

Before the

INTERSTATE COMMERCE COMMISSION

ENTERED Office of the Secretary

Finance Docket No. 32760

Part of Southern Pacific Transportation, 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

RAILROAD MERGER APPLICATION

VOLUME 4, PART 5

STATEMENTS OF SHIPPERS, PUBLIC OFFICIALS, AND OTHERS IN SUPPORT OF APPLICATION

CANNON Y. HARVEY LOUIS P. WARCHOT CAROL A. HARRIS Southern Pacific Transportation Company One Market Plaza San Francisco, California 94105 (415) 541-1000

PAUL A. CUNNINGHAM RICHARD B. HERZOG JAMES M. GUINIVAN Harkins Cunningham 1300 Nineteenth Street, N.W. Washington, D.C. 20036 (202) 973-7600

Attorneys for Southern Pacific Rail Corporation, Southern Pacific Transportation Company St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company

CARL W. VON BERNUTH **RICHARD J. RESSLER** Union Pacific Corporation Martin Tower Eighth and Eaton Avenues Bethlehem, Pennsylvania 18018 (610) 861-3290

JAMES V. DOLAN PAUL A. CONLEY, JR. LOUISE A. RINN LAWRENCE E. WZOREK Union Pacific Railroad Company Missouri Pacific Railroad Company 1416 Dodge Street Omaha, Nebraska 68179 (402) 271-5000

ARVID E. ROACH II J. MICHAEL HEMMER MICHAEL L. ROSENTHAL Covington & Burling 1201 Pennsylvania Avenue, N.W. P.O. Box 7566 Washington, D.C. 20044-7566 (202) 662-5388

Attorneys for Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company

2082

Fife Symington Governor of Arizona



October 16, 1995

Sara Goertzen Dial Director

The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission Case Control Branch, Rm. 124 1201 Constitution Avenue, NW Washington, DC 20423

Re: Finance Docket No. 32760--Union Pacific, et al. Control & Merger--Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

I am writing to urge the Interstate Commerce Commission to approve the proposed merger of Union Pacific Railroad with Southern Pacific Railroad. As the Director of the Arizona Department of Commerce, I am principally responsible for the economic development activities of the State of Arizona. The benefits of the proposed merger of the Union Pacific and the Southern Pacific will greatly assist our efforts to encourage economic development efforts throughout our state.

Arizona's economy is dependent on rail service to ship its products to our national and international markets. The merger will be of great benefit to business in Arizona. The increased competition in the Arizona-Chicago intermodal traffic and the attendant benefits of single line service throughout the Midwest will greatly enhance Arizona shipper's competitive position in our markets. Our economic development efforts will also be enhanced by the existence of two strong and competitive players in our state. We see the merger of the UP and SP as the next logical extension of improved rail transportation throughout the western United States. The UP/SP marger makes both logical and economic sense given the Commission's approval of the Burlington Northern/Santa Fe merger several months ago.

The benefits that this competition with BN/Santa Fe will offer to Arizona are enormous. The merger would allow UP/SP to be able to break up slower cross country traffic onto separate routes, increasing efficiency and creating new capacity. The combination of SP's Los Angeles/Phoenix terminals with UP's Chicago and Midwest terminals, and the greater routing possibilities of a merged system will allow much better competition in the Arizona-Chicago market. The consolidation of lines will lead to shorter routes and extensive singleline services. Additionally, the merger opens the possibility for new routes and the opening of new rail markets. For example, UP/SP will provide truck-competitive rail service between Seattle/Tacoma and Arizona for the first time. The Honorable Vernon A. Williams October 16, 1995 Page 2

The combination of greater competition and increased operating efficiency promise benefits to Arizona shippers as well as Arizona's economy which will benefit from competitively priced and improved shipments. Likewise, the merger is good for the nation's rail industry allowing two great rail companies to compete on an even playing field. On behalf of our Department and the Arizona business community which we serve, I urge you to expeditiously approve the merger of the Union Pacific and the Southern Pacific.

We would be happy to provide you with any additional information necessary to allow you and the Commission to become fully informed as to the benefits of the merger to Arizona and its citizens. If you or any member of your staff have questions, please contact my office at (602)280-1306.

Sincerely,

Aara & Cial

Sara Goertzen Dial Director

SGD/nr

cc: Governor Fife Symington

STATE OF ARIZONA

COUNTY OF MARICOPA)

Sara Guertzen Dial, being first duly sworn, deposes and says that she has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

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Sara Goertzen Dial

Subscribed and sworn before me this 16 day of Ccroher 1995.

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Carole 1. Alteranni

Notary Public

Seeses Stall COLORIA COLORIA "OFFICIAL SEAL" Carole L. A.binanti Notary Public-Arizona Maricopa County My Commission Expires 6/20/97 CARE CORRECT

My Commission Expires:



STATE OF IDAHO OFFICE OF THE LIEUTENANT GOVERNOR

C. L. "BUTCH" OTTER LIEUTENANT GOVERNOR

P.O. BOX 83720 BOISE. ID 83720-0057 TELEPHONE: (208) 334-2260

VERIFIED STATEMENT OF C.L. "Butch" Otter

Lieutenant Governor of Idaho

I, C. L. "Butch" Otter, am the Lieurenant Governor of the state of Idaho. I make this statement in support of the proposed merger of the Union Pacific Railroad with Southern Pacific Lines. The proposed merger will assure Idaho a competitive railroad and will help Idaho businesses to grow and prosper into the 21st Century.

