in reduced equipment utilization. Our support of BNSF's request for neutral switching supervision is offered in the belief that it will result in a more efficient operation and result in improved turnaround time of our tank cars. As the Board is quite aware, railroad service breakdown, particularly in Texas, has become of tantamount concern to shippers and receivers. We believe that granting the subject request will be yet another step in the right direction to bring rail service in Texas closer to a normal level.

I certify under penalty of perjury that the foregoing is true and correct.
Executed this 2nd day of July, 1998.

Yours truly,

A handwritten signature in cursive script that reads "Charles W. Pegram".

Charles W. Pegram
Traffic Manager

ULTRAMAR DIAMOND SHAMROCK
C O R P O R A T I O N

June 30, 1998

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

Re: Finance Doc. No. 32760 (Sub-No. 26)

My name is Steve Geneva. I am General Manager, Transportation for Ultramar Diamond Shamrock Company. This verified statement is being submitted in support of the request of The Burlington Northern and Santa Fe Railway Company's ("BNSF") request for the Surface Transportation Board to order neutral switching supervision on the former SP Baytown Branch.

Our plant is located in Mont Belvieu, Texas and is in the business of processing and splitting propylene, a petrochemical product, into components. We sell these components via pipeline to companies in the plastics and chemicals industry in and around the Gulf Coast area.

Our purchases of propylene are transported to our plant in Mont Belvieu by rail. We purchase product from various origins in the United States, including from Williams Energy Company in Memphis, Tennessee. BNSF carries inbound to our plant 20 cars of propylene every other day. UP also provides rail service for a portion of our propylene traffic and also directly serves our plant.

We expect that by the first quarter of 1999, our business needs will grow. It is anticipated that our company will require the capacity to load and unload up to 40 cars daily. It is also likely that during 1999, our company will have the need for rail services for outbound traffic.

As mentioned above, both BNSF and UP have been providing switching at our plant since mid-April this year. Prior to that, for a short period of time, UP was providing haulage services. Our experience with UP haulage was that there were a lot of delays. Although service has been somewhat better with BNSF and UP both providing switching, we believe that even better service would be provided if a neutral switcher were to supervise operations on the branch.

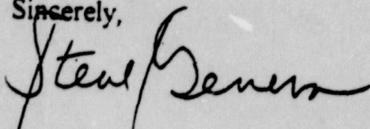
A neutral switcher would enhance the efficiency of operations for several reasons. First, with only one neutral switcher on the branch, there would be less overall activity on the branch, a likely reduction in the number of switches and generally less congestion for all customers on the branch whether their rail services are provided by BNSF or UP. Second, if there is only one neutral party supervising the switching of our plant, it would provide for better coordination of all activities including loading and emptying cars. Third, with increased efficiencies that a neutral switcher could provide, we would have improved turnaround times on cars, the majority of which are owned by our supplier Williams Energy out of Memphis, Tennessee.

As our business continues to grow, and with the expectation of outbound shipment sin sometime in 1999, our need for improved, efficient and competitive rail transportation services becomes even more important. The installation of a neutral party to supervise switching of the branch would provide a long-term solution to our need for such efficient and competitive service.

In sum, we support BNSF's request that the Board order that a neutral switcher shall supervise the Baytown Branch. We believe that this request will benefit our company and other shippers on the branch and will result in service improvements for both UP and BNSG.

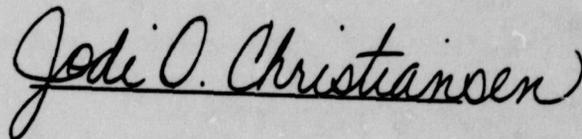
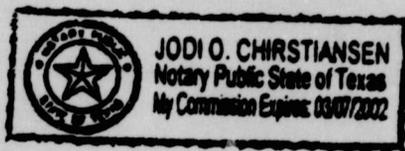
I certify under penalty of perjury that the foregoing is true and correct. Executed this 30th day of June, 1998.

Sincerely,



Steve Geneva
General Manager Transportation

Subscribed and sworn to me this 30th day of June, 1998.





4800 SAN FELIPE
HOUSTON, TX 77056

(713) 877-2600
FAX: (713) 877-2664

July 7, 1998

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

Re: Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

My name is Mike Causseaux. I am Distribution Manager with United Salt Corporation located in Houston, Texas. This verified statement is being submitted in support of the request of The Burlington Northern and Santa Fe Railway Company ("BNSF") for the Surface Transportation Board to order neutral switching supervision on the former SP Baytown Branch.

Our company is currently building a salt mining plant on the Baytown branch. The first phase of construction is planned for completion in April of 1999 and we expect to become operational at that time. Our customers use our salt in a multitude of products such as water softener, and it is also used extensively in the dye, chemical and food industries. Typically, our product is shipped via rail or truck to our customers.

Once operational at our Baytown plant, we anticipate shipping 600-700 rail cars per year from that location to customers located primarily in the Midwest. We do not expect any inbound rail traffic at this time.

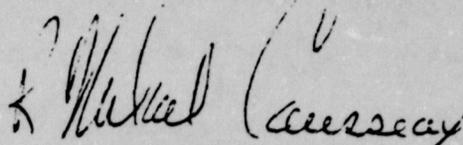
In anticipation of our new plant operations on the Baytown branch, we are very concerned about the efficiency of switching operations in order to keep our production at steady levels and provide timely service to our customers.

Based on these concerns, we believe that BNSF's request to have neutral switching supervision of the branch provides a good and practical solution to the problems that other

shippers have been experiencing on the branch. It is only logical that with one neutral switcher on the branch there would be less overall activity on the branch. This in turn would likely reduce the number of switches and congestion for all customers on the branch whether their rail services are provided by BNSF or UP. A neutral party supervising the switching would also provide for better coordination of all activities including loading and emptying cars.

In sum, our company believes that the installation of a neutral party to supervise switching of the branch would provide a long-term solution to our needs and the needs of other shippers for efficient and competitive service and will result in service improvements for both UP and BNSF.

I certify under penalty of perjury that the foregoing is true and correct. Executed this -- day of July, 1998.

A handwritten signature in cursive script, appearing to read "R. Michael Causseaux".

R. Michael Causseaux
Distribution Manager



UNIVERSAL *Foods* CORPORATION

October 7, 1998

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

Re: Finance Docket No. 32760 (Sub-Nos. 26 and 28) (verified statement in support of BNSF's operating over clear routes in the Houston terminal)

My name is Paul F. Rasmussen. I am Manager, Commodities Procurement, for the Red Star Yeast Company, a division of Universal Foods Corporation, in Milwaukee, Wisconsin. Red Star Yeast is the largest manufacturer of bakers yeast in the United States with production facilities in Baltimore, Maryland; Milwaukee, Wisconsin; and Oakland, California. The prime raw material for manufacturing yeast is molasses, a by-product of the sugar industry, from both imported and domestic origins.

This commodity is best transported on rail. Annually, Red Star Yeast receives some two-thousand (2,000) rail tank cars of molasses, about 80% of our inbound raw material requirements.

Because of congestion in the Houston area, Red Star Yeast has been forced to use other ports to meet our rail needs on shipments to our Milwaukee, Wisconsin plant. By avoiding Houston, and its port, we have limited our sources of a basic raw material, thereby, increasing our production costs because of a lack of competitive rail transportation. We need to return to a more competitive rail environment in the Gulf port area.

I am filing this statement in support of the Burlington Northern and Santa Fe Railway's (BNSF) request that the Board grant trackage rights on additional UP lines in the Houston terminal area for BNSF to operate over any available clear routes through the terminal. We believe that this request will benefit our company and other shippers and will result in service improvements and needed dispatching flexibility in the Houston terminal.

Vernon A. Williams

October 7, 1998

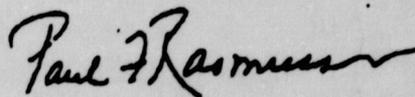
Page 2

Specifically, this request would permit BNSF to operate over any available clear routes through the terminal as determined and managed by the Spring Consolidated Dispatching Center, and not just over the former HB&T East and West Belts. The result would be to reduce congestion caused by BNSF trains staged in the Houston terminal waiting for track time to use the main trackage rights lines they currently share through the terminal and on the former HB&T East and West Belt lines.

The request would create an important safety valve for dispatchers to permit BNSF trains to traverse clear routes in the Houston terminal. It is a reasonable measure to avoid congestion and should pose no harm to UP as it does not give any competitive advantage to BNSF's operations in the Houston terminal.

The request thus stands to benefit all rail carriers operating in the Houston terminal area and the shipping public. It is in everyone's best interest to achieve better service for shippers and to reduce the congestion in the Houston terminal area. Accordingly, the Board should grant BNSF's request.

Sincerely,



Paul F. Rasmussen
Manager, Commodities Procurement

PFR/jam

VERIFICATION

I, Paul Rasmussen, declare under penalty of perjury, that the foregoing is true and correct.

Further, I certify that I am qualified and authorized to file this verified statement.

Paul F. Rasmussen

Paul F. Rasmussen
Manager, Commodities Procurement
Red Star Yeast & Products
A division of Universal Foods Corporation

[Signature]
Notary Public in and for the State of Wisconsin.

Executed this 8th day of October, 1998.

My commission expires April 27, 2001

July 2nd, 1998.

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

Subject: Docket No. 32760
Sub-No. 26.

Grupo Industrial Saltillo serves commercial, industrial and consumer markets with autoparts, ceramic floor and stoneware. Based in Saltillo, México. Grupo Industrial Saltillo was founded in 1928 and employs over 12,000 people.

Our traffic department handle 20'000,000 dls/year to move all kind of freight. Our rail traffic is of 156,700 tons/year, 30% of our total traffic. These are our main commodities that we handle by rail.

Commodity	Shipper	Origin	Tons
Silica Sand	Badger Mining	Utley, WI	84,000tons/year.
Coke	ABC Coke	Birmingham, AL	30,000tons/year.
Clay	United Clay	Gleason, TN	31,200tons/year.
Silica Sand	Oklahoma Sand	Mill Creek, OK	11,500tons/year.

Lately, or better said since the merger of UP/SP we have experienced a lot of delays on our business from the USA mainly because of the lack of competitiveness on rail transportation over the Laredo, TX/Nuevo Laredo, Tamps. border.

The delays as we all know have been due the problems that the UP/SP merger have incurred in handling appropriately this merger to the fact that we as many other companies have been jeopardizing our international business because of delays incurred in traffic.

Our company strongly believes that the UP/SP merger has not given us the opportunity of "alternate competition" on rail transportation services to perform the traffic through the mentioned border as the STB envisioned when it approved the UP/SP merger.

Therefore we kindly request that the BNSF obtains overhead trackage rights on UP's San Antonio-Laredo line, and that also obtain permanent bi-directional trackage rights on UP's Caldwell-Flatonia-San Antonio and Caldwell-Flatonia Placedo lines, in place of temporary trackage rights at present.

We believe that by approving these trackage rights, all parties involved, even the UP/SP will benefit from it since they will hardly incur in congestion again, since there will be another company that will compete with them and will enforce that both companies become efficient if they want to participate in the market.

Thanking you in advance for your kindly attention to my request and hoping that my request is approved.

Sincerely yours,

Ing. Francisco J. Garza O. de M.

Bld. Iaidro López # 4103
A.P. 385
C.P. 25230
Tel. (84) 11-50-11
11-50-10
Fax. 11-50-50
Saltillo, Coahuila.





VOLKSWAGEN DE MEXICO, S.A. DE C.V.

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

Puebla, Pue. July 23, 1998.

Dear Mr. Vernon,

Since the merge of UP/SP we have experienced a lot of delays on our railroad business between the USA and Mexico, mainly because of the lack of competitiveness on rail transportation over the border of Laredo Tx./ Nuevo Laredo, Tamaulipas.

We believe that the UP/SP merger has not given us the opportunity to an "alternate competition" on rail transportation services to perform the traffic through the mentioned border as the STB envisioned when it approved the UP/SP merger.

Therefore, we support the idea that the BNSF obtains overhead trackage rights on UP's San Antonio - Laredo line, and also a permanent bi-directional trackage rights on UP's Caldwell - Flatonia - San Antonio and Caldwell - Flatonia Placedo lines, instead of the temporary trackage rights that the BNSF currently has.

We think that by approving these trackage rights, all parties involved, even the UP/SP, will benefit, since they will hardly incur in congestion again, having another company to compete with, and forcing both parties to become more efficient in order to remain strong in the market.

We thank you in advance for your attention to our request

Best regards

Francisco Torres
Transport Planning



365 Canal Street, Suite 2900 • New Orleans, Louisiana 70130
(504) 525-9741 fax: (504) 522-1638

A. WHITFIELD HUGULEY, IV
President

Re: Finance Docket. No. 32760 (Sub-Nos. 26 and 28)

My name is A. Whitfield Huguley, IV. I am the President of Westway Trading Corporation. Our company is located in New Orleans, Louisiana and has over twenty five storage and handling terminals in the United States including our largest terminal facility in Houston, Texas. That facility receives inbound shipments by rail and barge at the Port of Houston and sends outbound shipments of molasses and other feed mix products by rail via BNSF and UP to destinations throughout the United States. Our company also receives inbound shipments from Mexico over the El Paso gateway.

Our company's need for reliable and efficient rail transportation services is expected to grow in the future. It is therefore important to our business that competition be preserved for access to Mexico and that efficient and fluid rail service be available in the Houston/South Texas market. We have seen a degradation in service and fewer competitive options available for our rail transportation needs since the UP/SP merger. For these reasons, I am submitting this Verified Statement in support of The Burlington Northern and Santa Fe Railway's ("BNSF") requests for additional remedial conditions.

We support BNSF's requests because they will benefit our company and other shippers and will result in service improvements, needed operational flexibility and the ability to avoid adding unnecessary traffic to the Houston terminal area. For example, BNSF has requested that the Board grant trackage rights on additional UP lines in the Houston terminal area for BNSF to operate over any available clear routes through the terminal. We support this request because it would permit BNSF to operate over any available clear routes through the terminal as determined and managed by the Spring Consolidated Dispatching Center, and not just over the former HB&T East and West Belts. The result would be to reduce congestion caused by BNSF trains staged in the Houston terminal waiting for track time to use the main trackage rights lines they currently share through the terminal and on the former HB&T East and West Belt lines.

We also support the requests of BNSF for: (i) permanent bidirectional overhead trackage rights on UP's Caldwell-Flatonia -San Antonio and Caldwell-Flatonia-Placedo lines; and (ii) overhead trackage rights on UP's San Antonio-Laredo line. It is our position that were the Board to grants BNSF's requests, they would help to diminish the congestion on UP's lines in and around Houston and South Texas, as well as preserve competition as the Board originally envisioned in its decision approving the UP/SP merger.

