

STB FD 32760 (Sub 32) 11-20-98 J MOCSS



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

November 20, 1998

The Honorable Pat Roberts
United States Senate
Washington, DC 20510-1605

FD-32 760 Sub 32

Re: Union Pacific Houston/Gulf Coast Oversight Proceeding

Dear Senator Roberts:

Thank you for your letter regarding the requests of a variety of interests to obtain additional access to customers served by the Union Pacific Railroad (UP) in the Houston/Gulf Coast area. In your letter, you note that there have been service problems in the recent past in the Houston area, and you suggest that the "Consensus Plan," under which UP's lines would be opened up to other railroads, would restore the competitive alignment that existed before the Union Pacific/Southern Pacific merger.

At this time I cannot address in any detail the issues that you have raised, because, as you know, the Board is conducting formal proceedings, in the context of its oversight of the UP/SP merger, to consider the matters. I assure you, however, that as it considers proposals for changes affecting the UP service area, and for regulatory changes applicable to the industry in general, the Board will remain cognizant of the need for vigorous competition along with strong competitors in the West and throughout the Nation, and it will remain committed to issuing decisions that are in the interest of railroads, shippers, and the Nation as a whole.

I am having your letter and this response placed in the formal docket in the UP/SP Houston/Gulf Coast oversight proceeding. If I can be of assistance to you in this or any other matter, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan

Linda J. Morgan

PAT ROBERTS
KANSAS

302 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1605
202-224-4774

COMMITTEES:
ARMED SERVICES
AGRICULTURE
INTELLIGENCE
ETHICS

United States Senate

WASHINGTON, DC 20510-1605

November 2, 1998

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

RECEIVED
SURFACE TRANSPORTATION
BOARD
NOV 5 2 10 PM '98
CHIEF OF STAFF

Dear Ms. Morgan:

I have been closely monitoring rail service during the 105th Congress and worked with a number of my colleagues on the Commerce Committee to improve shippers ability to seek competitive rail service.

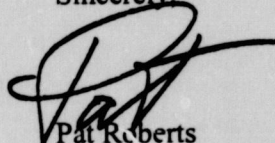
During our correspondence last year, I pointed out that Kansas relies upon railroads for the movement of agricultural commodities and manufactured goods in a timely and efficient manner. Last year, service problems in Houston greatly slowed down the ability to get Kansas grain to export facilities.

I hope the Board will use this proceeding to demonstrate that it will protect the public's interest and utilize its oversight authority to restore competition that existed prior to the merger. Specifically, the Consensus Plan developed by shippers and the Texas-Mexican Railway would permit more access to shippers by providing a third railroad to handle traffic in and out of Houston to the north and east. The Consensus Plan is a win-win design that would restore competition without undoing the benefits of the merger.

Because Kansans are concerned about rail service, I look forward to working with you to ensure that our rail transportation system remains competitive.

With every best wish,

Sincerely,



Pat Roberts

PR:ky

STB FD 32760 (Sub 32) 11-20-98 J MOCH



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

November 20, 1998

The Honorable Gene Green
United States House of Representatives
Washington, DC 20515-4329

FD-32760 Sub 32

Re: Union Pacific Texas/Gulf Coast Oversight Proceeding

Dear Congressman Green:

Thank you for your letter regarding the rail situation in the Houston/Gulf Coast area. In your letter, you note that service in the area has improved, but you state that further improvements are still needed. You also express the view that future service problems can be prevented only if the infrastructure in the Houston area is upgraded. You ask the Board to keep these considerations in mind as it considers the various suggestions for changes to the way in which rail service is provided in the area.

At this time I cannot address in any detail the issues that you have raised, because, as you know, the Board is conducting formal proceedings, in the context of its oversight of the UP/SP merger, to consider the matters. The Board has in the past, however, stated that it shares your view that upgraded infrastructure is vital for the Houston area. I assure you that as it considers proposals for changes affecting the UP service area, and for regulatory changes applicable to the industry in general, the Board will remain cognizant of the need for vigorous competition along with strong competitors in the West and throughout the Nation, and it will remain committed to issuing decisions that are in the interest of railroads, shippers, and the Nation as a whole.