Many of Idaho's principal exports, including potatoes, sugarbeets, grain, minerals and timber, are shipped by rail or by a combination of truck and rail. For this reason, a strong rail system is vital to our state, its businesses and its consumers. With the increase in competitive access provided on the UP lines, we expect this merger to aid economic development in our state and increase the number of jobs for Idaho workers.

The UP/SP merger will strengthen railroad competition for shippers throughout the West, including Idaho, particularly in light of the Burlington Northern/Santa Fe merger. BN and UP currently compete for Idaho traffic in northern Idaho. The combined BN and Santa Fe offers single line service from its western Canada gateways to the Southwest and Mexico. A combined UP and Southern Pacific would offer competitive single line routes from UP's Canada gateway at Eastport. With this merger, Idaho's shipping and other industries will share in the increasing traffic on these routes.

Idaho also has an interest in the continued viability and improvement in management of the SP. Through this merger, Idaho's shippers will be assured that the lines of the SP on which their customers are located will be better managed, financially sound and competitive with the lines of the merged BN/SF other railroads.

Idaho's shippers will benefit from more direct routes on the combined UP/SP railroads, including shorter routes to customers at points in Texas and California, and new single line service via the Southern Pacific's routes in the Southwest, Colorado and Oregon. Numerous markets in California also will be newly accessible on a single line. Although Southern Pacific does not presently serve any points within the state of Idaho many of our shippers depend on the SP to reach these destinations.

Idaho's shippers need more refrigerated railroad cars for our key export, potatoes. Combining UP's and SP's fleets will help make more such cars available.

The state of Idaho and I support the proposed merger of the Union Pacific and Southern Pacific and look forward to prompt approval by the Interstate Commerce Commission

"Butch" Otter 7.L. Aieutenant Governor of Idaho

VERIFICATION

STATE OF IDAHO) COUNTY OF ada) ss.

C.L. "Butch" Otter, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

2 S. Butchil

Subscribed and sworn to before me this 9^{+h} day of Movember . 1995.

Joanne Dick

My Commission expires: 7/15/98

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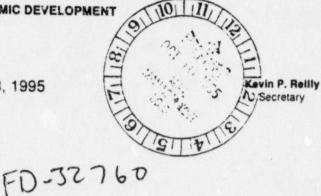
State of Louisiana



Governor

DEPARTMENT OF ECONOMIC DEVELOPMENT

October 3, 1995



Mr. Vernon A. Williams Secretary Interstate Commerce Commission 12th Street & Constitution Avenue, NW Washington, DC 20425

Dear Secretary Williams:

I have had the opportunity to consider the proposed merger of the Union Pacific and Southern Pacific Railroads and want to offer my support in principle for the merger. I care see substantial benefits to shippers and the general public from such a merger.

It would appear that traffic originating and terminating at our ports would be specifically advantaged. Single line rail service from our ports along the most direct routes to Texas, New Mexico, Arizona and California and the Pacific Northwest will open up new opportunities that we have not been able to market in the past. Additionally, our ports will have single line service to all the major gateways into Mexico.

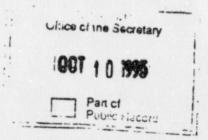
Furthermore, I understand Union Pacific will be addressing competitive concerns by negotiating arrangements with other carriers to assure that competition in major markets continues.

Sincerely,

" i' Riel Se

Kevin P. Reilly, Sr. Secretary of Economic Development

KPR:ELH:gmv



Post Office Box 94185/Baton Rouge, Louisiana 70804-9185/(504) 342-3000 AN EQUAL OPPORTUNITY EMPLOYER

Nebrask Public Service Cormission

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Fax (402) 471-0254



September 12, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Room 2215 Twelfth Street and Constitution Avenue N.W. Washington, DC 20423

> RE: Finance Docket No. 32760, Union Pacific Corp., et.al. Control & Merger -- Southern Pacific Rail Corp., et.al.

Dear Secretary Williams:

The Nabraska Public Service Commission strongly supports the proposed merger between the Union Pacific and Southern Pacific Railroads. Nebraska shippers and the Nebraska economy have both benefitted greatly over the years from the strong presence of the Union Pacific Railroad and the extensive transportation availability it provides for Nebraska in-bound and out-bound commodities. This merger, if approved, will extend that market into geographic areas that will provide new opportunities for Nebraska shippers, while at the same time strangthening the competitiveness of a major Nebraska-domiciled transportation company.

Nebraska farmers and elevators will benefit from single-line service to grain buyers in the Pacific Southwest and western Mexico, and, given the seasonality of grain demands, a combined Union Pacific/Southern Pacific will be able to backhaul agricultural commodities from Arizona, New Mexico and Southern California in covered hoppers used to move Nebraska feed grains to those locales. The direct effect will be to improve the utilization of the combined grain car fleet without additional capital expenditure. Any improvement in grain car availability is a positive development for Nebraska farmers.