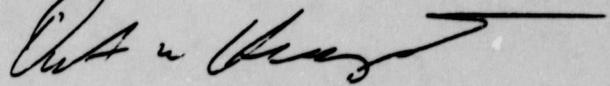


A member of the ED & F Man Group

In sum, BNSF's requests for remedial conditions stand to benefit all rail carriers operating in the South Texas and the shipping public. It is in everyone's best interest to achieve better service for shippers, to reduce the congestion in the Houston terminal and South Texas areas, and to preserve efficient and competitive service to all the Mexican gateways. Accordingly, the Board should grant BNSF's requests.

I certify under penalty of perjury that the foregoing is true and correct. Executed this 13th day of October, 1998.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. Whitfield Huguley, IV", with a long horizontal line extending to the right.

A. Whitfield Huguley, IV

AWHIV/dmd



July 2, 1998

Energy Services
One Williams Center
P.O. Box 3102
Tulsa, Oklahoma 74101
918/588-2000

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

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

Dear Mr. Williams:

This verified statement is being submitted in support of the request of the Burlington Northern and Santa Fe Railway Company's ("BNSF") request that the Surface Transportation Board establish neutral switching supervision on the Baytown Branch.

My name is Greg Greer. I am the Manager of Rail Transportation with the Williams Energy Company. Williams Energy in Memphis, TN manufactures propylene, a petrochemical product, at its plant in Memphis. We have our own fleet of rail cars for shipping our product. Currently, we ship 10 cars per day of propylene via BNSF to Ultramar Diamond Shamrock at Mont Belvieu, Texas, which is located on the Baytown Branch.

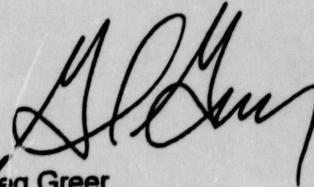
Our support of BNSF's request for a neutral switching supervision on the Baytown Branch is based principally on our need for improved turnaround times for our cars. Under current operations, BNSF brings 10 cars to the customer and holds approximately 10 other cars for delivery at least every other day. If a neutral supervising switcher were installed, we believe that our company cars could be turned around more quickly so that 10 cars could be delivered every day, instead of 20 cars every other day. The advantage to Williams Energy of improved turnaround times is simple: our company could put our cars to more efficient use and save costs associated with cars being held for delivery to customers.

July 12, 1998

11

It is also our view that with only one neutral switcher on the branch, there would be less overall activity on the branch and generally less congestion for all rail activities on the branch. This will lead to improved service for all customers on the branch.

I certify under penalty of perjury that the foregoing statement is true and accurate to the best of my belief.



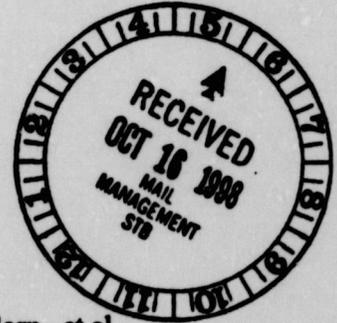
Greg Greer

STB FD 32760 (Sub 30) 10-16-98 D 191651

October 15, 1998

Commonwealth
Consulting
Associates

Office of the Secretary
Case Control Unit
ATTN: STB Finance Docket No. 32760 (Sub-No.26)
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



30

Re: STB Finance Docket No. 32760 (Sub-No. 26)
Union Pacific Corp., et al. - Control & Merger - Southern Pacific Corp., et al.

(Sub-No. 26) Houston/Gulf Coast Oversight Proceeding

191648

(Sub-No. 28) Burlington Northern and Santa Fe Railway Company—
Terminal Trackage Rights—Texas Mexican Railway Company

191649

(Sub-No. 29) Burlington Northern and Santa Fe Railway Company—
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area

191650

(Sub-No. 30) Texas Mexican Railway Company, et al.—
Request For Adoption of Consensus Plan

191651

Dear Secretary Williams:

Enclosed for filing in the above-referenced docket are an original and twenty-five copies of the Shell Oil Company and Shell Chemical Company Rebuttal In Support of Requested Conditions. Also enclosed is a 3.5 inch diskette, containing the Joint Rebuttal in a format which may be converted to Word Perfect 7.0.

Copies of this Joint Rebuttal are also concurrently served on all other parties of record.

Respectfully submitted,

David L. Hall

RECEIVED
Office of the Secretary

OCT 19 1998

Part of
Public Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C.**

**FINANCE DOCKET NO. 32760
UNION PACIFIC CORP., ET AL. -- CONTROL & MERGER --
SOUTHERN PACIFIC RAIL CORP., ET AL.
HOUSTON/GULF COAST OVERSIGHT PROCEEDING**

(Sub-No. 26) Houston/Gulf Coast Oversight Proceeding

**(Sub-No. 28) Burlington Northern and Santa Fe Railway Company—
Terminal Trackage Rights—Texas Mexican Railway Company**

**(Sub-No. 29) Burlington Northern and Santa Fe Railway Company—
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area**

**(Sub-No. 30) Texas Mexican Railway Company, et al.—
Request For Adoption of Consensus Plan**

**JOINT REBUTTAL OF
SHELL OIL COMPANY AND SHELL CHEMICAL COMPANY
IN SUPPORT OF REQUESTED CONDITIONS**

**Brian P. Felker
Manager of Products Traffic
Shell Chemical Company
One Shell Plaza
Post Office Box 2463
Houston, Texas 77252**

Due Date: October 16, 1998

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C.

FINANCE DOCKET NO. 32760
UNION PACIFIC CORP., ET AL. -- CONTROL & MERGER --
SOUTHERN PACIFIC RAIL CORP., ET AL.
HOUSTON/GULF COAST OVERSIGHT PROCEEDING

(Sub-No. 26) Houston/Gulf Coast Oversight Proceeding

(Sub-No. 28) Burlington Northern and Santa Fe Railway Company—
Terminal Trackage Rights—Texas Mexican Railway Company

(Sub-No. 29) Burlington Northern and Santa Fe Railway Company—
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area

(Sub-No. 30) Texas Mexican Railway Company, et al.—
Requer. For Adoption of Consensus Plan

JOINT REBUTTAL OF SHELL OIL COMPANY AND SHELL CHEMICAL
COMPANY IN SUPPORT OF REQUESTED CONDITIONS

Shell Oil Company and/or Shell Chemical Company "for itself and as agent for Shell Oil Company" (hereinafter jointly referred to as "Shell"), in response to the opportunity afforded by the Surface Transportation Board (Board or STB) by its Decision served August 4, 1998 in Finance Docket No. 32760 (Sub-No. 26), Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al., Houston/Gulf Coast Oversight Proceeding, hereby file a joint rebuttal in support of certain of the requested conditions which have been accepted for consideration by the Board. Both companies are Corporations, the address of which is One Shell Plaza, Post Office Box 2463, Houston, Texas 77252.

I-INTRODUCTION

Shell interest in Gulf Coast Region rail operations stems from the fact that Shell ships and/or receives in excess of 20,000 rail cars to and from the region annually. Approximately 12,500 of these shipments occur to and from our petrochemical plant at Deer Park, Texas. The balance of the Shell rail traffic ships to or from other Houston/Gulf Coast region facilities.

Shell operations were significantly impacted by the UP service meltdown in the western United States and particularly in the Houston/Gulf Coast region. For this reason Shell participated in the STB Emergency Service Order Proceedings related to the UP service failure. We saw the introduction of competition on a limited basis provide a measure of relief from the crisis.

Shell recognized the need for a permanent solution to the concentration of market power in the hands of one railroad which contributed to this crisis. Therefore when the Board instituted this proceeding Shell seized the opportunity to participate in a process which would result in the implementation of policies which will ensure that Gulf Coast shippers never have to endure a disaster of the magnitude of the UP service meltdown.

In that vein the Shell Companies filed a Joint Request for New Remedial Conditions in this proceeding on July 8, 1998. Shell also filed Joint Comments on September 18, 1998 pertaining to the requests for new conditions which were submitted by (1) the Texas Mexican Railway Company (Tex Mex), Kansas City Southern Railway Company (KCS), certain shipper and governmental interests (jointly referred to herein as "Consensus Group"); (2) the Burlington Northern and Santa Fe Railway Company (BNSF); and (3)

certain individual shippers. Those filings supported, by and large, the objectives and operational strategies of the plan filed by the Consensus Group (Consensus Plan) on July 8, 1998. We also expressed support for certain new conditions requested by the BNSF (BNSF Plan) which was filed on the same date.

Shell has reviewed the comments of various parties on the conditions proposed in the Consensus Plans, BNSF Plan and the individual shipper plans. This Joint Rebuttal addresses the Opposition to Condition Applications filed by UP, as well as some the comments filed by BNSF, CSX and NS. Support for the Shell recommendations which follow is found in the Verified Statement of David L. Hall, attached hereto.

OPPOSITION TO CONDITION APPLICATIONS

The comments which were submitted by UP and other railroads in opposition to the conditions contain nothing which casts doubt on the support for the positions we espoused in our September 18 filing. In its comments UP refuses to take any major level of responsibility for the service meltdown, placing the blame on other railroads, economic conditions and infrastructure, among other things. UP does however take full credit in its comments for solving the crisis.

The main objective of the UP comments seems to be to protect its monopoly franchise. The UP opposes every condition proposed by the Consensus Group and BNSF. It justifies this opposition with claims that it can handle all the traffic which it has mishandled in the past.

UP declares the service crisis over, as it has done so many times in the past. It even claims that service is back to "normal." Perhaps by redefining normal to use 1997 as a baseline, UP can justify this statement. However, Shell does not consider that its transit times have returned to normal when they are not yet as good as those provided by the "decrepit" SP which UP derided throughout its comments.

BNSF comments are interesting in that while BNSF wants to protect its part of the Houston pie from KCS/Tex Mex, it also wants to apply the Consensus Group principles to compete in the UP monopoly franchises. CSX and NS filed statements in order to preclude the establishment of a precedent where the Board rectifies problems created by unforeseen ramifications of merger decisions.

As previously stated, none of the comments submitted by railroad opponents to new conditions are more than self serving attempts to protect their monopoly franchises obtained through recent railroad consolidations. Those comments should be considered by the Board in that light.

CONCLUSION

Shell supports the railroad realignment proposal for Houston and the Gulf Coast Area that has been submitted by the Consensus Group. Shell has always advocated the need for rail competition to provide a level of service that meets the shipping public's need, consistent with a reasonable level of rates that adequately compensates the railroads performing the service. Implementation of the portions of the Consensus Plan we supported in our September 18 filing would help alleviate the dangerous concentration of market power which contributed to the Gulf Coast Region rail service disaster. The sole exception to Shell support for the Consensus Plan was to the possibility that the implementation of any of the items in the plan would involve the taking of property. We reiterate that position in this filing. Shell does not condone the taking of property nor support the forced sale of assets.

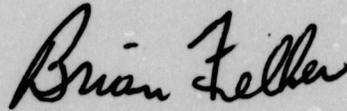
Shell also supports the principle of directional trackage rights espoused by BNSF. A carrier which has been granted trackage rights between two points must not be required to fight the flow of traffic when directional running is established. In such a case the tenant must be granted access to the lines necessary to participate in directional traffic flows between the two points for which traffic rights were originally granted.

Finally, Shell believes that the principles of competition can best be advanced through access to a third railroad, neutral switching and neutral dispatching, and not through solutions crafted solely for individual industry shippers.

It is the responsibility of the Board to take the action necessary to insure that the conditions which contributed to the Gulf Coast Region railroad service meltdown are altered in such a way that we are never faced with another such disaster. The opportunity is before the Board to rectify the lack of competition which contributed to the meltdown of Gulf Coast Region railroad service. We urge the Board to take advantage of that opportunity by approving the requested conditions as recommended above.

Respectfully submitted,

SHELL CHEMICAL COMPANY
For itself and as Agent for Shell Oil Company
By its Manager of Products Traffic

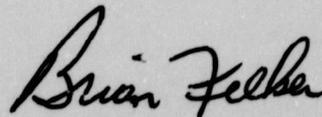
A handwritten signature in cursive script that reads "Brian Felker".

Brian P. Felker
One Shell Plaza
Houston, Texas 77252

Dated: October 15, 1998

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of October, 1998, copies of the Joint Rebuttal in Support of Requested Conditions of Shell Oil Company and Shell Chemical Company were served by first class mail, postage prepaid, in accordance with the rules of the Surface Transportation Board on Arvid E. Roach II, Esq., Covington & Burling, Administrative Law Judge Stephen Grossman, Federal Energy Regulatory Commission and all other parties of record.



Brian P. Felker
Manager of Products Traffic
Shell Chemical Company
One Shell Plaza
Post Office Box 2463
Houston, Texas 77252

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**FINANCE DOCKET NO. 32760
UNION PACIFIC CORP., ET AL. - CONTROL & MERGER -
SOUTHERN PACIFIC RAIL CORP., ET AL.
HOUSTON/GULF COAST OVERSIGHT PROCEEDING**

(Sub-No. 26) Houston/Gulf Coast Oversight Proceeding

**(Sub-No. 28) Burlington Northern and Santa Fe Railway Company—
Terminal Trackage Rights—Texas Mexican Railway Company**

**(Sub-No. 29) Burlington Northern and Santa Fe Railway Company—
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area**

**(Sub-No. 30) Texas Mexican Railway Company, et al.—
Request For Adoption of Consensus Plan**

VERIFIED STATEMENT

OF

DAVID L. HALL

I. IDENTIFICATION AND QUALIFICATIONS OF AFFIANT

My name is David L. Hall. I am President of COMMONWEALTH CONSULTING ASSOCIATES, with offices at 13103 F.M. 1960 West, Suite 204, Houston, Texas, 77065. COMMONWEALTH CONSULTING ASSOCIATES provides management consulting services, including practice areas in logistics and information systems. A detailed statement of my qualifications may be found in Appendix A of my initial Verified Statement in this proceeding, dated September 18, 1998.

II. INTRODUCTION

This Verified Statement is submitted in support of the positions of Shell Oil Company and/or Shell Chemical Company "for itself and as agent for Shell Oil Company" (hereinafter jointly referred to as "Shell"), as set forth above by Brian P. Felker. The Joint Rebuttal is in response to the comments filed by certain parties of record¹ on September 18, 1998 regarding requests for new conditions which were accepted for consideration by the Surface Transportation Board (Board or STB) in its decision served August 4, 1998 in Finance Docket No. 32760 (Sub-No. 26), Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al., Houston/Gulf Coast Oversight Proceeding.

¹ Commonwealth received comments on the requests for new conditions filed by Allied Rail Unions, Angelina & Neches River Railroad Company, Brotherhood of Maintenance of Way Employees, Burlington Northern & Santa Fe Railway Company, CSX Corporation, Champion International Corporation and its subsidiary; Moscow, Camden & San Augustine Railroad, Greater Houston Partnership, National Association of Railroad Passengers, Norfolk Southern Corporation and Norfolk Southern Railway Company, Port of Houston Authority, Texas Mexican Railway Company, Union Pacific Corporation and its subsidiaries Union Pacific Railroad Company and Southern Pacific Rail Corporation, United States Department of Transportation and United Transportation Union.