I am having your letter and this response placed in the formal docket in the UP/SP Houston/Gulf Coast oversight proceeding. If I can be of assistance to you in this or any other matter, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan

Linda J. Morgan

GENE GREEN

29TH DISTRICT, TEXAS

COMMITTEE ON COMMERCE

- SUBCOMMITTEE ON
TELECOMMUNICATIONS, TRADE AND
CONSUMER PROTECTION
- SUBCOMMITTEE ON HEALTH AND
ENVIRONMENT

- 2429 RAYBURN
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- 256 N. SAM HOUSTON PKWY EAST
SUITE 23
HOUSTON, TEXAS 77060
(281) 999-5879
- 11811 I-10 EAST
SUITE 430
HOUSTON, TEXAS 77029
(713) 330-0761

Congress of the United States
House of Representatives
Washington, DC 20515-4329

November 2, 1998

Ms. Linda Morgan
Chairman
Surface Transportation Board
Office of the Secretary
12th Constitution Ave. NW
Washington, D.C. 20423

Dear Ms. Morgan:

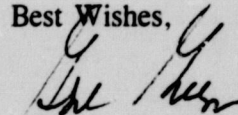
There is no doubt that the success of the petrochemical industry in Houston, one of the strongest in the world, relies on the strength of the railroad industry. After the merger of Union Pacific and Southern Pacific Railroads, the quality of rail service in Texas and the Gulf Coast deteriorated rapidly. The severe rail crisis that ensued had disastrous effects on the petrochemical industry and the Port of Houston, which lie within my Congressional District.

Both the length and severity of the rail crisis exacerbated its impact on the Houston Ship Channel's industries. As the Member of Congress representing this area, I remain concerned with the long-term reliability of service the plastic and chemical shippers receive. Substantial progress in correcting the rail problems has been made and the overall system has sufficiently rebounded from the earlier depths of the crisis. Yet, further improvements still need to occur.

I have closely monitored this situation for its duration and believe that long term solutions, including the construction of more infrastructure, should be implemented to prevent similar situations in the future. There is a critical need for the railroad industry to improve and expand the rail infrastructure in Houston and the Gulf Coast. In addition to making significant capital investments in Texas, the railroads serving Houston should upgrade the service they offer to the petrochemical industry and all customers along the Gulf Coast corridor.

Throughout this rail crisis, I have repeatedly communicated my concerns to the Surface Transportation Board. It is imperative that Houston and Texas have a rail system strong enough to withstand a similar meltdown in the future. I urge you to take these recommendations into consideration in the Board's pending decision in the Houston/Gulf Coast Oversight hearing.

Best Wishes,



Gene Green
Member of Congress

GG:krt

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COMMUNICATIONS SECTION

STB FD 32760 (Sub 32) 10-16-98, J 191700

GEORGETOWN RAILROAD COMPANY

5300 SOUTH IH-35
GEORGETOWN, TEXAS 78627-0529
512-863-2538
FAX: 512-869-2647

JAMES E. ROBINSON
PRESIDENT



October 15, 1998

ENTERED
Office of the Secretary

OCT 20 1998

Part of
Public Record

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

Re: STB Finance Docket No. 32760 (Sub-Nos. 26, 30 and 32)

Dear Secretary Williams:

191698 191699 191700

I am writing this letter to clarify and supplement my August 12, 1998 statement of support on behalf of Georgetown Railroad Company ("GRR") for the Union Pacific which was contained in Volume IV of UP's Opposition to Condition Applications, filed with the Board on September 18, 1998.

In my August 12, 1998 letter, GRR indicated that it opposed requests for new remedial conditions in this proceeding. What I meant by that statement is that the GRR generally opposes the imposition of additional remedial conditions that would provide carriers with new competitive access to shippers. GRR still maintains that view.

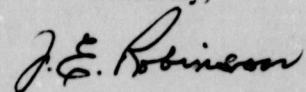
However, I would like to clarify that GRR fully supports BNSF's request for overhead trackage rights on the UP Taylor-Milano line. BNSF's request would not create any new competitive access. Rather, BNSF seeks only to maintain its existing competitive access to handle shipments for Texas Crushed Stone and other customers at Kerr/Round Rock (which are served by GRR) by ensuring the proper functioning of the original condition. Specifically, it has been our company's experience since the merger that BNSF has been unable to provide consistent and reliable service to handle shipments for such customers using its existing rights due to congestion on UP's Temple-Taylor line. These problems, which have arisen since the merger, were not foreseen at the time UP and BNSF reached their Settlement Agreement or when the Board issued its decision approving the merger.

GRR notes that pre-merger, SP had rights to utilize UP's Taylor-Milano line. Thus, BNSF's request would simply provide BNSF with the ability to use that same route to maintain adequate, competitive service to shippers and thus restore the competition that SP provided pre-merger.