Nebraska electric utilities and electric consumers will benefit also from the new single-line service for coal from Colorado and Utah low-sulphur coal mines currently served by Southern Pacific. Other Nebraska businesses will benefit as well from expanded access into California markets and import/export points presently served by Southern Pacific. COMMISSIE

COMMISSIONERS: LOWELL C. JOHNSON ROD JOHNSON FRANK E. LANDIS JAMES F. MUNNELLY DANIEL G. URWILLER

EXECUTIVE DIRECTOR: ROBERT R. LOGSDON

Printed with any isis on respected paper

Secretary Vernon Williams

September 12, 1995

The job security of Nebraska railroad employees will be enhanced if the Union Pacific and Southern Pacific Railroads are allowed to meet the competitive challenge posed by the recent merger of the Burlington Northern and Santa Fe Railroads.

The Nebraska Public Service Commission strongly urges prompt approval of the proposed Union Pacific/Southern Pacific merger.

Sincerely,

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Daniel G. Urwiller

Chairman

Man

Frank E. Landis, Commissioner, District 2

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od Johnson Commissioner, District 4

Lovell C. Johnson Compissioner, District 3

ROU

Commissioner, District 1

James F. Munnelly

1 10000

STATE OF NEBRASKA

DEPARTMENT OF ROADS Man L. At bott. Director-State Engineer 1500 Nebraska Hwy 2 PO Box 94:159 Lincoin NE 68509-4759 Prione (402) 471-4567 FAX (402) 479-4325



October 18, 1995



E. Benjamin Nelson Governor

The Honorable Vernon A Williams Secretary Interstate Commerce Commission Twelfth St and Constitution Ave NW Rm 2215 Washington DC 20423

Dear Senator Williams:

As Director of the agency with responsibility for transportation planning. including rail planning, for the State of Nebraska. I wish to formally express my support for the proposed merger of the Union Pacific and Southern Pacific Railroads. Union Pacific has had a major presence in Nebraska since its beginnings, and we look forward to that presence continuing. This merger should strengthen Union Pacific while upgrading the services offered to its shippers in Nebraska. The Union Pacific expansion will allow them to remain competitive with Burlington Northern/Santa Fe.

Nebraska is fortunate to be served by two strong Class I carriers, the Union Pacific and the Burlington Northern/Santa Fe. Nebraska supported the recent merger that formed the Burlington Northern/Santa Fe, in large part because that merger promised to provide improved service and reduced cost, to the benefit of Nebraska shippers.

Since there are no merger-related abandonments planned, I view the proposed Union Pacific/Southern Pacific merger in a similar light. From the viewpoint of transportation planning, I am particularly encouraged by the enhancements to grain car utilization that should result from the link-up of Union Pacific with Scuthern Pacific. Seasonal demands, back-haul opportunities and single-line service to new grain markets should help alleviate equipment shortages, while also providing new market opportunities for Nebraska commodities. Improving the utilization of grain cars effectively increases the availability of the grain fleet without the need to spend capital. Anything that improves the availability of cars to move grain is a positive development for Nebraska farmers.

I urge your prompt, favorable consideration of the proposed merger between the Union Pacific and Southern Pacific Railroads.

Sincerely.

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Allan L. Abbott Director-State Engineer

ALA:KS:z



COUNTY OF ALBANY

COURTHOUSE, ROOM 201 • LARAMIE, WYOMING 82070 (307) 721-2541 • FAX (307) 721-2544

October 10, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Re: Finance Docket No. 32760, Union Pacific Corp., et al.-Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

The Board of Albany County Commissioners would like to support the Union Pacific and Southern Pacific's application for their proposed merger.

This merger will improve service and strengthen competition in the Rocky Mountain region and Western United States, especially for soda ash producers and coal producers.

Thank you for this opportunity to share our support of this merger.

Sincerely,

Pat Gabriel, Chairman Albany County Commissioners

PG/jcp

cc: David Fischer, Union Pacific Railroad Co. Wiley N. Jones, Southern Pacific

PAT GABRIEL Commissioner Chairman

TIM SULLIVAN Commissioner

LEAH TALBOTT Commissioner



GREATER AUSTIN CHAMBER OF COMMERCE

October 17, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Ave., N.W. Washington, D.C. 20423

> Re: Finance Docket Nc. 32760, Union Pacific Corporation, et al -- Control & Merger -- Southern Pacific Rail Corporation, et al

Dear Mr. Williams:

The Greater Austin Chamber of Commerce supports the proposed merger of the Union Pacific and Southern Pacific railroads. This merger will provide several benefits to Austin and the Central Texas area, primarily more reliable rail service to many destinations for our shippers and increased rail competition throughout Texas.

Following the merger, shippers served by UP will have access to new single-line service across the old Texas and Pacific line to El Paso and Southern Pacific's Southern Corridor to California. This new access will give shippers better access to California markets, a key connection for the ever-expanding high technology product base developing in Austin.

Better service access will be made possible to locations served by the Southern Pacific, including points in Louisiana, Arkansas, Colorado, Utah, and Oregon. Service from Central Texas to Memphis, St. Louis, Chicago, and other northern destinations could also improve due to Union Pacific-Southern Pacific plans to coordinate terminals, the ability to choose either rail line for northbound traffic, and the ability to pre-block traffic.

The Union Pacific-Southern Pacific merger will complement the Burlington Northern-Santa Fe connection which is already providing additional service options, including interchanges with Mexican railroads and border crossings. Free trade, authorized by NAFTA and other agreements, is made more possible by the transportation infrastructure to move goods and services. This merger will therefore help promote free trade in practice rather than just in theory.

Through greater competition following the merger, Union Pacific will have the opportunity to do a better job serving customers throughout Central Texas. Many thanks for your consideration.