The rebuttal of the Shell Companies addresses the comments which were submitted by (1) Union Pacific Corporation and its' subsidiaries Union Pacific Railroad Company and Southern Pacific Rail Corporation (UP); (2) Burlington Northern and Santa Fe Railway Company (BNSF); (3) Norfolk Southern Corporation and Norfolk Southern Railway Company (NS); and (4) CSX Corporation (CSX).

III - BACKGROUND

United States railroad industry consolidation has resulted in a concentration of market power that would be unimaginable in any other industry. Two duopolies have been created. West of the Mississippi River the UP and BNSF railroads dominate the market for rail services, with one or the other handling virtually every carload which moves in this region. A similar situation has been created in the East with the approval of the purchase of Conrail by CSX and NS.

However, these are not duopolies in the sense that in each market the consumer of rail services has a choice of carriers for each move such as might be the case in an airline duopoly. For example, if a duopoly existed in the air passenger market between two cities, the consumer would have a choice as to the carrier. In the same case the consumer of rail services would have to enjoy service from two carriers at both the origin plant and the destination customer facility. For the preponderance of the rail service in the U.S., this is not the case. In most cases the origin and/or the destination is served by only one carrier which precludes choice for the consumer of the service on either end.

as management resources were trained on maintenance of monopoly franchises through the exclusion of other carriers.

Second, the concentration of resources in the hands of one carrier (UP) guaranteed regional meltdown in the event of severe service problems for that carrier. If adequate competition had been maintained in Houston and the surrounding region, other carriers would have been available to take up the slack as the UP began having problems. The regional service meltdown would have approached neither the breadth nor depth we experienced had railroad service alternatives had been immediately available to the effected shippers.

The Board, based on the best information available to it at the time, approved the merger of the UP and SP subject to competitive conditions which have now proved inadequate. However, there have been unforeseen ramifications from the decision which the Board must now correct. The inability of the UP to effectively operate the franchise it was granted and subsequently to fulfill its common carrier obligations as it gridlocked an entire region, make clear the mistake of concentrating such enormous market power in the hands of a single carrier.

The Board has rightfully provided the opportunity to correct this mistake. The desire of UP to protect its monopoly franchises notwithstanding, the correct course of action is to implement conditions which will preclude the occurrence of a disaster similar to the one the Gulf Coast Region has experienced over the past eighteen months.

UP's Opposition to Condition Applications

UP has shown its true concern throughout the service crisis which it created with its mishandling of the SP purchase and consolidation. When the Gulf Coast meltdown began to take shape in the first quarter of 1997, UP first denied that there was a crisis. As the crisis became worse during the summer of 1997, UP made excuses and consistently underplayed the significance of the meltdown in its public statements. In the fall UP fiercely resisted STB intervention in the form of an emergency service order. Throughout the term of the order, UP fought its extension, always claiming that operations would return to normal, by the next month.

The UP concern was not "the public interest," nor was it the financial losses suffered by its customers due to higher transportation prices, lower equipment utilization, lost business opportunities and plant shutdowns. The UP was solely preoccupied with protecting its monopoly franchises by resisting even emergency trackage rights for those carriers which could help alleviate the crisis caused by UP.

UP has filed predictable comments on the conditions requested by the Consensus Group, BNSF and others. The weight given these comments must be limited to the pounds of paper they consume however, as they represent a four volume effort to obscure the issues before the Board.

The UP filing is a monument of corporate self-absorption, filled with avoidance of responsibility, self-aggrandizement and historical revisionism. UP begins by praising STB for its actions in handling the UP service meltdown. Particularly citing STB Emergency Service Order 1518 the UP touts "measured but decisive action" by the

Board.² The praise continues for the next two pages. This is the same UP which fought vigorously against ESO 1518, maintaining that STB intervention was unnecessary.

The UP deflects responsibility for the service crisis to any and every other party that it could possibly blame, including the BNSF, SP, Mexican traffic, and "the economy" to name a few.³ It admits only two errors, "both of them reversed within two weeks."⁴

UP also takes full credit for solving the service crisis.⁵ No credit is given to the STB, to the other railroads which took the pressure off by handling part of its traffic or to shippers which were forced to find alternative modes. No, "...the crisis is over, and the merger deserves the credit for this good news."⁶ In fact the service crisis has diminished in the Houston/Gulf Coast area, though service is by no means back to normal. The improvement is due in no small part to many of the initiatives which were implemented as a result of ESO 1518 and that under consideration in this docket as permanent conditions. It is not because of the self serving action of the UP.

The UP backs up its assertions with Verified Statements from numerous consultants and railroad personnel. One such statement, by Mr. Dennis J. Duffy, Executive Vice President-Operations for UP, makes the claim that "[T]here is no-service related reason to grant the conditions requested by other railroads or customers in this proceeding."⁷ To back this up Mr. Duffy provides the Board with measurements of UP

² UP's Opposition to Condition Applications - Volume 1, Page 2

³ UP's Opposition to Condition Applications - Volume 1, Pages 63-70

⁴ UP's Opposition to Condition Applications - Volume 1, Page 68

⁵ UP's Opposition to Condition Applications - Volume 1, Pages 70-75

⁶ UP's Opposition to Condition Applications - Volume 1, Pages 74-75

⁷ UP's Opposition to Condition Applications - Volume 3, V.S of Dennis J. Duffy, Page 2

performance. It is important for the Board to realize that the way the railroad measures performance and the way shippers measure performance are very different. A railroad is interested in the on-time performance of its trains. Shippers are interested in transit time; how long it takes to move a car, from the time it is picked up until it is finally placed on the customer's track. When Shell instituted its "Railroad Performance Measurement" program covering nine major railroads serving Shell across the United States and asked railroads to provide transit time measurements the railroads invariably brought glowing statistics concerning the "on-time" percentage of their trains, much like Mr. Duffy presents in his statement. However, the transit time measurement on an individual cars or block of cars from date of shipment to constructive placement at destination is basis upon which Shell gauges on-time performance.

Mr. Duffy provides statistics for the movement of Shell products from Deer Park to the gateways of East St. Louis and New Orleans. According to Mr. Duffy "Service to Shell has returned to normal levels."⁸ In September 1998 Mr. Duffy reports that loaded cars were averaging 3.75 days from Deer Park to New Orleans. Prior to the merger when Shell shipped either via the UP or the SP it was taking 3 days from date of pickup to placement to constructive placement or placement for interchange in New Orleans, which is 25% higher than what transit time should be. We don't know whether Mr. Duffy is measuring train time from Deer Park to New Orleans or car time from the Shell plant to constructive placement. He may not have included the terminal time. As for loaded cars

⁸ UP's Opposition to Condition Applications - Volume 3, V.3 of Dennis J. Duffy, Page 7

from Deer Park to East St. Louis all Mr. Duffy gives is a percentage improvement (78% since the worst month) which tells us absolutely nothing.

Mr. Duffy's was the only Shell specific testimony regarding UP performance. The bottom line is that UP performance will only reach optimal levels when they experience the pressure of competition.

Volume Four of the UP comments is a compilation of over 500 letters of support solicited by UP from other railroads, shippers and government officials. Many of the letters in that volume were drafted from a form letter that UP provided which talked about letting "UP fight its way out" of problems and that we should not "weaken UP at a time when it has already suffered large financial and traffic losses." Most of the letters are not even from entities connected in any way with, or affected by, rail competition in the Gulf Coast Region. This entire volume should be given no weight.

The BNSF comments seek to preclude the Consensus Group from obtaining any of the conditions sought. BNSF comments are interesting in that while BNSF wants to protect its part of the Houston pie from KCS/Tex Mex, it also wants to apply the Consensus Group principles to compete in the UP monopoly franchises. CSX and NS filed statements in order to preclude the establishment of a precedent where the Board rectifies problems created by unforeseen ramifications of merger decisions.

The statements filed by the railroads as comments in opposition to the proposed conditions in this proceeding provide no basis for rejecting those conditions. Despite lofty rhetoric in its comments about "public interest," private property and the constitution, the UP objective remains the same; preservation of its monopoly franchises. The Board

should ignore the UP rhetoric and take action which would prevent a recurrence of the UP service disaster, as recommended in the statement of Brian P. Felker heretofore.

VERIFICATION

COUNTY OF HARRIS)

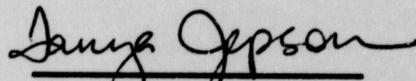
) ss:

STATE OF TEXAS)

DAVID L. HALL, being duly sworn, deposes and says that he has read the foregoing statement, knows the contents thereof, and the same are true as stated.

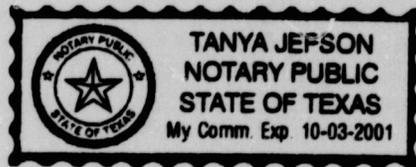
Signed: 
David L. Hall

Subscribed and sworn to before me this 15th day of October, 1998


Notary Public

My Commission expires:

10/3/01



(SEAL)

STB

FD

32760

(Sub 30)

10-16-98

D

191627

October 15, 1998

The Honorable Vernon Williams
Case Control Unit
Attn: STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Surface Transportation Board
1925 K. Street, N.W.
Washington, DC 20423-0001



30

D

RE:

STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Union Pacific Corporation, et. al.
-- Control and Merger --
Southern Pacific Rail Corporation, et. al.

HOUSTON/GULF COAST OVERSIGHT

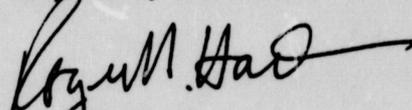
191623
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191629

Dear Secretary Williams:

Enclosed is the statement of the Greater Houston Partnership presenting its rebuttal comments relating to statements by the Union Pacific Railroad dated September 18, 1998 opposing all condition applications filed in this proceeding requesting additional conditions to the merger of the Union Pacific and Southern Pacific.

An original and 25 copies are enclosed, together with a 3.5 inch computer disk containing a copy of the statement in WordPerfect format.

Respectfully submitted,


Roger H. Hord
713-844-3625

RECEIVED
Office of the Secretary

OCT 16 1998

Part of
Public Record

October 15, 1998

The Honorable Vernon Williams
Case Control Unit
Attn: STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Surface Transportation Board
1925 K. Street, N.W.
Washington, DC 20423-0001



RE:

STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Union Pacific Corporation, et. al.
-- Control and Merger --
Southern Pacific Rail Corporation, et. al.

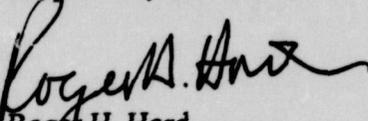
HOUSTON/GULF COAST OVERSIGHT

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Respectfully submitted,



Roger H. Hord
713-844-3625

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



**STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Union Pacific Corporation, et. al.
-- Control and Merger --
Southern Pacific Rail Corporation, et. al.**

HOUSTON/GULF COAST OVERSIGHT

**REBUTTAL COMMENTS OF
THE GREATER HOUSTON PARTNERSHIP
ON
COMMENTS OF UNION PACIFIC RAILROAD**

This statement presents the comments of the Greater Houston Partnership (GHP) regarding statements by the Union Pacific Railroad dated September 18, 1998 opposing all condition applications filed in this proceeding requesting additional conditions to the merger of the Union Pacific and Southern Pacific. Because the GHP recommendations were among those accepted for consideration by the Surface Transportation Board (STB), the GHP is filing these rebuttal comments.

The Greater Houston Partnership

The Greater Houston Partnership is Houston's principal business organization and is dedicated to building prosperity in the Houston region. The Partnership has 2,400 members from virtually every industry sector throughout the eight-county Houston region. The Partnership's Board of Directors is composed of 112 corporate CEO's of organizations in the Houston region.

Partnership members employ almost 600,000 people, which is one out of every three employees in the region.

GHP Maintains Position

The GHP maintains the view stated in our July 8, 1998 filing that we "must seek incremental changes in rail service to help secure a competitive Port and industrial sector." With this filing we reconfirm our principles and recommendations contained in that filing.

We believe rail service and rail competition for shippers served by one railroad in a community served by three or more carriers is superior to service and competition afforded a captive shipper in a community served by only two railroads where one of those railroads has an 80% market share. We note the apparent similarities in Houston's request for additional rail competition and issues in Conrail merger in the New York-New Jersey area. In this case, the STB applied lessons learned in the Houston-Gulf Coast merger of UP-SP by assuring shippers of competition from two rail carriers where before the merger, only one carrier existed. We believe the STB should revisit the Houston decision via this case to seek equitable means of injecting what is missing in the original merger formula, greater competition for shippers served by a single carrier. If the Union Pacific truly believes, as it states in UP-1 on page 155, that competition in this market would be so devastating that they would rather consider the "least drastic means" by divesting itself of the entire franchise, it reveals the extent of the dilemma we face in Houston in seeking additional competition and improved service.

The GHP restates the following recommendations:

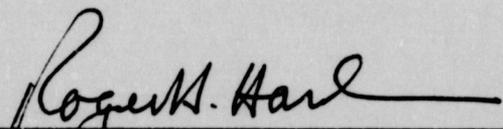
- 1) The STB should provide a mechanism for all railroads serving Houston to buy trackage rights and access rights at an equitable price to the following areas to provide greater competition for Houston area shippers:

- a) The trackage currently owned by the Port of Houston and operated by the Port Terminal Railroad Association (PRTA);
 - b) The trackage historically owned by the Houston Belt and Terminal RR prior to its dissolution; and
 - c) Additional trackage as determined by the governing body of the neutral switch and shippers as allowed by financial considerations.
- 2) Operation of a neutral dispatching, switching, and car movement system should be undertaken by a single third party. The operator should be the reconstituted PTRAs as described below serving as the governing authority over the trackage accumulated as recommended above.
 - 3) The Union Pacific should be encouraged to reach an agreement with other long haul carriers to arrange the sale or lease of abandoned trackage and underutilized rights of way and switching yards which might allow shippers and the Port of Houston additional rail system competitiveness, capacity, flexibility and geographic access. The STB should mediate the negotiations of the parties involved.
 - 4) The STB should order the reconstituted PTRAs to develop a regional master plan of added facilities and operations needed to provide system capacity in excess of demand for the foreseeable future.
 - 5) The Port of Houston, owner of the PTRAs, and all long haul railroads serving Houston should be full and equal voting members of the PTRAs Board.
 - 6) The STP should provide a mechanism for the railroad [which had] temporary rights to buy permanent rights at an equitable price from the owning railroad if an investigation indicates actual or expected improvement in performance and competitiveness in the Houston-Gulf Coast freight rail system.

These recommendations are contained in the GHP Board of Directors' resolution on *Competition in Houston Freight Rail Service*. The GHP Board's resolution emphasizes that Houston's rail system performance must be "in the top tier of United States cities," which means that service and rates must be truly competitive in order for Houston's port and its local industries to compete effectively in domestic and international markets. The GHP Board stated a preference that the private sector rectify noncompetitive situations through equitable compensation, but it realizes that federal statutes and regulations constitute a fundamental roadblock in some cases and should be modified.