In sum, while GRR stands by its original August 12, 1998 letter to the Board opposing requests for remedial conditions that seek new competitive access, it also fully supports BNSF's request for overhead trackage rights on UP's line between Taylor and Milano, TX. The reason our company supports BNSF's request is that it would provide no new competitive access, but would allow BNSF to route traffic over a more logical and historic route. It would allow more efficient service by avoiding much of the congested and circuitous trackage rights that BNSF is currently using. GRR believes that granting BNSF's request would not harm UP and would provide our customers with more consistent and reliable service.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "J. E. Robinson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

J. E. Robinson

STB FD 32760 (Sub 32) 9-28-98 J MOCS



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

FILE IN DOCKET

JD-32760
(Sub-32)

September 28, 1998

The Honorable Kay Bailey Hutchison
United States Senate
Washington, DC 20510-4304

Re: Capital Metro/Longhorn Railroad

Dear Senator Hutchison:

Thank you for your letter regarding the request of Austin Capital Metro (Metro) to permit the Longhorn Railroad (Longhorn) to interchange with Burlington Northern and Santa Fe Railway (BNSF) at McNeil, Texas, rather than Elgin, Texas. In your letter, you note that Metro/Longhorn take that position that moving the interchange point will promote good and competitive service, and will reduce Longhorn's traffic through Austin, thereby benefitting Austin Capital Metro's long-term commuter rail plans.

At this time I cannot address in any detail the issues raised by Metro/Longhorn's request, because, as you know, the Board is conducting a formal proceeding, in the context of its oversight of the Union Pacific/Southern Pacific (UP/SP) merger, to consider the matter. I assure you, however, that the Board will seriously consider all positions that are advanced, and will seek to reach a resolution that is in the interest of the railroads, shippers, and other concerned parties.

I am having your letter and this response placed in the "Sub-No. 32" formal docket in the UP/SP oversight proceeding. If I can be of assistance to you in this or any other matter, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan

Linda J. Morgan

KAY BAILEY HUTCHISON
TEXAS

United States Senate

WASHINGTON, DC 20510-4304

COMMITTEES:
APPROPRIATIONS
COMMERCE, SCIENCE,
AND TRANSPORTATION
RULES AND ADMINISTRATION

September 10, 1998

RECEIVED
SURFACE TRANSPORTATION
BOARD
SEP 17 1 53 PM '98
OFFICE OF
CHAIRMAN MORGAN

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423-0001

FILE IN DOCKET

Dear Secretary Williams:

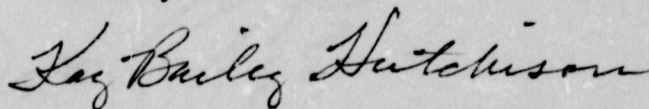
I am writing to urge your consideration of Austin Capital Metro's request to permit the Longhorn Railroad (LHRR), which operates the Giddings-Llano rail line, to interconnect with the Burlington Northern/Santa Fe Railroad (BNSF) at McNeil, Texas.

Currently, the Longhorn Railroad interchanges with BNSF at Elgin, Texas. The applicants argue that the McNeil interchange is preferable because it will improve service on, and the financial viability of, the Longhorn Railroad. In addition, I am told that it will promote the competition envisioned by the Board when it granted BNSF trackage rights in this area in the original UP/SP merger order. Finally, Capital Metro indicates that an interchange of LHRR-BNSF traffic at McNeil will reduce LHRR traffic through Austin and benefit Austin Capital Metro's long-term commuter rail plans.

I urge you to give Austin Capital Metro's request proper consideration, keeping in mind the need to maintain the flow of rail traffic in the area.

Thank you for your attention to this important matter.

Sincerely,



Kay Bailey Hutchison

KBH:ach

STB FD 32760 (Sub 32) 9-10-98 J 191078

191078

ENTERED
Office of the Secretary

SEP 11 1998

Part of
Public Record

KAY BAILEY HUTCHISON

TEXAS

United States Senate

WASHINGTON, DC 20510-4304

COMMITTEES:
APPROPRIATIONS
COMMERCE, SCIENCE,
AND TRANSPORTATION
RULES AND ADMINISTRATION

September 10, 1998

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423-0001

FD32760-SUB32

Dear Secretary Williams:

I am writing to urge your consideration of Austin Capital Metro's request to permit the Longhorn Railroad (LHRR), which operates the Giddings-Llano rail line, to interconnect with the Burlington Northern/Santa Fe Railroad (BNSF) at McNeil, Texas.

Currently, the Longhorn Railroad interchanges with BNSF at Elgin, Texas. The applicants argue that the McNeil interchange is preferable because it will improve service on, and the financial viability of, the Longhorn Railroad. In addition, I am told that it will promote the competition envisioned by the Board when it granted BNSF trackage rights in this area in the original UP/SP merger order. Finally, Capital Metro indicates that an interchange of LHRR-BNSF traffic at McNeil will reduce LHRR traffic through Austin and benefit Austin Capital Metro's long-term commuter rail plans.

I urge you to give Austin Capital Metro's request proper consideration, keeping in mind the need to maintain the flow of rail traffic in the area.

Thank you for your attention to this important matter.

Sincerely,

Kay Bailey Hutchison