Sinceret

252 President & CEO

WILLIAM J. MCLELLAN, CHAIRMAN OF THE BOARD . GLENN E. WEST, CCE, PRESIDENT & CEO 111 CONGRESS AVE. . PLAZA LEVEL . P.O. BOX 1967 . AUSTIN, TEXAS 78767 . (512) 478-9383 . FAX (512) 478-9615



City of Boulder City

401 CALIFORNIA AVENUE BOULDER CITY, NEVADA 89005 Mailing Address P.O. BOX 61350 BOULDER CITY, NEVADA 89006-1360

October 26, 1995

The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission Twalfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Dear Mr. Williams:

RE: FINANCE DOCKET NO. 32760, UNION PACIFIC CORPORATION, ET-AL CONTROL & MERGER--SOUTHERN FACIFIC RAIL CORP., ET-AL

This is a letter of support for the marger of the Union Pacific Railroad and the Southern Pacific Railroad. This marger will dramatically improve service and many shippers will benefit from conditions that provide BN/Santa Fe with access to various routes and points in Nevada. In addition, this marger will alleviate many of Southern Pacific's service, finance and capital constraint problems. This will result in Southern Pacific's customers being assured of long-term, top-quality services from a financially sound railroad.

I encourage the Interstate Commerce Commission to act favorably on the request for the merger of the Union Pacific Corporation and the Southern Pacific Rail Corp.

Sincerely Eric Lunddaard Mayor

"Clean Green Boulder City"

November 3, 1995

The Honorable Vernon A. Williams, Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, NW Room 2215 Washington, D.C. 20423

RE: Finance Docket No. 32760, Union Pacific Corporation, et al -Control & Merger - Southern Pacific Rail Corporation., et al.

Dear Secretary Williams:

As Mayor of Burns, Wyoming, a rural community on the Union Pacific Railroad's mainline, I am writing this letter in support of the Union Pacific - Southern Pacific Merger. The Community of Burns is impacted directly by the presence of the Union Pacific Railroad. The proposed merger could enhance the growth of rail activity in our community and hopefully will increase employment opportunities for our citizens. Single-line service and more efficient rail operations will strengthen opportunities for Wyoming products.

Your Prompt approval of the Union Pacific - Southern Pacific merger will provide new and significant economic growth to Wyoming and its rural communities. I urge your approval of the merger.

Sincerely,

5 Juge

Boyd Frye U Mayor of Burns, Wyoming

cc: David Fischer Union Pacific Railroad Company 1416 Dodge Street, Rm. 801 Omaha, NE 68179

VERIFIED STATEMENT

OF

JACK LYNCH on behalf of BUTTE/SILVER BOW GOVERNMENT

COMPANY DESCRIPTION:

Butte/Silver Bow Government is located at: Co

County Courthouse 55 W Granite St Butte, MT 59701 406-723-8262

I am the Chief Executive of the combined city/county government of Butte/Silver Bow and I have held this position since November of 1990. For the previous 18 years I was Director of the Parole Board for the State Of Montana. I am a graduate of the University of Montana in Pre-Law.

Butte/Silver Bow is a combined city/county government whose Chief Executive has the day to day responsibilities of overseeing operations and setting policy for all facets of the local government. The Chief Executive is additionally responsible for the appointment of the five member Board of Port Commissioners who oversee the activities of the Port Of Montana, Port Authority. The economy of the Butte/Silver Bow area is agriculture, mining and forestry.

POSITION ON UP/SP MERGER:

I understand the Union Pacific Railroad and the Souther Pacific Railroad are requesting authority to merge. Butte/Silver Bow Government strongly supports this merger as a means of improving service and strengthening competition.

Montana is blessed with natural resources and due to our distance from markets, we are very dependent on efficient economical transportation to get our products to market. The Scoular Grain terminal, the Port Of Montana, The timber and mining industry are key to the economic well being of this area and are all very dependent on the rail industry. The merger of the UP/SP will provide access to new markets, provide an alternative rail carrier to Montana shippers and with the efficiencies resulting from the merger will result in lower freight rates. The Port Of Montana is an important factor in the economic development of Butte/Silver Bow.

The Union Pacific is key to their success and with the merger of UP/SP will open up new markets and provide more direct route along the Rocky Mountain Corridor to the southern U.S. and Mexico markets.

CLOSING STATEMENT:

I strongly support the UP/SP merger and urge your favorable consideration of this matter.

VERIFICATION

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STATE OF MONTANA COUNTY OF SILVER BOW

Jack Lynch, being first duly sworn, deposes and says that he has read the forgoing document, know the facts asserted therein, and that the same are true as stated.

Aund

Subscribed and sworn to before me this 5 day of September , 1995.

Korna & regory Notaxy Public for the state of Montana Residing at Butte, mT.

My Commission Expires:

6/21/98



CALIFORNIA CHAMBER of COMMERCE

KIRK WEST

November 1, 1995

The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D. C. 20423

RE: Finance Docket No. 32760, Union Pacific and Southern Pacific Railroad Merger

Dear Secretary Williams:

On behalf of the California Chamber of Commerce, I am writing to urge the Interstate Commerce Commission to give swift approval to the merger of the Union Pacific and Southern Pacific railroads.

The Chamber believes that this merger will result in an increased efficiency of our rail transportation system in California. The efficient movement of goods in California is imperative to the healthy recovery of our State. The demand for rail movement will continue to grow in the next decade and beyond as our position on the Pacific Rim requires distribution of products throughout California and the rest of the country. We believe that the UP/SP merger will guarantee that we will be able to compete more effectively.