CERTIFICATE OF SERVICE

I, Roger H. Hord, certify that, on this 15th day of October, 1998, caused a copy of the attached document to be served by first-class main, postage prepaid, on all parties of record in Finance Docket No. 32760 (Sub-No. 26-32).



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STB

FD

32760

(Sub 30)

10-16-98

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191621

OCT 18 1998

BEFORE THE
SURFACE TRANSPORTATION BOARD

Part of
Public Record



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191620
191621 ✓

FINANCE DOCKET NO 32760 (Sub-No. 26)
FINANCE DOCKET NO. 32760 (Sub-No. 29)
FINANCE DOCKET NO. 32760 (Sub-No. 30)

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

D

HOUSTON/GULF COAST OVERSIGHT

REBUTTAL COMMENTS OF THE PORT OF CORPUS CHRISTI AUTHORITY

Pursuant to Surface Transportation Board Decision No. 6 dated August 7, 1998 in the above-referenced proceeding, the Port of Corpus Christi Authority (the "Port") respectfully files these rebuttal comments in partial support of one of the additional remedial conditions contained in the consensus plan submitted July 8, 1998 by the Chemical Manufacturers Association, the Railroad Commission of Texas, the Texas Mexican Railway Company ("Tex Mex"), the Society of the Plastics Industry, Inc., the Texas Chemical Council, and the Kansas City Southern Railway Company (the "Consensus Parties"), and in full support of one of the additional remedial conditions submitted July 8, 1998 to the STB by The Burlington Northern and Santa Fe Railway Company ("BNSF"). Although the Port generally is very pleased with the benefits generated by the UP/SP merger as conditioned by the STB in its August 6, 1996 decision, certain trackage rights requested by the Consensus Parties and BNSF have the potential to provide even greater efficiencies, and should be granted, as discussed below, by the STB.

OVERALL THE PORT AND ITS SHIPPERS HAVE BENEFITTED FROM THE UP/SP MERGER AS APPROVED BY THE STB

The Port continues strongly to support the UP merger with the SP and the initial conditions that the STB imposed on the approval of the merger. The STB action has enabled the Port and its shipper customers to (a) continue to have the dependable services of the UP, (b) replace the erratic service of the financially strapped SP with the very competitive service of a strong and viable Class I railroad, the BNSF, and (c) maintain the viability of services by a third smaller regional railroad, the Texas Mexican Railway Company.

Now two years after the STB decision, the Port continues to experience growing direct benefits from the UP/SP merger. For example, the combined UP/SP system plus entry of BNSF is providing the Port with access to new markets not previously available in the form of increased export grain business moving via both the UP and BNSF. Other new import/export business opportunities also are in various stages of development.

This is not to say that the Port was unaffected by the well-publicized service and congestion situation. However, current service is fluid with no significant delays or service interruptions and as long as the railroads continue to focus on providing levels of competitive service which are responsive to customers' requirements, and participate in forums with the shippers such as established in Review of Rail Access and Competition Issues, STB Ex Parte No. 575, the Port and its shipper customers will continue to obtain increased benefits from the merger.

TEX MEX SHOULD BE ALLOWED TO PURCHASE THE VICTORIA/ROSENBERG LINE ON TERMS COMMERCIALY ACCEPTABLE TO BOTH UP AND TEX MEX

The Consensus Parties request that the STB

Require UP/SP to sell to Tex Mex its line between Milepost 0.0 at Rosenberg and Milepost 87.8 at Victoria, TX. Tex Mex would re-construct this line and, when completed, grant UP/SP and BNSF trackage rights between Rosenberg and Victoria to facilitate UP's directional traffic on the Brownsville

Subdivision. Grant Tex Mex related trackage rights over the two miles on the south end of this line between Milepost 87.8 and the point of connection at UP/SP's Port LaVaca branch at Victoria.

See, 63 F.R. 42482, 42484 (August 7, 1998).

In response, the UP, in its September 18, 1998 Opposition to Condition Applications at Vol 1, pages 213-214, states that

UP has agreed to sell the Wharton Branch [between Rosenberg and Victoria, Texas] to Tex Mex, and the parties have reached agreement in principle on an arbitration process to determine the sale price.

As amended by and conditioned on UP's requirement that the sale be on a commercially reasonable basis, and the other limitations contained in the UP September 18th statement, the Port supports the request of the Consensus Parties that Tex Mex be allowed to purchase, restore and operate the former SP Victoria/Rosenberg Line, with the UP and BNSF offered access to the Line on reasonable terms and conditions. Currently the parties are trying to operate 1990's railroads in the region with a 1950's infrastructure. The sale of the Victoria/Rosenberg Line to Tex Mex and subsequent reconstruction will go a long way toward restoring and modernizing the infrastructure and provide the additional capacity needed for future shippers through the Port. For example, there are rice suppliers and rice elevators located in the region which could benefit from the reconstruction of the Line.

The Port expects that the STB, in keeping with its policy to refrain from imposing conditions greater than necessary to ameliorate the results of the merger, will defer imposing any immediate resolution of the UP/Tex Mex disputes but instead will impose a condition approving of the sale of the Line to Tex Mex, and providing the parties with a sufficient amount of time to resolve commercially the remaining issues. The Port further would expect that the Tex Mex, should it receive the trackage rights requested, will be required by the STB to be responsive to shipper needs, including quoting reasonable rates, and will cooperate with the Port in developing business opportunities.

Except for this one condition, the Port takes no position on the other trackage rights and market access sought by the Consensus Parties on behalf of the Tex Mex.

BNSF'S REQUEST FOR PERMANENT RIGHTS ON THE CALDWELL/FLATONIA/PLACEDO ROUTE SHOULD BE GRANTED

BNSF has requested a condition that would allow it permanent bidirectional overhead trackage rights on UP's Caldwell/Flatonia/Placedo route to avoid congested UP lines between Algoa and Corpus Christi, TX. See, 63 F.R. at 42484. The UP opposes this request, stating that UP will maintain BNSF's temporary trackage rights as long as UP employs directional running on the Line, but when the UP discontinues directional running, it wants to end BNSF's rights on this route as BNSF again will have the ability to utilize the Houston-Placedo route.

Despite the UP opposition, the Port supports the BNSF request as it is the only way to assure that once directional running ends, that BNSF will not have to transit through Houston to and from Corpus Christi, and risk enveloping Corpus Christi traffic in possible Houston congestion. The temporary rights provided to BNSF have shown that BNSF is a competitive alternative to the UP, and to deny BNSF the permanent right to this trackage is to risk the competitive discipline that BNSF brings to the Corpus Christi market, and to deprive shippers of the certainty of a competitive alternative which shippers need to plan their long-range transportation requirements. There are substantial public benefits to BNSF maintaining rights to this trackage, and BNSF should be afforded these rights on a permanent basis, subject only to agreement on reasonable commercial terms acceptable to the UP.

The Port takes no position on any of the other BNSF requests for conditions.

CONCLUSION

The Port of Corpus Christi appreciates the opportunity to file these comments. For the reasons stated above, the condition

requested by the Consensus Parties as to the Victoria/Rosenberg Line, as modified by the UP comments, and the BNSF request for permanent rights on the Caldwell/Flatonia/Placedo route, should be granted.

Respectfully submitted,

Paul D. Coleman

Paul D. Coleman
Hoppel, Mayer & Coleman
1000 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 296-5460

Attorneys for:
The Port of Corpus Christi
Authority

October 16, 1998

CERTIFICATE OF SERVICE

I, Paul Coleman, hereby certify that a true copy of the Rebuttal Comments of the Port of Corpus Christi Authority was served on this 16th day of October, 1998, by hand delivery upon the Honorable Vernon Williams and by first class mail, postage paid upon all other parties of record.

Paul D. Coleman
Paul D. Coleman

STB

FD

32760

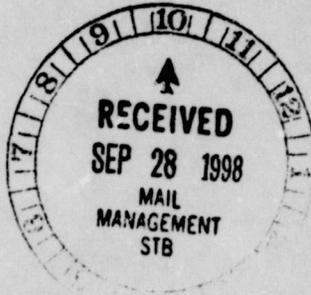
(Sub 30)

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191364

September 21, 1998



Commonwealth
Consulting
Associates

Office of the Secretary
Case Control Unit
ATTN: STB Finance Docket No. 32760 (Sub-No.20)
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

30 D

Re: STB Finance Docket No. 32760 (Sub-No. 26) - 191361
Union Pacific Corp., et al. - Control & Merger - Southern Pacific Corp., et al.

(Sub-No. 26) Houston/Gulf Coast Oversight Proceeding

(Sub-No. 28) Burlington Northern and Santa Fe Railway Company - 191362
Terminal Trackage Rights—Texas Mexican Railway Company

(Sub-No. 29) Burlington Northern and Santa Fe Railway Company - 191363
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area

(Sub-No. 30) Texas Mexican Railway Company, et al. - 191364
Request For Adoption of Consensus Plan

Dear Secretary Williams:

Pursuant to Board decision dated, September 10, 1998 in this proceeding, Shell Oil Company and Shell Chemical Company hereby give notice that they have served all parties of record with copies of previously filed pleadings.

Respectfully submitted,

David L. Hall

David L. Hall

D.L.

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Office of the Secretary

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Public Record

July 7, 1998

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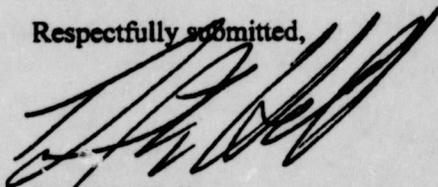
Office of the Secretary
Case Control Unit
ATTN: STB Finance Docket No. 32760 (Sub-No.26)
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: STB Finance Docket No. 32760 (Sub-No. 26)
Union Pacific Corp., et al. - Control & Merger - Southern Pacific Corp., et al.
Houston/Gulf Coast Oversight Proceeding

Dear Secretary Williams:

Enclosed for filing in the above-referenced docket are an original and twenty-five copies of the Request for New Remedial Conditions of Shell Oil Company and Shell Chemical Company. Also enclosed is a 3.5 inch diskette, containing the Request in a format which may be converted to Word Perfect 7.0.

Respectfully submitted,



David L. Hall

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C.

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Finance Docket No. 32760 (Sub-No. 26)

Union Pacific Corp., et al. – Control & Merger – Southern Pacific Corp., et al.
Houston/Gulf Coast Oversight Proceeding

REQUEST FOR NEW REMEDIAL CONDITIONS
OF
SHELL OIL COMPANY
AND
SHELL CHEMICAL COMPANY

Due Date: July 8, 1998

Brian P. Felker
Manager of Products Traffic
Shell Chemical Company
One Shell Plaza
Post Office Box 2463
Houston, Texas 77252

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C.

RECEIVED
SEP 25 1998
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FINANCE DOCKET NO. 32760 (SUB-NO. 26)

UNION PACIFIC CORP., et al. -- CONTROL & MERGER --
SOUTHERN PACIFIC RAIL CORP., et al.
HOUSTON/GULF COAST OVERSIGHT PROCEEDING

SHELL OIL COMPANY
AND
SHELL CHEMICAL COMPANY

REQUEST FOR NEW REMEDIAL CONDITIONS

Shell Oil Company and/or Shell Chemical Company "for itself and as agent for Shell Oil Company" (hereinafter jointly referred to as "Shell"), in response to the opportunity afforded by the Surface Transportation Board (Board or STB) by its Decision served May 19, 1998 in Finance Docket No. 32760 (Sub-No. 26), Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al., Houston/Gulf Coast Oversight Proceeding, hereby file a joint request for new remedial conditions. Both companies are corporations, the address of which is One Shell Plaza, Post Office Box 2463, Houston, Texas 77252.

SHELL INTEREST

Shell owns and operates a petrochemical plant at Deer Park, Texas which generates approximately 12,500 annual rail carloads, inbound and outbound. In addition, Shell ships to and receives from other Houston/Gulf Coast region facilities approximately 8,000 annual rail carloads. Because of the global nature of our business, Shell operations worldwide have been significantly impacted by the UP service meltdown in the western United States and particularly in the Houston/Gulf Coast region. The inability of the UP to provide timely and efficient rail service has delayed deliveries to customers. Shell plants have also experienced delays in the inbound shipment of raw materials. This has resulted in disrupted production processes and, in one case, a Shell plant shutdown.

It is our belief that these degraded service levels are a direct consequence of the diminution of rail competition in the Houston/Gulf Coast region. It is in Shell's interest, and indeed in the interest of the U.S. economy, to restore rail competition to this vitally important industrial region. By instituting this proceeding the Board has positioned itself to implement policies which will facilitate the restoration of Houston/Gulf Coast region rail competition.

RECOMMENDATIONS FOR NEW REMEDIAL CONDITIONS

It is important to preface our recommendations by stating that Shell does not condone the taking of property nor support the forced sale of assets. Shell does advocate free, open, and unfettered competition. These recommendations offer the opportunity to reconcile these two important principles.

Shell recommends adoption and implementation, with modifications as noted below, of the Consensus Plan proposed by representatives of the Chemical Manufacturers Association (CMA), Society of Plastics Industries (SPI), Texas Chemical Council (TCC), Texas Railroad Commission (TRC), Texas Mexican Railway Company (Tex Mex), and the Kansas City Southern Railway Company (KCS). The STB should:

- Permanently adopt the following provisions of Emergency Service Order No. 1518 dated October 31, 1997, as extended by Supplement 1 issued December 4, 1997 and Supplement 2 issued February 25, 1998, collectively referred to as ESO 1518 herein;
 - ◊ Issue permanent authority to the Tex Mex to receive and transport any traffic to or from shippers served by The Port Terminal Railway Company (PTRA) or the former Houston Belt & Terminal Railway Company (HBT), as granted temporarily under ESO 1518. This would remove the requirement imposed in Decision No. 44 of the UP/SP merger which denied Tex Mex access to such traffic unless it had prior or subsequent movement on the Tex Mex between Corpus Christi and Laredo.
 - ◊ Establish permanent Tex Mex trackage rights over the UP between Placedo and Algoa, Texas and over the BNSF between Algoa and TN&O Junction with a trackage rights fee equivalent to that established for BNSF over UP track in UP/SP Merger Decision No. 44.

- Restore neutral switching lost in Houston with the dissolution of HBT by UP and BNSF and open the Houston/Gulf Coast region to competition. With PTRA as the neutral switch carrier, the neutral switching area should include;
 - ◊ All industries and trackage served by the former HBT.
 - ◊ All industries and trackage served by the PTRA.
 - ◊ All shippers located on the former SP Galveston Subdivision between Harrisburg Junction and Galveston.
 - ◊ Galveston over both the UP and former SP routes between Houston and Galveston, and including all industries located along these lines.
- Grant PTRA access to the former SP and UP yards at Strang and Galveston to facilitate service to local industries, as well as the switching and classification of rail cars for those railroads which interchange with PTRA.
- Require neutral dispatching, located, managed and administered by the PTRA within the neutral switching area.
- Grant all railroads serving Houston terminal trackage rights over all tracks within the neutral switching area to enable PTRA to route trains in the most efficient manner.
- Require UP and BNSF to restore the Port of Houston Authority as a full voting member of the PTRA Board and add the Tex Mex to the PTRA Board.
- Facilitate the sale by UP to Tex Mex of the former SP line between Milepost 0.0 at Rosenberg and Milepost 87.8 at Victoria, Texas. While the Consensus Plan advocates requiring UP to sell this track, Shell would prefer the parties

agree to the transfer of this asset at a mutually acceptable price. If no such agreement can be reached the matter should be submitted to arbitration.