In addition, the UP/SP merger will improve service for California shippers by providing new shipping opportunities in California. It is expected that this merger will significantly reduce delays, increase reliability and improve efficiency between California and other cities in the country.

The California Chamber of Commerce strongly supports the merger between Union Pacific and Southern Pacific. We believe this merger will enhance economic development in our state and ensure that California remains a leader in the world economy.

Kirk West

KW:nr

1201 K STRUET, 12111 FLOOR P.O. BOX 1736 SACRAMENTO, CALIFORNIA 03812-1736 FALSIMUT (016) 444-5685 TELEPHONE (016) 444-6670

OFFICE OF THE MAYOR

Leo A. Pando, Mayor

25 September 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

RE: Finance Docket No. 32760, Union Pacific Corp., et al. - Control & Merger - Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

As Mayor of Cheyenne, Wyoming, I strongly support the proposed merger between the Union Pacific Railroad and the Southern Pacific Railroad. Cheyenne has shared a long history with Union Pacific Railroad and appreciates the strong presence of the Union Pacific Railroad in our community.

The proposed merger will enhance the economic viability of Union Pacific Railroad and, in return, will strengthen the economic sectors important to Cheyenne. Union Pacific Railroad has utilized Cheyenne as a major crew-change location and with increased routing of additional traffic onto Union Pacific's main line, more employment opportunities are inevitable. Merging Union Pacific Railroad with Southern Pacific Railroad will provide new single-line service for Wyoming products to markets and import/export points that are not served by Union Pacific Railroad but will be open due to Southern Pacific's access.

The prompt approval of the UP/SP merger will provide significant economic benefits for Cheyenne, Wyoming. I urge your approval of the proposed merger.

Sincerely,

Mayor

h.

2101 O'Neil Avenue Cheyenne, Wyoming 82001 (307) 637-6300



Leo F. Mullin Chamber Vice Chairman First Chicago Corp. James J. O'Connor Chamber Vice Chairman Commonwealth Edison Company G. J. Gunn Chamber General Secretary American Airlines, Inc. John W. Madigan Chamber General Treasurer Tribune Company James Annable First National Bank of Chicago Tom Bridgman Baker & McKenzie Frank W. Considine American National Can Company Robert W. Crawford, Jr. Brook Furniture Rental, Inc. Timothy J. Danis Rollins Hudig Hall of Illinois **Richard** Donat Marshall Field's Thomas R. Donovan Chicago Board of Trade E. Stanley Enlund Bernard J. Ford, Sr. McDonough Associates Inc. Ronald I. Gidwitz Helene Curtis, Inc. Sue Ling Gin Flying Food Fare, Inc. Charles H. Knittk Montgomery Ward & Co., Inc. Homer J. Livingston, Jr. Chicago Stock Exchange, Inc. James. J. McDonough McDonough Associates Inc. Robert D. McLean Sidley & Austin Raymond Minkus Minkus & Dunne Communications Michael H. Moskow Federal Reserve Bank Edward J. Noha CNA Financial Corporation John C. Psaltis Molex Incorporated Larry P. Sheffield **IBM** Corporation Gerald D. Skoning Seyfarth, Shaw, Fairweather & Geraldson John C. Staley Ernst & Young Richard E. Terry Peoples Energy Corporation Peter Van Cleve Peter Van Cleave & Associates Maynard P. Venema Mid-America Legal Foundation Karen Vessely Ameritech William Wrigley, Jr. Wm. Wrigley Jr. Company Gerald J. Roper President and CEO

Executive

Committee Terry L Lengfelder

Chamber Chairman Arthur Andersen LLP

October 3, 1995

Honorable Vernon A. Williams Secretary Interstate Commerce Commission 12th Street & Constitution Avenue, NW Room 2215 Washington, DC 20423

RE: Docket No.: 32760

Dear Mr. Williams:

Please find attached my statement regarding the Union Pacific/South Pacific merger. If you have any questions or concerns, please feel free to contact me. Thank you.

Sincerely,

Gerald Roper / President and CEO Chicagoland Chamber of Commerce

cc: Mr. David Fischer Director Government Affairs Union Pacific 416 Dodge Street Room 801 Omaha, NE 68179



FINANCE DOCKET 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, et al

VERIFIED STATEMENT

Jerry Roper, President Chicagoland Chamber of Commerce

My name is Jerry Roper. I am President of the Chicagoland Chamber of Commerce. I submit this statement in order to express the support of the Chicagoland Chamber of Commerce for the proposed merger of the Union Pacific and Southern Pacific railroads.

The members of the Chicagoland Chamber of Commerce are local businesses with headquarters and/or substantial operations in the City of Chicago and its suburbs. The Chamber's goal is to promote the commercial interests of its members and to work for policies that will promote business and economic development in the Chicago area.

Terry L Lengfelder Chamber Chairman Arthur Andersen LLP Leo F. Mullin Chamber Vice Chairman First Chicago Corp. James J. O'Connor Chamber Vice Chairman Commonwealth Edison Company G. J. Gunn Chamber General Secretary American Airlines, Inc. John W. Madigan Chamber General Treasurer

Executive

Committee

Tribune Company James Annable First National Bank of Chicago

Tom Bridgman Baker & McKenzie Frank W. Considine American National Can Company Robert W. Crawford, Jr. Brook Furniture Rental, Inc. Timothy J. Danis Rollins Hudig Hall of Illinois

Richard Donat

Marshall Field's Thomas R. Donovan Chicago Board of Trade

E. Stanley Enjund

Bernard J. Ford, Sr.

Ronald J. Gidwitz Helene Curtis. Inc. Sue Ling Gin

Charles H. Knittle

Homer J. Livingston, Jr.

James. J. McDonough McDonough Associates Inc.

Sidley & Austin Raymond Minkus

Michael H. Moskow Federal Reserve Bank Edward J. Noha

John C. Psaltis Molex Incorporated

John C. Staley Ernst 19 Young

Richard E. Terry

Peter Van Cleve

Karen Vesselv Ameritech William Wrigley, Jr. Wm. Wrigley Jr. Company

Gerald J. Roper President and CEO

Maynard P. Venema

Larry P. Sheffield IBM Corporation Gerald D. Skoning

Robert D. McLean

McDonough Associates Inc.

Montgomery Ward & Co., Inc.

Chicago Stock Exchange, Inc.

Minkus & Dunne Communications

Seyfarth, Shaw, Fairweather & Geraldson

CNA Financial Corporation

Peoples Energy Corporation

Peter Van Cleave & Associates

Mid America Legal Foundation

Flying Food Fare, Inc.

OF

The proposed Union Pacific/Southern Pacific merger will benefit businesses in the Chicago area. The City of Chicago currently holds a unique position as the rail and transportation hub of our nation. Both the Union Pacific and the Southern Pacific as well as other railroads, provide service to Chicago. While the Union Pacific has provided reliable service to Chicago businesses, Southern Pacific service levels have suffered in recent years as a result of SP's lack of financial resources, traffic volume and equipment. This has been a source of concern to the Chicago business community.

The proposed merger should provide significant service improvements for Chicago shippers and receivers. In particular, the ability to combine UP and SP lines and terminals will allow UP/SP to offer new competitive service between Chicago and northern and southern California, including reliable third-morning intermodal service. As a result, UP/SP will be able to offer genuine competition to the intermodal service offered now by the Atchison Topeka & Santa Fe Railway. In addition, Chicago businesses will enjoy more effective access to all Mexican gateways. Use of UP's efficient border-crossing processes, including pre-blocking and precleaning of shipments to Mexico, will be available for both UP and SP-served gateways.

We expect that the combined UP/SP will be able to make more effective use of capital, maximizing improvements in capacity and efficiency. SP has faced particularly tight capital constraints. Investment to relieve capacity bottlenecks should particularly benefit SP lines and yards of importance to Chicago shippers. Merging the two systems should also reduce switching and terminal delays by allowing more pre-blocking and run-through trains. Coordination of UP and SP facilities, particularly intermodal yards, is likely to result in reduced highway congestion in the Chicago area. Shorter routes and the combination of different seasonal traffic patterns will result in improved utilization of cars and locomotives, to the benefit of Chicago shippers and receivers.

The Chicagoland Chamber of Commerce sees the Union Pacific/Southern Pacific merger as a way to strengthen rail competition in the Chicago area. The Interstate Commerce Commission recently approved the merger of the Burlington Northern and the Santa Fe railroads. The combination of these two railroads, both of which serve Chicago, has created a very strong competitor, with an extensive route system linking Chicago with points throughout the west. The BN/Santa Fe system has important competitive strengths that UP or SP standing alone do not have. For example, Santa Fe is the leader in handling service-sensitive traffic between California and Chicago; its lead will widen as a result of the further cost savings and financial strength brought by the merger with BN. We believe that combining Union Pacific and Southern Pacific will create a strong and efficient railroad that can offer Chicago shippers a true competitive alternative to the BN/Santa Fe system.

In conclusion, the Chicagoland Chamber of Commerce strongly supports the proposed merger of the Union Pacific and the Southern Pacific. The Chamber urges the Interstate Commerce Commission to act promptly and favorably to approve the proposed merger.

Joper

Jerry Roper President, Chicagoland Chamber of Commerce

VERIFICATION

STATE OF ILLINOIS)
COUNTRY OF)

SS:

, being first duly sworn, deposes and says

that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Jerry Poper

Subscribed and sworn to before me the 3rd day of October, 1995.

Notary Public

My Commission Expires:







October 23, 1995

Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Re: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control and Merger--Southern Pacific Rail Corp., et al.

Dear Mr. Williams

Please accept this as a letter of support for the proposed merger as identified by the finance docket referenced above.

It appears to us that the proposed merger would lead to faster, more reliable service over the routes affected. Such service would positively impact power plants in Nebraska as well as grain producers in Nebraska, and nationally. Value added agricultural products could also be shipped more efficiently.

Efficiencies produced by such a merger could only benefit any business that depends on rail service to carry their products. Shorter routes, reduction in transit times, improved availability of cars, reduction in time needed for car handling and switching, and access to expanded markets would be benefits derived from such a merger.

We ask your positive consideration of the Union Pacific/Southern Pacific merger request.