- Require reconstruction of the Rosenberg to Victoria line by Tex Mex and grant UP and BNSF trackage rights over that line when completed.
- Grant Tex Mex trackage rights over the UP line between Milepost 87.8 and the UP Port Lavaca Branch at Victoria with a trackage rights fee equivalent to that established for BNSF over UP track in UP/SP Merger Decision No. 44.
- Require Tex Mex to relinquish current trackage rights on the UP Glidden Subdivision between Tower 17, Rosenberg and Flatonia upon commencement of Tex Mex operations over the Rosenberg-Victoria line as set forth above.
- Facilitate the sale by UP to Tex Mex of Booth Yard in Houston. While the Consensus Plan advocates requiring UP to sell this Yard, Shell would prefer the parties agree to the transfer of this asset at a mutually acceptable price, under mutually acceptable conditions. If no such agreement can be reached the matter should be submitted to arbitration.
- Facilitate Tex Mex/KCS construction of a new rail line along the right of way adjacent to the UP Lafayette Subdivision between Dawes and Langham Road in Beaumont and the subsequent exchange of this line for the UP Beaumont Subdivision between Settegast Junction, Houston and Langham Road, Beaumont, with BNSF and UP trackage rights over Settegast Junction to Langham Road and Tex Mex trackage rights between Dawes and Langham Road. While the Consensus Plan advocates requiring UP to participate in this

transaction, Shell would prefer the parties agree to the transaction under mutually acceptable conditions. If no such agreement can be reached the matter should be submitted to arbitration.

CONCLUSIONS

We are fifteen months into what is arguably the most financially devastating railroad service emergency in U.S. history. We believe that this is due in large part to inadequate consideration of the impact of the recent spate of railroad consolidations on competition. It is obvious that significant changes are required to the conditions under which UP was granted the right to purchase and control SP et al.

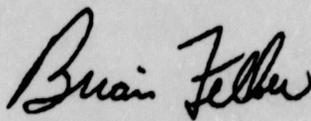
The Board is charged with ensuring a safe and efficient rail system (49 USC 10101(3)). The rail system in the west, and particularly in the Houston/Gulf Coast region has been neither safe nor efficient. This is due in large part to the reduction in competition as a western duopoly was granted through recent merger proceedings.

Absent external (competitive) pressure, railroads have developed an internal focus as they struggle to pay the premiums for the protection from competition which they have purchased through their mergers. Industries protected from competition become weak industries.

The STB mandate can best be fulfilled and the railroad industry strengthened through vigorous rail to rail competition. At the present time such competition does not exist. We believe that implementation of the foregoing recommendations, with the cooperation of all parties involved, would not only facilitate the restoration of railroad competition to the Houston/Gulf Coast region, but also strengthen the railroad industry.

Respectfully submitted,

SHELL CHEMICAL COMPANY
For itself and as Agent for Shell Oil Company
By its Manager of Products Traffic

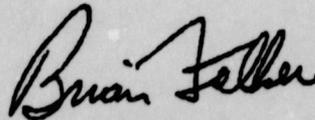
A handwritten signature in cursive script that reads "Brian Felcer".

Brian P. Felcer
One Shell Plaza
Houston, Texas 77252

Dated: July 7, 1998

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of July, 1998, copies of the Request for New Remedial Conditions of Shell Oil Company and Shell Chemical Company were served by first class mail, postage prepaid, in accordance with the rules of the Surface Transportation Board on the U.S. Secretary of Transportation, and all other parties of record.



**Brian F. Felher
Manager of Products Traffic
Shell Chemical Company
One Shell Plaza
Post Office Box 2463
Houston, Texas 77252**

August 10, 1998

**Commonwealth
Consulting
Associates**

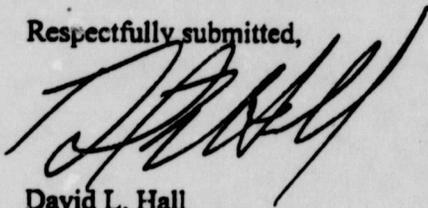
Honorable Vernon A. Williams
Office of The Secretary
Case Control Unit
Attn: STB Finance Docket No. 32760 (Sub-No.26)
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Surface Transportation Board Finance Docket No. 32760 (Sub-No. 26)

Dear Secretary Williams:

Please accept this letter as Notice of Intent to Participate in the proceeding referenced above and add my name to the service list as a party of record. Commonwealth Consulting Associates will file comments on behalf of Shell Chemical Company and Shell Oil Company.

Respectfully submitted,



David L. Hall
Commonwealth Consulting Associates
13103 F.M. 1960 West
Suite 204
Houston, TX 77065

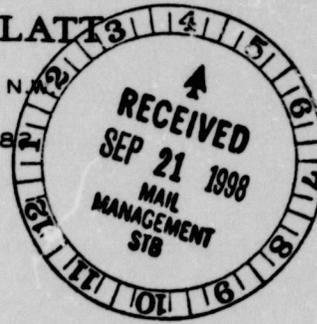
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Fax: (281) 970-6800
E-Mail: commonwealth_consulting@compuserve.com

STB FD 32760 (Sub 30) 9-21-98 D 191251

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

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Office of the Secretary

SEP 22 1998

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September 21, 1998

VIA HAND DELIVERY

Office of the Secretary
Surface Transportation Board
Case Control Unit
1925 K Street, N.W.
Washington, DC 20423-0001

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Re: Finance Docket No. 32760 (Sub-Nos. 28, 30 and 32)

Dear Secretary Williams:

Enclosed please find the original verification for Ernest L. Hord whose verified statement was filed on September 18, 1998, as part of The Burlington Northern and Santa Fe Railway Company's Comments, Evidence and Arguments on Requests for New Remedial Conditions in Additional Oversight Proceeding (BNSF-9).

If you have any questions, please contact me at (202) 778-0642. Thank you.

Sincerely,

Erika Z. Jones

Enclosure

VERIFICATION

THE STATE OF TEXAS)

COUNTY OF TARRANT)

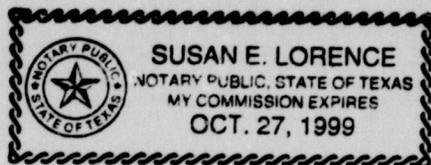
Ernest L. Hord, being duly sworn, deposes and says that he has read the foregoing statement and that the contents thereof are true and correct to the best of his knowledge and belief.

Ernest L. Hord
Ernest L. Hord

Subscribed and sworn before me on this 17th day of Sept., 1998.

Susan E. Lorence
Notary Public

My Commission expires: 10/27/99



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(Sub 30)

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191231

Commonwealth
Consulting
Associates

September 17, 1998

Office of the Secretary
Case Control Unit
ATTN: STB Finance Docket No. 32760 (Sub-No.26)
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

D



Re: STB Finance Docket No. 32760 (Sub-No. 26)
Union Pacific Corp., et al. - Control & Merger - Southern Pacific Corp., et al.

191228

(Sub-No. 26) Houston/Gulf Coast Oversight Proceeding

(Sub-No. 28) Burlington Northern and Santa Fe Railway Company—
Terminal Trackage Rights—Texas Mexican Railway Company

191229

(Sub-No. 29) Burlington Northern and Santa Fe Railway Company—
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area

191230

(Sub-No. 30) Texas Mexican Railway Company, et al.—
Request For Adoption of Consensus Plan

191231

Dear Secretary Williams:

Enclosed for filing in the above-referenced docket are an original and twenty-five copies of the Joint Comments of Shell Oil Company and Shell Chemical Company. Also enclosed is a 3.5 inch diskette, containing the Request in a format which may be converted to Word Perfect 7.0.

Copies of these Joint Comments are also concurrently served on all other parties of record.

Respectfully submitted,

David L. Hall

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PORT OF HOUSTON AUTHORITY

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September 17, 1998

Honorable Vernon Williams
Case Control Unit

Attn: STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



Re:

STB FINANCE DOCKET NO. 32760 (SUB-NOS. 26-32)
UNION PACIFIC CORPORATION, et. al.
-- CONTROL AND MERGER --
SOUTHERN PACIFIC RAIL CORPORATION, et. al.

HOUSTON/GULF COAST OVERSIGHT

191200
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191206

Dear Secretary Williams:

Enclosed is the statement of the Port of Houston Authority presenting its comments relating to the requests for new conditions on the UP/SP merger that were accepted for consideration by the Board.

An original and 25 copies are enclosed, together with a 3.5-inch computer disk containing a copy of the statement in WordPerfect format.

Respectfully submitted,

Richard J. Schiefelbein
817-236-6841

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Office of the Secretary

SEP 18 1998

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**STB FINANCE DOCKET NO. 32760 (SUB-NOS. 26-32)
UNION PACIFIC CORPORATION, *et. al.*
-- CONTROL AND MERGER --
SOUTHERN PACIFIC RAIL CORPORATION, *et. al.***



HOUSTON/GULF COAST OVERSIGHT

**COMMENTS OF
THE PORT OF HOUSTON AUTHORITY
ON
REQUESTS FOR ADDITIONAL CONDITIONS
TO THE UNION PACIFIC/SOUTHERN PACIFIC MERGER**

The purpose of this statement is to present the comments of the Port of Houston Authority (Port Authority) regarding those requests for additional conditions to the merger of the Union Pacific and Southern Pacific railroads which were accepted by the Board in Decision No. 6 in this proceeding.

The Port of Houston Authority

The Port of Houston Authority is an autonomous governmental entity which owns the public facilities along the 50-mile Houston Ship Channel and is the Channel's official sponsor. The Port of Houston Authority owns 43 general cargo wharves, owns and operates the Barbours Cut Container Terminal, the Container Terminal at Galveston, and Houston Public Grain Elevator No. 2, which are available for public use. It also owns a bulk materials handling plant,

a bagging and loading facility, a refrigerated facility, two liquid cargo wharves, and other facilities which are leased to private operators. The Port of Houston complex also includes numerous privately-owned terminals. The Port Authority also operates the Malcolm Baldrige Foreign Trade Zone.

The Port Authority's facilities handle approximately 15 percent of the approximately 150 million tons of cargo moving through the Port of Houston. The Port of Houston ranks first in the United States in total foreign water-borne commerce handled and second in total tonnage. It is the seventh busiest port in the world. Last year, the Port of Houston handled over 6,400 ships, 50,000 barges and 935,000 TEU's (twenty-foot equivalent container units).

The Port of Houston is home to a \$15 billion petrochemical complex, the largest in the nation. The Port generates approximately 196,000 jobs and \$5.5 billion in economic activity annually.

Summary

The Port Authority supports certain of the requests for additional conditions made in the Consensus Plan and in the Burlington Northern Santa Fe (BNSF) filing. The following listing summarizes those requests and the portions of each which the Port Authority supports. Details of the Port Authority's reasons for supporting each request are presented in the following sections of this statement:

- That the Board should make permanent the provisions of Emergency Service Order No. 1518 that: (a) temporarily suspended the restriction the Tex Mex's trackage rights could be used only for shipments having a prior or subsequent movement on Tex Mex; and (b)

temporarily granted Tex Mex trackage rights over UP's "Algoa route" between Placedo, TX and Algoa, TX and over BNSF from Algoa to Alvin, TX and to T&NO Junction, TX.

- That the Port Terminal Railroad Association (PTRA), or its successor organization if PTRA is dissolved, should provide neutral switching over the trackage formerly operated by the Houston Belt & Terminal Railroad (HB&T).
- That the neutral switching area in and around Houston be expanded to include shippers located on UP's line between the junction with PTRA immediately north of Bridge 5A to Morgan's Point on the south side of the Houston Ship Channel, including Harrisburg, Manchester, Sinco, Pasadena, Deer Park, Strang, La Porte, and Morgan's Point, with PTRA, or its successor, designated as the neutral switching operator. The Port Authority specifically does not support or endorse any change to the rail service provided to shippers located on the Bayport Loop or on UP's line at or south of Strang Yard.
- That neutral dispatching be performed by PTRA, or its successor, on the trackage formerly operated by HB&T and on the UP line between Bridge 5A and Morgan's Point described above in addition to the lines currently operated by PTRA.
- That Tex Mex be acknowledged as a full voting member of PTRA and that the Port Authority's voting status on the PTRA Board be restored.
- That a yard adequate to satisfy Tex Mex's switching needs in Houston be made available to Tex Mex at a reasonable price or lease rate.
- That the KCS/Tex Mex proposal to construct an additional track between Houston and Beaumont, increasing rail capacity in that corridor and adding an additional carrier to the Houston market, be authorized by the Board.

- That the UP's Clinton Branch be controlled and operated by the PTRA, or its successor.

Emergency Service Order Provisions

Emergency Service Order No. 1518 temporarily suspended the restriction that the Tex Mex's trackage rights to Houston and Beaumont could be used only for shipments having a prior or subsequent movement on Tex Mex.

Suspending that restriction has provided an additional competitive choice to shippers located on the trackage operated by PTRA and on the trackage formerly operated by HB&T. In addition to UP and BNSF, shippers have been able to choose Tex Mex as their line-haul carrier for shipments to Beaumont and beyond. This has increased Houston-area shippers' routing choices and has made additional capacity available in the form of Kansas City Southern's lines for movements beyond Beaumont.

If the restriction on Tex Mex's trackage rights is reinstated, the additional capacity provided by KCS beyond Beaumont will not be available to shippers because neither UP nor BNSF will short-haul themselves by handing over traffic to KCS at Beaumont. Thus, both the competitive choices available to Houston-area shippers and the rail infrastructure available to handle Houston-area shipments will be reduced if the restriction on Tex Mex's trackage rights is reinstated.

The Port Authority supports making the temporary suspension of Tex Mex's trackage rights restriction permanent.

Emergency Service Order No. 1518 also granted Tex Mex temporary trackage rights over UP's "Algoa route" and over BNSF from Algoa into Houston. These rights have facilitated

directional running by UP, BNSF, and Tex Mex between Houston and Placedo, TX, improving the flow of trains into and out of the Houston terminal and contributing to the reduction in rail congestion in Houston. Operating northbound on the Algoa route and southbound on the Flatonia, TX to Placedo route has benefited shippers in Houston. The Port Authority supports making these overhead trackage rights permanent.

Neutral Switching on HB&T by PTRA

For at least 20 years, plans were developed to combine the operations of HB&T and PTRA. Both railroads performed a similar "belt railroad/neutral switching function" in geographic areas directly adjacent to one another.