Sincerely

Dale Collinsworth, CCE Executive Vice President

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CITY OF DILLON, MONTANA

125 N. IDAHO ST. DILLON, MT 59725

DAN LINSCOTT DIRECTOR OF OPERATIONS

G. J. LANE TREASURER



J. A. WILSON MAYOR

October 25, 1995

The Honorable Vernen A. Williams Secretary, Interstate Commerce Commission Room 2215 Twelfth Street and Constitution Avenue, N.W. Washington, DC 20423

RE: Finance Docket No. 32760, Union Pacific Corporation -Control and Merger - Southern Pacific Rail Corporation

Dear Secretary Williams:

I would like to express my support for the proposed merger of the Union Pacific and Southern Pacific railroads, which is pending before the Interstate Commerce Commission.

I am the Mayor of Dilion, Montana. Dillon, in southwest Montana, is on the Union Pacific main line which runs from Pocatello, Idaho, to Butte/Silver Bow, Montana. With the merger of the Union Pacific and Southern Pacific railroads, Montana shippers in our area would gain more direct routes to customers served by the Southern Pacific in many states, including Texas, New Mexico, Arizona, California, and Oregon. Area shippers would also obtain faster and more direct routes through Denver to Gulf Coast ports.

With the growing importance of trade with Mexico under the North American Free Trade Agreement, Montana companies will gain access over a single, combined railroad to important Mexican border crossings on the Southern Pacific at Mexicali, Nogales, and El Paso. That should boost the opportunity for Montana companies to export goods to Mexico.

Allowing the Union Pacific and Southern Pacific railroads to merge would also create a stronger railroad, one able to better compete with the Burlington Northern Railroad, which recently merged with the Atchison, Topeka & Santa Fe Railroad.

For all of these reasons, the merger of the Union Pacific and Southern Pacific railroads would appear to have substantial benefits for the businesses and citizens of Dillon. I offer my support for the merger, and ask the Interstate Commerce Commission to grant its approval to the merger.

I, James Wilson, declare under penalty that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed on this day, October 25, 1995.

mes A. Wilson, Mayor

406-683-4245

FAYE JONES CLERK

ANDREW P. SUENRAM



THE CITY OF FORT WORTH TEXAS

Kay Granger

October 10, 1995

Railroad Commission of Texas 1701 North Congress Avenue P.O. Box 12967 Austin, Texas 78711-2967

re: Proposed Union Pacific/Southern Pacific Merger

Dear Commission,

I am writing to express my support for the proposed merger of the Union Pacific and Southern Pacific railroads. The City of Fort Worth is a key rail hub in the State of Texas, with service from Union Pacific, Southern Pacific and Burlington Northern/Santa Fe, among others. I believe the Union Pacific/Southern Pacific merger will benefit the City and the businesses located in the Fort Worth area.

The UT/SP merger will provide Fort Worth shippers with a highly efficient single-line route through New Mexico, Arizona and California. The result should be mileage savings and service improvements, as well as less highway congestion due to a reduction in truck traffic. Service from Fort Worth moving north to Memphis, St. Louis, and Chicago, and for connections to the Northeast, will also improve as a result of coordination of terminals, availability of alternative UP and SP routes, and the ability to pre-block traffic and run it entirely around terminals. I understand that UP/SP also plan to increase the level of service between Fort Worth and Denver (and points beyond) following the merger. The higher levels of rail service should boost employment opportunities in the Fort Worth area.

Fort Worth should also benefit as a result of the mergerrelated agreement reached by UP, SP and BN/Santa Fe, under which BN/Santa Fe will gain trackage rights permitting access to a number of important points in Texas, as well as a direct route between Houston and New Orleans. This agreement will provide Fort Worth shippers with significant new service options. I and other city officials also see the UP/SP merger as a way to ensure improved service for Fort Worth shippers that use SP. In recent years, SP service has faltered, reflecting such problems as limited track capacity, terminal congestion, and equipment shortages. This has resulted in significant delays for our shippers and has been a source of concern for our business community. A merger with UP would ensure that SP would have adequate financial resources to make the necessary capital investments.

I believe the UP/SP merger will strengthen rail competition in the Fort Worth area. As a result of their recent merger, the Burlington Northern and Santa Fe railroads have created a large at' afficient route system, with great competitive assets. No other railroad is currently large enough or efficient enough to provide real competition to BN/Santa Fe. If UP and SP were permitted to merge, they would be strong enough to provide effective competition. While a UP/SP marger would reduce the number of major railroads serving Fort Worth from three to two, I believe the result would be to increase competition rather than to weaken it from Fort Worth's perspective, having two strong competitors is better than having a large powerful rail carrier and two smaller carriers that do not provide an equal competitive alternative.

I encourage the Commission to express a favorable view regarding the proposed marger and to communicate that view to the federal authorities responsible for approving the merger.

Sincerely, Kay Granges

Mayor

cc: Hon. Vernon Williams, Secretary U.S. Interstate Commerce Commission RE: ICC Finance Docket No. 32760 Union Pacific - Control & Merger Southern Pacific Rail Corporation

On August 28, 1995, I, as President of the Harrisburg Area Chamber of commerce filed a letter with the ICC in connection with the above matter, a copy of which is attached hereto. Since forwarding my letter of August 28, 1995, I have learned of the Union Pacific/Southern Pacific merger plans to cancel abandonment of the railroad line to the City of Harrisburg. We have had productive exchanges between representatives of shippers and representatives of the railroads and I am pleased to say that accommodations have been reached which are convincing of the proposition that rail service will be enhanced and rail traffic increased in connection with the merger.

It is, therefore, our belief that the merger between Union Pacific and Southern Pacific would not be detrimental. We are pleased to be able to support the proposal for merger.