For many recent years, Southern Pacific's objections kept the combination from being implemented. Southern Pacific was a member of PTRA, but was not an owner of HB&T. With the consummation of the UP/SP Merger, SP's concerns were no longer an issue because UP was both a member of PTRA and an owner of HB&T.

However, instead of finally seeing the combination become a reality, HB&T was dissolved by UP and BNSF, its owners. Today, UP and BNSF each switch a portion of the former HB&T on a reciprocal switching basis and must exchange cars routed over the other railroad. Cars must also be switched by each railroad to Tex Mex on those shipments routed over Tex Mex. This is precisely the function PTRA performs for UP, BNSF, and Tex Mex. Having UP and BNSF make interchange runs between their respective yards just a few miles from PTRA's North Yard, where PTRA assembles cuts of cars destined for each railroad seems to make little sense.

PTRA could perform the same function with no duplication in interchange deliveries to the railroads. It appears that this change alone would reduce the number of interchange movements competing to use the congested trackage along the East Belt and the West Belt lines.

The Port Authority supports having PTRA, or its successor organization should PTRA ever be dissolved, provide neutral switching services on the trackage formerly operated by HB&T.

Expansion of Neutral Switching Area

The Consensus Plan calls for an expansion of the neutral switching provided by PTRA over various lines in the Houston/Gulf Coast area. The BNSF filing calls for PTRA operation of the Clinton Branch. The Port Authority supports the expansion of PTRA's neutral switching over some, but not all of the lines requested by the Consensus Plan and supports PTRA operation of the Clinton Branch.

In particular, the Port Authority supports expansion of area in which PTRA, or its successor if PTRA is ever dissolved, would provide neutral switching to include: (1) shippers located on UP's line between the junction with PTRA immediately north of Bridge 5A to Morgan's Point on the south side of the Houston Ship Channel, including Harrisburg, Manchester, Sinco, Pasadena, Deer Park, Strang, La Porte, and Morgan's Point, and (2) UP's Clinton Branch. This expanded area of neutral switching is in addition to the trackage currently operated by PTRA and the trackage formerly operated by HB&T.

In November 1995, the Port Authority and UP and SP entered into an agreement in which the Port Authority agreed to support the then-proposed UP/SP Merger and UP and SP agreed, among other provisions, to permit the Port Authority to build its own track on SP rights-of-way

between Deer Park Junction and Barbours Cut and between Strang and the Port Authority's planned terminal at Bayport. Regarding the latter line, the Port Authority agreed:

that any attempt by PHA [Port Authority] to establish rail service to others springing from New Track 2 [Strang to Bayport] shall void all other rights granted herein including the right to operate over the right-of-way of Primary Applicants [UP and SP] and any operating rights which may be granted to PTRAs or PHAs by subsequent agreements whose purpose is to implement this letter agreement.

As a result, the Port Authority does not support or endorse any change to the rail service provided to shippers located on the Bayport Loop or on UP's line at or south of Strang Yard.

The following paragraphs discuss expansion of PTRAs neutral switching operations on the line from Bridge 5A to Morgan's Point; the Clinton Branch is discussed in a separate section below.

The industrial complex located along the Houston Ship Channel is one of the primary economic engines for the Houston region. The Port of Houston and the economic activity associated with the Port generate over \$5.5 billion of economic activity annually and generate over 196,000 jobs.

Assuring that this economic engine runs as efficiently as possible is important to the Houston economy. The operational delays inherent in having two railroads operate over the same trackage can be reduced by having one of those railroads perform the work in the area. Reducing the delays in operations along the south side of the Houston Ship Channel will translate into better service for the area's rail shippers, making them more competitive in their

marketplaces and preserving or expanding the level of economic activity in the Houston area. Neutral switching will also offer competitive transportation choices to those shippers which do not have a choice of line-haul carrier today.

Neutral Dispatching Performed by PTRA

The Port Authority supports neutral dispatching of the trackage recommended for neutral switching.

Neutral dispatching is so important to the efficient operation of the Houston terminal area that the Port Authority supports neutral dispatching on this trackage whether or not neutral switching is implemented as recommended above.

In addition, the Port Authority strongly believes that the neutral dispatching function for this territory should be performed by PTRA, not by a joint operation of the line-haul railroads.

In the Houston terminal area, there is extensive joint trackage over which both UP and PTRA operate. All of this jointly-operated trackage is dispatched by the joint dispatching center in Spring, regardless of track ownership; the non-signalled segments (Deer Park Junction to Barbours Cut and the HL&P Lead) are under the control of the UP yardmaster at Strang Yard.

Although UP and BNSF are both members of PTRA, the dispatching that is performed by the joint dispatcher often delays PTRA movements. It was reported to the Port Authority that a PTRA train was delayed for 16 hours in a move from Manchester to North Yard, a distance of about 5 miles, while other trains in the area were given dispatching preference; this route is over Port Authority-owned tracks except for a short segment at Bridge 5A.

The Port Authority believes that joint dispatching of the Houston terminal by PTRA is the best way to assure non-preferential dispatching of trains. Despite the fact that PTRA handled

247,000 loaded cars between the plants along the Ship Channel and the line-haul railroads in 1997, PTRA is not a participant in the joint dispatching center at Spring, TX, and does not even have an observer at the joint dispatching center.

By its charter, PTRA is a neutral entity; employees of PTRA are more likely to make non-preferential dispatching decisions than are employees of one of the line haul carriers, even if the line-haul employee is supervised by a joint employee of the line-haul railroads. Having the dispatcher report to a joint employee reasonably assures that the dispatcher will not give preference to one line-haul carrier over the other, but it does not assure that the switching carrier's movements will be dispatched without disadvantage relative to the line-haul railroads' trains.

The Port Authority believes that only by having the dispatching performed by PTRA, or its successor organization in the event PTRA is ever dissolved, will dispatching in the Houston area be performed on a non-preferential basis. It is not necessary for the joint dispatching center at Spring to be controlled by PTRA, but only the dispatching territory known as STO-2, which controls the area in which PTRA operates.

Tex Mex Membership in PTRA; Port Authority Voting Status Restored

PTRA is an unincorporated association formed by a 1924 agreement between the Port Authority and the railroads operating in Houston. In that agreement, the Port Authority made its railroad property available and the railroads agreed to operate that property in a neutral, non-preferential manner to serve industries located along the Houston Ship Channel. For the first 50 years of the agreement, the Port Commissioners, who are unpaid appointees, also served as PTRA Board members. During this period, the Port Authority made all capital improvements

and the Port Authority had the same number of votes as there were railroad members of PTRA, assuring a balance between the public and private interests served by PTRA.

In 1974, the Board was split into a Board of Investment and a Board of Operation, with the Port Authority maintaining a role on the Board of Investment, but not being involved in the day-to-day railroad operating decisions of the PTRA.

In 1984, the parties reached an agreement under which the railroads would make future capital improvements on PTRA and the basis of the railroads' payment for use of the Port Authority's property was changed from an interest rental basis to a flat monthly fee; the Board of Investment was abolished and the Port Authority was made a non-voting member of the surviving Board of Operation.

Because of its non-voting status, the Port Authority has not been able to provide the needed balance between the public and private interests served by the Port Authority's railroad assets. Restoring the Port Authority's vote on the PTRA Board would assure that the public interest would be effectively served by the operations conducted on the publicly-owned rail infrastructure adjacent to the Houston Ship Channel.

The 1924 PTRA agreement also clearly states that all railroads entering the City of Houston are members of PTRA. Tex Mex gained access to Houston under the terms of Decision No. 44 in this proceeding; Tex Mex should be a member of PTRA.

Tex Mex Yard in Houston

In Decision No. 44 in this proceeding, the Board granted the rights requested by Tex Mex in the Sub-No.14 Terminal Trackage Rights filing by Tex Mex. In the Sub-No.14 application, Tex Mex had requested access to HB&T's New South Yard. With the dissolution of HB&T, it is

no longer operationally feasible for Tex Mex to have access to New South Yard, as BNSF utilizes that yard to support its switching operations in Houston related to the trackage rights lines granted to it in Decision No. 44.

The Port Authority supports Tex Mex's request that a yard be made available to it in Houston, at a reasonable price or lease rate, to facilitate its operations in Houston and on its trackage rights to Beaumont and to Robstown, TX.

Additional Track between Houston and Beaumont

The Port Authority supports the proposal to construct an additional track between Houston and Beaumont, thereby increasing rail capacity in that corridor and adding an additional competitive railroad to the Houston market. The congestion which Houston has suffered in the last year has demonstrated that additional rail capacity in the Houston area would be beneficial to those industries which depend on the railroads to handle their outbound products and their inbound production materials.

In addition, the Port Authority continues to support greater competition in the Houston rail market. The industries which comprise the economic strength of Houston depend in large measure on the railroads to move their products to market. With greater competition in rail transportation, these industries are less likely to be at a competitive disadvantage in their more distant markets. The Port Authority believes that additional rail competition would be beneficial to the Houston industrial community and to the economy of the Houston area.

For these reasons, the Port Authority supports the proposed increase in rail infrastructure and the addition of another line-haul railroad to the Houston market.

PTRA Operation of the Clinton Branch

The Port Authority has two facilities located on the Clinton Branch and served by UP. The first is Houston Public Grain Elevator No. 2 (Elevator). The Elevator, which is owned and operated by the Port Authority, has a capacity of 6 million bushels and its throughput is expected to exceed 40 million bushels in 1998. The second facility is Woodhouse Terminal (Woodhouse). Located adjacent to the Elevator, Woodhouse is owned by the Port Authority and is leased to a firm which operates the terminal, handling cargoes through the Woodhouse warehouses and loading and unloading ships.

Together, the Elevator and Woodhouse occupy 91 acres on the north side of the Houston Ship Channel. The complex has 1,200 feet of wharf on the Ship Channel and a 1,200-foot x 250-foot boat slip equipped to handle roll-on/roll-off cargoes in addition to break bulk cargoes. The combined facility also has 14 tracks for receiving railroad cars, each approximately 2,600 feet long.

The Port Authority supports the Consensus Plan's and BNSF's requests that the Clinton Branch be controlled by PTRA or its successor organization if PTRA is dissolved. The Port Authority believes that PTRA operation would be beneficial because it would resolve operating deficiencies that the Port Authority has experienced on the Clinton Branch and would do so without changing the railroads' access to shippers on the branch because the shippers' locations are open to reciprocal switching today.

No Change in Competitive Access

Changing the operating responsibility for the Clinton Branch to PTRA will not change the current competitive access to shippers on the branch. The shippers located along the Clinton

Branch, with the exception of UP's own automobile unloading facility, already are open to reciprocal switch, and thus have access to railroads other than UP. Tariff ICC SP 9500-D, issued by Southern Pacific Transportation Company on September 11, 1996 lists in Item 5090 the industries on the Clinton Branch (listed under station name Galena Park - 35070) which are open to reciprocal switch. These include American Plant Food Company, Arrow Terminal Company, Delta Steel Incorporated, Exxon Energy Chemical, GATX Terminal, Holnam Incorporated, City of Houston, Houston Public Grain Elevator No. 2, Stevedoring Service of America (at that time the lessee and operator of Woodhouse Terminal), Texaco Lubricants Company, and United States Gypsum Company.

Service to the Elevator

PTRA provides rail service to most of the industries located along the Houston Ship Channel. The exceptions are those industries located on the Clinton Branch, Exxon in Baytown, and three industries located on the HL&P Lead in La Porte.

PTRA provides effective, non-preferential service switching service to shippers along both sides of the Ship Channel, all of whom have access to BNSF, UP, or The Texas Mexican Railway for line-haul service, by virtue of PTRA's neutral switching status.

PTRA makes its operating decisions for the benefit of the Houston terminal area overall, and does not base its decisions on the operating preferences of any one line-haul railroad. This is precisely the type of service which is needed at the Elevator, but has not been provided in the past. An example occurred during UP's recent congestion problems, when UP stored cars for other customers on the Port Authority's tracks at the Elevator, which prevented the Elevator

from receiving grain shipments consigned to it, despite the Port Authority's requests that UP remove the cars from its tracks.

Service to Woodhouse Terminal

Shipments destined to the Clinton Branch are handled in UP's Englewood Yard. In January 1997, the Port Authority was made aware of extensive delays in shipments destined to Woodhouse reaching Woodhouse once they had arrived in Houston on BNSF. Reviewing car movement records confirmed that cars were taking between 4 and 8 days to be moved from BNSF's Pearland Yard (near Houston's Hobby Airport) to Woodhouse, a distance of approximately 13 miles.

To resolve these delays, the Port Authority developed with the railroads an informal routing in which the cars for Woodhouse were delivered to PTR A, which switched them and placed them at a crossover switch connecting with the Clinton Branch. The UP switch crew then pulled the cars from the PTR A and delivered them to Woodhouse. In effect, this route substituted PTR A switching and transfer to the Clinton Branch for UP switching at Englewood and UP transfer to the Clinton Branch. The results were effective, with cars placed at the crossover the day after arrival in Houston and being delivered by UP either later that day or on the next day.

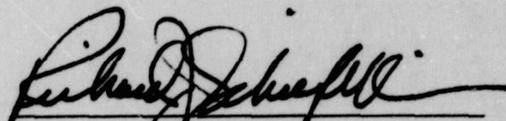
This example demonstrates the efficiency of using PTR A's North Yard, which is adjacent to the Clinton Branch, to handle traffic for the Clinton Branch rather than using UP's Englewood Yard, which is more distant.

The Port of Houston Authority supports the Consensus Plan's and BNSF's request that operation of the Clinton Branch be performed by PTR A. As described above, PTR A operation

of the Clinton Branch could improve service to shippers located on the branch without changing the existing competitive access for shippers located on the branch.

CERTIFICATE OF SERVICE

I, Richard J. Schiefelbein, certify that , on this 17th day of September , 1998, I caused a copy of the attached document to be served by first-class main, postage prepaid, on all parties of record in Finance Docket No. 32760 (Sub-No. 26).


Richard J. Schiefelbein

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(Sub 30)

9-18-98

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GREATER HOUSTON PARTNERSHIP
Chamber of Commerce • Economic Development • World Trade

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Office of the Secretary

SEP 18 1998

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Public Record

September 17, 1998



Honorable Vernon Williams
Case Control Unit

Attn: STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Surface Transportation Board
1925 K. Street, N.W.
Washington, DC 20423-0001

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Re:

STB FINANCE DOCKET NO. 32760 (SUB-NOS. 25-32)
UNION PACIFIC CORPORATION, et. al.
-- CONTROL AND MERGER --
SOUTHERN PACIFIC RAIL CORPORATION, et. al.

HOUSTON/GULF COAST OVERSIGHT

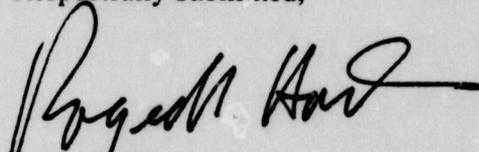
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Dear Secretary Williams:

Enclosed is the statement of the Port of Houston Authority presenting its comments relating to the requests for new conditions on the UP/SP merger that were accepted for consideration by the Board.

An original and 25 copies are enclosed, together with a 3.5-inch computer disk containing a copy of the statement in WordPerfect format.

Respectfully submitted,


Roger H. Hord
713 844-3625

1 91193



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**STB Finance Docket No. 32760 (Sub-Nos. 26-32)
Union Pacific Corporation, et. al.
-- Control and Merger --
Southern Pacific Rail Corporation, et. al.**

HOUSTON/GULF COAST OVERSIGHT

**COMMENTS OF
THE GREATER HOUSTON PARTNERSHIP
ON
REQUESTS FOR ADDITIONAL CONDITIONS
TO THE MERGER**

**ENTERED
Office of the Secretary**

SEP 18 1998

**Part of
Public Record**

This statement presents the comments of the Greater Houston Partnership (GHP) regarding those requests for additional conditions to the merger of the Union Pacific and Southern Pacific railroads which were accepted by the Board in Decision No. 6 in this proceeding. Because the GHP recommendations were among those accepted for consideration by the Board, the GHP intends to file rebuttal evidence and argument on October 16 in addition to the comments presented here related to requests made by other parties.

The Greater Houston Partnership

The Greater Houston Partnership is Houston's principal business organization and is dedicated to building prosperity in the Houston region. The Partnership has 2,400 members from virtually every industry sector throughout the eight-county Houston region. The Partnership's Board of Directors is composed of 112 corporate CEO's of organizations in the Houston region.

Partnership members employ almost 600,000 people, which is one out of every three employees in the region.

The GHP considers the following requests made in the Consensus Plan proposal to be largely similar to our own requests filed in this proceeding:

- That the Board should make permanent the provisions of Emergency Service Order No. 1518 that: (a) temporarily suspended the restriction the Tex Mex's trackage rights could be used only for shipments having a prior or subsequent movement on Tex Mex; and (b) temporarily granted Tex Mex trackage rights over UP's "Algoa route" between Placedo, TX and Algoa, TX and over BNSF from Algoa to Alvin, TX and to T&NO Junction, TX. The GHP supports making these rights permanent if data indicate improvement or if improvement can be expected.
- That the Port Terminal Railroad Association (PTRA), or its successor organization if the PTRA is dissolved, should provide neutral switching over the trackage formerly operated by the Houston Belt & Terminal Railroad (HB&T). The GHP supports the PTRA, or its successor organization, as the provider of neutral switching over the former HB&T and in an additional area determined to be financially feasible.
- That Tex Mex be acknowledged as a full voting member of PTRA and that the Port Authority's voting status on the PTRA Board be restored. The GHP supports for full PTRA Board membership the Port of Houston and all long haul railroads serving Houston.
- That a yard adequate to satisfy Tex Mex's switching needs in Houston be made available to Tex Mex at a reasonable price or lease rate; and that the KCS proposal to construct an additional track between Houston and Beaumont, increasing rail capacity in that corridor and adding an additional carrier to the Houston market, be authorized by the Board. The GHP supports a process mediated by the STB involving the Union Pacific and other long haul railroads which

would facilitate an agreement to sell or lease abandoned trackage and underutilized rights of way and switching yards for the purpose of adding rail system competitiveness, capacity, flexibility and geographic access.

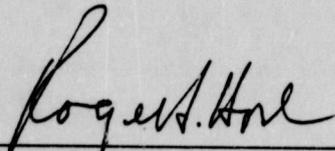
The conditions described above, which have been requested in the Consensus Plan, are similar to the GHP Board of Directors' resolution on *Competition in Houston Freight Rail Service*. The GHP Board's resolution emphasizes that Houston's rail system performance must be "in the top tier of United States cities," which means that service and rates must be truly competitive in order for Houston's port and its local industries to compete effectively in domestic and international markets. The GHP Board prefers that the private sector rectify noncompetitive situations through equitable compensation, but it realizes that federal statutes and regulations constitute a fundamental roadblock in some cases and should be modified.

Many Houston shippers have expressed concerns related to this year's service difficulties and the growing difficulty in obtaining competitive service and rates. Their concern is for the level of rail service needed for a competitive Gulf Coast economy and the degree of rail industry competition needed to achieve that goal. Railroad consolidation in Houston has resulted in six Class 1 railroads being reduced to two, with an 80 percent market share dominance by one railroad. These issues are adversely affecting local shippers and the Houston economy. Unless some corrective action is taken, over the long term the cost of operating in a large portion of the Houston area may well become competitively disadvantageous.

September 17, 1998

CERTIFICATE OF SERVICE

I, Roger H. Hord, certify that, on this 17th day of September, 1998, I caused a copy of the attached document to be served by first-class main, postage prepaid, on all parties of record in Finance Docket No. 32760 (Sub-No. 26).



Roger H. Hord
713 844-3625

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Washington, DC 20005 3314

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US Department of Transportation
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Washington, DC 20590

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Donelan Cleary Wood & Maser PC
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Washington, DC 20005-3934

James V. Woodrick
1402 Nueces Street
Austin, TX 78701-1586

STB FD

32760

(Sub 30)

8-28-98

D

190815

ENTERED
Office of the Secretary

AUG 31 1998

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



190813 — FINANCE DOCKET NO. 32760 (Sub-No. 26)
190814 — FINANCE DOCKET NO. 32760 (Sub-No. 29)
190815 — FINANCE DOCKET NO. 32760 (Sub-No. 30)

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

HOUSTON/GULF COAST OVERSIGHT

NOTICE OF INTENT TO PARTICIPATE

Pursuant to Decision No. 6, served August 4, 1998 in the above referenced matters, the Port of Corpus Christi Authority hereby submits an original and twenty-five copies of its Notice of Intent to Participate as a party of record in STB Finance Docket No. 32760 (Sub-No. 26), STB Finance Docket No. 32760 (Sub-No. 29), and STB Finance Docket No. 32760 (Sub-No. 30). The Port of Corpus Christi will adopt the acronym "CC" to identify each of its filings.

The Port of Corpus Christi requests that its representative, as listed below, be included in the service list maintained by the Board in these oversight proceedings so that the listed representative receives copies of all orders, notices, and pleadings:

Paul D. Coleman
Hoppel, Mayer & Coleman
Suite 400
1000 Connecticut Avenue, N.W.
Washington, D.C. 20036

Tel: 202-296-5460

Fax: 202-296-5463

The Port of Corpus Christi also requests that the parties serve copies of their pleadings on:

Mr. John P. LaRue
Executive Director
Port of Corpus Christi Authority
P.O. Box 1541
Corpus Christi, TX 78403

Thank you for your assistance in this matter. A diskette containing this Notice, formatted to WordPerfect 7.0, is included herewith.

Respectfully submitted,

Paul D. Coleman

Paul D. Coleman
Hoppel, Mayer & Coleman
Suite 400
1000 Connecticut Avenue, N.W.
Washington, D.C. 20036
Attorneys for:
Port of Corpus Christi Authority

August 28, 1998

Certificate of Service

I hereby certify that on this 28th day of August, 1998, I served by first class mail, postage prepaid, the Notice of Intent to Participate of the Port of Corpus Christi Authority, on the following:

Arvid E. Roach II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044

The Honorable Stephen Grossman
Administrative Law Judge
Federal Energy Regulatory Commission
888 First Street, N.E. Suite 11F
Washington, D.C. 20426

Paul D. Coleman
Paul D. Coleman

STB FD

32760

(Sub 30)

8-28-98

D

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ENTERED
Office of the Secretary

AUG 28 1998

Part of
Public Record

Before the

SURFACE TRANSPORTATION BOARD

ORIGINAL

30



Finance Docket No. 32760 (Sub-No. 26)^{1/}

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY AND
MISSOURI PACIFIC RAILROAD COMPANY--CONTROL AND MERGER--SOUTHERN
PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC TRANSPORTATION
COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY COMPANY, SPCSL CORP.,
AND THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY
[HOUSTON/GULF COAST OVERSIGHT]

NOTICE OF INTENT TO PARTICIPATE

Joseph C. Szabo,^{2/} for and on behalf of United Transporta-
tion Union-Illinois Legislative Board, gives notice of intent to
participate. 63 Fed. Reg. 42482-86. (August 7, 1998).

Gordon P. MacDougal
GORDON P. MacDOUGAL
1025 Connecticut Ave., N.W.
Washington DC 20036

Attorney for Joseph C. Szabo

August 28, 1998

^{1/}Embraces also Finance Docket No. 32760 (Sub-Nos. 27 thru 32).

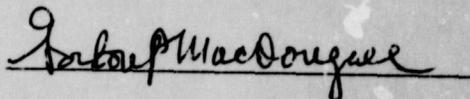
^{2/}Illinois Legislative Director for United Transportation Union,
with offices at 8 So. Michigan Avenue, Chicago, IL 60603.

CERTIFICATE OF SERVICE

I hereby certify I have served a copy of the foregoing upon the following in accordance with the decision served August 4, 1998 by first class mail postage-prepaid:

Arvid E. Roach II
Covington & Burling
1201 Pennsylvania Ave., N.W.
P.O. Box 7566
Washington DC 20044

Stephen Grossman, ALJ
Federal Energy Regulatory Comm.
888 First St., N.E.-#11F
Washington DC 20426



GORDON P. MacDOUGALL

Dated at
Washington DC
August 28, 1998

STB FD

32760

(Sub 30)

8-27-98

D

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MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

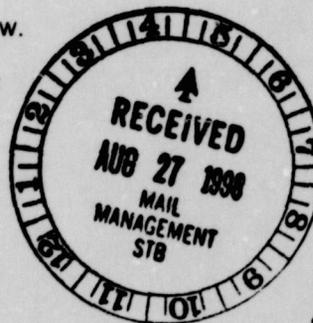
ERIKA Z. JONES
DIRECT DIAL (202) 778-0642
ejones@mayerbrown.com

ENTERED
Office of the Secretary

AUG 28 1998

Part of
Public Record

August 27, 1998



MAIN TELEPHONE
202-463-2000
MAIN FAX
202-861-0473

VIA HAND DELIVERY

Office of the Secretary
Surface Transportation Board
Case Control Unit
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 32760 (Sub-Nos. 26, 28, 29 & 30)

190783
190784
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Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are the original and twenty-five (25) copies of The Burlington Northern and Santa Fe Railway Company's Notice of Intent to Participate (BNSF-6). Also enclosed is a 3.5-inch disk containing the text of the filing in WordPerfect 6.1 format.

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

Sincerely,

Erika Z. Jones ^{KEO}

Erika Z. Jones

Enclosures

cc: Parties of Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of the Secretary

AUG 28 1998

Part of
Public Record

FINANCE DOCKET NO. 32760
(Sub-No. 26) - 190783
(Sub-No. 28) - 190784
(Sub-No. 29) - 190785
(Sub-No. 30) - 190786



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

HOUSTON/GULF COAST OVERSIGHT PROCEEDING

**NOTICE OF INTENT TO PARTICIPATE OF THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY**

The Burlington Northern and Santa Fe Railway Company hereby files its notice of
intent to participate in these proceedings as a party of record.

Please enter the appearances in these proceedings of the below-named attorneys on behalf of The Burlington Northern and Santa Fe Railway Company and place them on the service list, at the addresses provided, to receive all pleadings and decisions in these proceedings.

Respectfully submitted,

Jeffrey R. Moreland
Richard E. Weicner
Michael E. Roper
Sidney L. Strickland, Jr.

The Burlington Northern and
and Santa Fe Railway Company
3017 Lou Menk Drive
P.O. Box 961039
Ft. Worth, Texas 76161-0039
(817) 352-2353

and

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

Attorneys for The Burlington Northern and Santa Fe Railway Company

August 27, 1998

Erika Z. Jones ^{KEO}

Erika Z. Jones
Adrian L. Steel, Jr.
Kathryn A. Kusske
Kelley E. O'Brien

Mayer, Brown & Platt
2000 Pennsylvania Ave., NW
Washington, DC 20006
(202) 463-2000

STB FD

32760

(Sub 30)

8-27-98

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MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

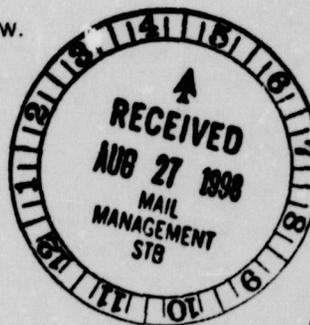
ERIKA Z. JONES
DIRECT DIAL (202) 778-0642
ejones@mayerbrown.com

ENTERED
Office of the Secretary

AUG 28 1998

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Public Record

August 27, 1998



MAIN TELEPHONE
202-463-2000
MAIN FAX
202-861-0473

VIA HAND DELIVERY

Office of the Secretary
Surface Transportation Board
Case Control Unit
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 32760 (Sub-Nos. 26, 28, 29 & 30)

190783
190784
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Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are the original and twenty-five (25) copies of The Burlington Northern and Santa Fe Railway Company's Notice of Intent to Participate (BNSF-6). Also enclosed is a 3.5-inch disk containing the text of the filing in WordPerfect 6.1 format.

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

Sincerely,

Erika Z. Jones ^{KEO}

Erika Z. Jones

Enclosures

cc: Parties of Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of the Secretary

AUG 28 1998

Part of
Public Record

FINANCE DOCKET NO. 32760

(Sub-No. 26) - 190783

(Sub-No. 28) - 190784

(Sub-No. 29) - 190785

(Sub-No. 30) - 190786



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

HOUSTON/GULF COAST OVERSIGHT PROCEEDING

NOTICE OF INTENT TO PARTICIPATE OF THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY

The Burlington Northern and Santa Fe Railway Company hereby files its notice of
intent to participate in these proceedings as a party of record.

Please enter the appearances in these proceedings of the below-named attorneys on behalf of The Burlington Northern and Santa Fe Railway Company and place them on the service list, at the addresses provided, to receive all pleadings and decisions in these proceedings.

Respectfully submitted,

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

The Burlington Northern and
and Santa Fe Railway Company
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and

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(847) 995-6887

Attorneys for The Burlington Northern and Santa Fe Railway Company

August 27, 1998

STB

FD-32760 (SUB30)

8-19-98

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ID-19097

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TELEPHONE 32(2) 541 05 70
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WILLIAM H. BOFFARISI, JR.
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JOHN J. ELIOTT
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JOHN S. RICHARDS
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C. DOUGLAS JARRETT
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PATRICK J. MURD
JUDITH SAPP
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CATHERINE R. NIELSEN
JEAN-PHILIPPE MONTFORT**
JUSTIN C. POWELL
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AMY N. RODGERS
ELLIOT SELLOS
MARK L. ITZKOFF
ARTHUR S. GARRETT III
ROBBIE S. PITT
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JOHN S. RODGERS*
CAROL MOORS TOTH
JOAN C. SYLVAIN
HARTHA E. MARRAPESE
JOHN E. REESE

NICOLE S. DONATH
DEBORAH ROSEN WHITE
DAVID R. JOY
FREDERICK A. STEARNS
TODD A. HARRISON*
JOHN F. FOLEY
TONYE RUSSELL EPPS
THOMAS C. BERGER
RACHA S. SEMAL**
JOHN F. C. LUEDKE
KOMAL J. MERCHBERG*
PAULA DEZA
MICHAEL C. HOCHMAN
JOHN B. O'LOUGHLIN, JR.*
JENNIFER A. GOLDSTEIN*
DEVON WH. HILL*
DANIEL QUINTARY**
DAVID CH. LASHWAY*
TASHIR J. LEE*
AMY E. FORTENBERRY*

*NOT ADMITTED IN D.C.
**RESIDENT BRUSSELS

SCIENTIFIC STAFF
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CHARLES V. BREDER, Ph. D.
ROBERT A. MATHEWS, Ph. D. D.A.B.T.
JOHN P. MODDERMAN, Ph. D.
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MOLLY MUTHIRE FOLEY
JANETTE HOUK, Ph. D.
LESTER BORODINSKY, Ph. D.
MICHAEL T. FLOOD, Ph. D.
THOMAS C. BROWN
ANDREW P. JOVANOVICH, Ph. D.
ANNA GEF. JLY, Ph. D.*
STEPHANIE H. CORBITT
JUSTIN J. FREDERICK, Ph. D.
RACHEL F. JOYNER
TELECOMMUNICATIONS
ENGINEER
RANDALL D. YOUNG
WRITER'S DIRECT ACCESS

August 19, 1998

Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW, Room 700
Washington, DC 20423-0001

Re: Union Pacific Corp. — Control and Merger — Southern Pacific Rail Corp.
STB Finance Docket No. 32760 (Sub-Nos. 26-32)

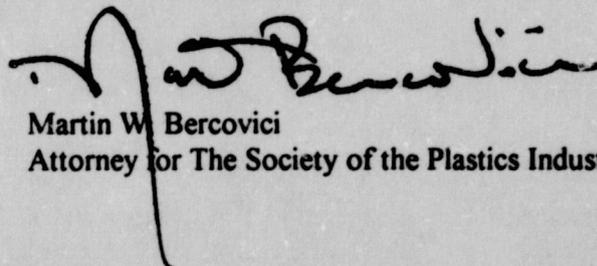
Dear Secretary Williams:

Pursuant to Decision No. 6 issued in the above-referenced matter, The Society of the Plastics Industry, Inc., hereby submits its Notice of Intent to Participate. Please include the undersigned on the service list in this proceeding, as follows:

Martin W. Bercovici
Keller and Heckman, LLP
1001 G Street, NW
Suite 500 West
Washington, DC 20001
Attorney for The Society of the Plastics Industry, Inc.

Copies of this letter are being served upon all parties on the service list to the Board's oversight proceeding.

Respectfully submitted,


Martin W. Bercovici
Attorney for The Society of the Plastics Industry, Inc.

CR-100-100000-1000

AUG 19 1998

Part of
Public Record

RECEIVED
AUG 19 1998
MAIL
MANAGEMENT
STB

(202) 434-4144
Bercovici@khlaw.com

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STB

FD-32760 (SUB30)

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PORT OF HOUSTON AUTHORITY

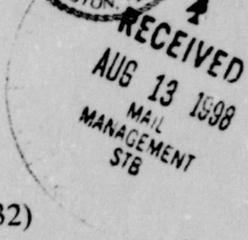
EXECUTIVE OFFICES: 111 EAST LOOP NORTH • HOUSTON, TEXAS 77029-4327
MAILING ADDRESS: P.O. BOX 2562 • HOUSTON, TEXAS 77252-2562
TELEPHONE: (713) 670-2400 • FAX: (713) 670-2429



ENTERED
Office of the Secretary

AUG 13 1998

**Part of
Public Record**



August 10, 1998

Office of the Secretary
Case Control Unit

ATTN: STB Finance Docket No. 32760 (Sub-Nos. 27, 28, 29, 30, 31, 32)
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Sub 30

Dear Secretary Williams:

RE:

STB Finance Docket 32760 (Sub-No. 27) - *190508*
Texas Mexican Railway Company & Kansas City Southern Railway
-- Construction Exemption --
Rail Line between Rosenberg and Victoria, TX

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 28) - *190509*
Burlington Northern and Santa Fe Railway Company
-- Terminal Trackage Rights --
Texas Mexican Railway Company

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 29) - *190510*
Burlington Northern and Santa Fe Railway Company
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 30) -190511
Texas Mexican Railway Company, et al.
Request for Adoption of Consensus Plan

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 31) -190512
Houston & Gulf Coast Railroad
Application for Trackage Rights and Forced Line Sales

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 32) -190513
Capital Metropolitan Transportation Authority
-- Responsive Application --
Interchange Rights

Notice of Intent to Participate

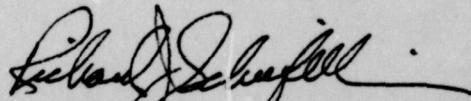
The Port of Houston Authority intends to participate in the above-captioned proceedings. Please include Richard J. Schiefelbein on the service list as a party of record representing the Port of Houston Authority, at the following address:

Richard J. Schiefelbein
Woodharbor Associates
7801 Woodharbor Drive
Fort Worth, Texas 76179-3047
Represents: Port of Houston Authority

Phone: 817-236-6841
Fax: 817-236-6842

An original and 20 copies of this filing are enclosed.

Respectfully submitted,



Richard J. Schiefelbein
For: Port of Houston Authority

STB

FD-32760 (SUB30)

8-11-98

D

ID-190469



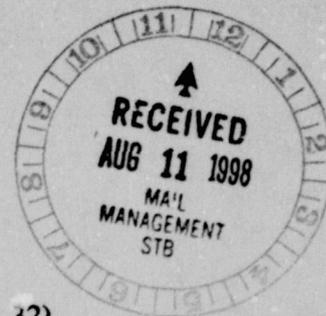
GREATER HOUSTON PARTNERSHIP
Chamber of Commerce • Economic Development • World Trade

August 10, 1998

ENTERED
Office of the Secretary

AUG 11 1998

Part of
Public Record



Office of the Secretary
Case Control Unit

ATTN: STB Finance Docket No. 32760 (Sub-Nos. 27,28,29,30, 32, 32)

Surface Transportation Board
1925 K. Street N.W.
Washington, DC 20423-0001

Dear Secretary Williams:

RE:

D

STB Finance Docket 32760 (Sub-No. 27)
Texas Mexican Railway Company & Kansas City Southern Railway
-- Construction Exemption --
Rail Line between Rosenberg and Victoria, TX.

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 28)
Burlington Northern and Santa Fe Railway Company
-- Terminal Trackage Rights --
Texas Mexican Railway Company

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 29) - 190468
Burlington Northern and Santa Fe Railway Company
Application for Additional Remedial Conditions Regarding Houston/Gulf Coast Area

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 30)
Texas Mexican Railway Company, et al.
Request for Adoption of Consensus Plan

Notice of Intent to Participate

August 10, 1998
Page 2

STB Finance Docket 32760 (Sub-No. 31)
Houston & Gulf Coast Railroad
Application for Trackage Rights and Forced Line Sales

Notice of Intent to Participate

STB Finance Docket 32760 (Sub-No. 32)
Capital Metropolitan Transportation Authority
-- Responsive Application --
Interchange Rights

Notice of Intent to Participate

The Greater Houston Partnership intends to participate in the above-captioned proceedings. Please include Roger H. Hord on the service list as a party of record representing the Greater Houston Partnership at the following address:

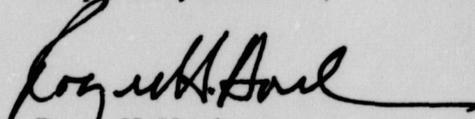
Roger H. Hord
Greater Houston Partnership
1200 Smith, 7th Floor
Houston, Texas 77002

Phone: 713.844.0625

Fax: 713.844.0225

An original and 25 copies of this filing are enclosed.

Respectfully submitted,


Roger H. Hord

cc: Arvid E. Roach II, Esq., Covington & Burling
Judge Stephen Grossman, Federal Energy Regulatory Commission
Richard Allen, Zuckert, Scutt & Rasenberger, L.L.P.

STB FD-32760 (SUB30) 8-11-98 D ID-190463

TROUTMAN SANDERS LLP

ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

ENTERED
Office of the Secretary

AUG 11 1998

Part of
Public Record

William A. Mullins

1300 I STREET, N.W.
SUITE 500 EAST
WASHINGTON, D.C. 20005-3314
TELEPHONE 202-274-2950
FACSIMILE 202-274-2994
william.mullins@troutmansanders.com

August 11, 1998

VIA HAND DELIVERY

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

RE: STB Finance Docket No. 32760 (Sub-Nos. 26-32)

Dear Secretary Williams:

Pursuant to Decision No. 6 in the above-referenced docket, The Kansas City Southern Railway Company ("KCS") hereby submits its notice of intent to participate. Please place the following representatives of KCS on the official service list in this proceeding:

William A. Mullins
David C. Reeves
Sandra L. Brown
Ivor Heyman
Samantha J. Friedlander
Troutman Sanders, L.L.P.
1300 I Street, N.W., Suite 500 East
Washington, DC 20005-3314
Phone: (202) 274-2950
Fax: (202) 274-2994

Enclosed with this original are twenty-six additional copies. Please date and time stamp one copy for return to our office. Also included is a 3.5 inch diskette containing the text of this document.

Sincerely yours,



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

cc: Robert K. Dreiling
Richard A. Allen
Parties of Record

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202-274-2953

STB FD-32760 (SUB30) 8-5-98 D ID-190394

LAW OFFICES •

ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

888 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-3939
TELEPHONE : (202) 298-8660
FACSIMILES: (202) 342-0683
(202) 342-1316



RICHARD A. ALLEN

August 4, 1998

VIA HAND DELIVERY

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

ENTERED
Office of the Secretary

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Public Record

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**Re: Union Pacific Corp. -- Control and Merger - Southern Pacific Rail Corp.,
STB Finance Docket No. 32760 (Sub-Nos. 26 - 32)**

Sub 30

Dear Secretary Williams:

Pursuant to Decision No. 6 issued in the above-referenced docket, The Texas Mexican Railway Company ("Tex Mex") hereby submits its notice of intent to participate. Please place the following representatives of Tex Mex on the official service list in this proceeding:

Richard A. Allen
Scott M. Zimmerman
Zuckert, Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, N.W., Suite 600
Washington, DC 20006-3939

Copies of this letter are being served on all the representatives of all persons who have filed appearances in this proceeding, including UP's representatives.

Sincerely,

Richard A. Allen
Counsel to The Texas Mexican Railway
Company

STB

FD-32760 (SUB 30)

07/09/03

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FD 32760 Sub 30

TROUTMAN SANDERS LLP

ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

208338

401 NINTH STREET, NW
SUITE 1000
WASHINGTON, DC 20004-2134
WWW.TROUTMANSANDERS.COM

William A. Mullins
william.mullins@troutmansanders.com

Direct Dial: 202-274-2953
Direct Fax: 202-654-5621

July 9, 2003



Honorable Vernon A. Williams
Office of the Secretary
Surface Transportation Board
1975 K Street, NW
Washington, DC 20423-0001

RE: **Change of Counsel/Change of Address**

Dear Secretary Williams:

Effective Monday, July 14, 2003, William A. Mullins and David C. Reeves will join the law firm of:

Baker & Miller PLLC
915 Fifteenth Street, NW
Suite 1000
Washington, DC 20005-2318
TEL: (202) 637-9499
FAX: (202) 637-9394
wmullins@bakerandmiller.com
dreeves@bakerandmiller.com

ENTERED
Office of Proceedings
JUL 09 2003
Part of
Public Record

Please update the Board's records to substitute Baker & Miller PLLC as counsel of record for all proceedings included on the enclosed list, and to reflect that Troutman Sanders LLP will no longer be counsel of record for clients represented by Messrs. Mullins and Reeves as noted on the enclosed list of proceedings in which either or both have entered an appearance. However, with respect to Finance Docket No. 33388 and 33388 (Sub No. 91), Baker and Miller should be shown as counsel of record for Gateway Western Railway Company and Troutman Sanders LLP should remain as counsel of record for New York State Electric and Gas.

Copies of any STB notices, pleadings or other correspondence related to these proceedings after July 11 2003 should be sent to the attention of Messrs. Mullins or Reeves at Baker & Miller PLLC (at the address listed above).

All known parties of record in the proceedings listed on the enclosure have been sent a copy of this change of counsel/change of address notification.

Sincerely yours,

William A. Mullins

and

David C. Reeves

Enclosure

**Change of Counsel/Change of Address Notification
for**

William A. Mullins and David C. Reeves

Effective Monday, July 14, 2003

**Baker & Miller PLLC
915 Fifteenth Street, NW
Suite 1000
Washington, DC 20005-2318**

TEL: (202) 637-9499

FAX: (202) 637-9394

Docket No. Ex Parte No. or Finance Docket No.	List of Proceedings Before the STB
Docket No. AB-468 (Sub-No. 5X)	Paducah & Louisville Railway, Inc. - Abandonment Exemption - In McCracken County, KY
F.D. No. 34342	Kansas City Southern - Control - The Kansas City Southern Railway Company, Gateway Eastern Railway Company, And The Texas Mexican Railway Company
F.D. No. 34335	Keokuk Junction Railway Company - Feeder Railroad Development Application - Line Of Toledo, Peoria & Western Railway Corporation Between La Harpe And Hollis, IL
F.D. No. 34178	Dakota, Minnesota & Eastern Railroad Corporation And Cedar American Rail Holdings, Inc. - Control - Iowa, Chicago & Eastern Railroad Company
F.D. No. 34177	Iowa, Chicago & Eastern Railroad Company - Acquisition And Operation Exemption - Lines Of I&M Rail Link, LLC
F.D. No. 34015	Waterloo Railway Company - Acquisition Exemption - Bangor and Aroostook Railroad Company and Van Buren Bridge Company
F.D. No. 34014	Canadian National Railway Company - Trackage Rights Exemption - Bangor and Aroostook Railroad Company and Van Buren Bridge Company
F.D. No. 33740 and F.D. No. 33740 (Sub-No. 1)	The Burlington Northern and Santa Fe Railway Company - Petition For Declaration Or Prescription Of Crossing, Trackage Or Joint Use Rights and For Determination Of Compensation and Other Terms
F.D. No. 33388	CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company - Control and Operating Leases/Agreements - Conrail Inc. and Consolidated Rail Corporation
F.D. No. 33388 (Sub-No. 91)	CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company - Control and Operating Leases/Agreements - Conrail Inc. and Consolidated Rail Corporation (General Oversight)
F.D. No. 32760	Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company - Control and Merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company
F.D. No. 32760 (Sub-No. 21)	Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company - Control and Merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company - Oversight
F.D. No. 32760 (Sub-Nos. 26 - 32)	Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company - Control and Merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company