VERIFICATION

STATE OF ARKANSAS COUNTY OF POINSETT

10.00

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Lee Siler, being first duly sworn, deposes and says that she has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Lee Siler

SUBSCRIBED AND SWORN TO before me this 12th day of October,

Notary Public

My Commission Expires:

Harrisburg Area Chamber of Commerce

202 East Street — City Hall Harrisburg, Arkansas 72432 (501) 578-2617

August 28, 1995



Vernon A. Williams-Secretary Interstate Commerce Commission 12th & Constitutional Avenue, N.W. Room 2215 Washington, D.C. 20423

> Re: ICC Finance Docket No. 52760 Union Pacific--Control & Merger Southern Pacific Rail Corp.

Dear Mr. Williams:

Rail abandonment would be very detrimental for our City of Harrisburg. The railroad here is adjacent to our industrial park. Several firms depend on this transportation in order to Hoptinue serving their customers. One company is expanding their facilities at this time, and they are very dependent upon railroad transporation.

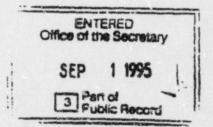
Our area Chamber of Commerce requests your consideration of these affects rail abandonment would have on our community.

Yours sincerely,

HARRISBURG AREA CHAMBER OF COMMERCE

Lee Siler

President



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FINANCE DOCKET 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, et al.

VERIFIED STATEMENT OF DENNIS RAMSEY MAYOR, CITY OF HOPE, ARKANSAS

I, the undersigned Dennis Ramsey, am Mayor of the City of Hope, Arkansas. This statement is being submitted to express support for the proposed merger of the Union Pacific and Southern Pacific Railroads.

Hope has been the beneficiary of a long standing relationship with the Union Pacific Railroad and, before their merger, the Missouri Pacific Railroad. Union Pacific's facilities in Hope have been a major factor in the City's economy and it has been a valuable corporate citizen through its contributions to various civic and charitable projects. The Southern Pacific has also been a significant contributor to the economies of other Arkansas communities.

It is important to my City and to these other areas that the UP and the SP be permitted to merge in order that these benefits be maintained, but I am concerned about the prospects for the longterm viability of the SP, particularly as a result of the recent merger of the Burlington Northern and the Santa Fe Railroads. Under the circumstances existing today, it appears that the merged UP/SP will be able to compete more effectively with the BN/SF than the UP and the SP, standing alone.

The BN/SF merger has resulted in a very strong source of competition with an extensive route system which has strengths that the UP and the SP individually do not have. The proposed UP/SP merger will add capacity and efficiency to their operations and will permit them to offer quicker and more direct service to western destinations. As a result, UP/SP will be able to offer genuine competition to the services offered by the BN/SF.

Not only will the UP/SP be a stronger competitor, the recent agreement between the UP/SP and the BN/SF on competitive access issues also will strengthen the balance of competition within the rail industry in the United States. This agreement proves the commitment of the UP and the SP to their customers and the communities they serve. It also provides shippers with a competitive alternative for servicing their needs.

I strongly support the proposed merger of the Union Pacific and the Southern Pacific and I urge its prompt approval.

By my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that I believe it to be true and correct.

Executed on November 9, 1995

RAMS

Mayor, City of Hope, Arkansas

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IDAHO COUNCIL ON INDUSTRY AND THE ENVIRONMENT

VERIFIED STATEMENT

OF

Patricia A. Barclay Executive Director Idaho Council on Industry and the Environment

My name is Patricia A. Barclay. I am the executive director of the Idaho Council on Industry and the Environment, a non-profit, non-partisan group whose mission is to promote the use of facts and science and support a balanced public dialogue on environmental and agricultural issues. I am filing this statement on behalf of the Idaho Council on Industry and the Environment.

The facts that should be considered when evaluating the proposed merger of Union Pacific and Southern Pacific Railroads are as follows:

Rail transportation is important to a healthy economy in the State of Idaho. Railroads are a vital part of the state's transportation system along with trucking and water transportation. It is important to have reliable service and equipment and a healthy competition, not only among different segments of the transportation industry but among railroads as well.

The proposed merger of Union Pacific and Southern Pacific appears to offer economic benefit to Idaho's natural resource, agricultural, and manufacturing industries. In turn, this will be an advantage the citizens of the state through establishment of a strong, competitive rail system.

The merger should mean faster and more reliable service to many Idaho markets, better equipment to move Idaho products, and long-term, healthy competition among railroads. For this reason, it is supported by many large and small Idaho companies. It is a means of assuring the economic health and vitality of Idaho's transportation system.

arelay ricia A. Barclay

Executive Director

VERIFICATION

STATE OF IDAHO)) ss. COUNTY OF ADA)

Patricia A. Barclay, being first duly sworn, deposes and says that she has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Patricia a Barclay

Subscribed and sworn to before me this 31st day of October, 1995.

Shaum Wilkeson

My commission expires: 10/28/99

P. O. Box 185 LaGrange, Wyoming 82221

October 2, 1995

Dick Hartman Special Representative UPRR 2424 Pioneer Ave. Cheyenne, WY 82001

Dear Mr. Hartman:

RE: Support for proposed merger

Please accept this letter in support of the Union Pacific and Southern Pacific Railroad merger.

Recently the Union Pacific Railroad has increased train traffic through LaGrange, Wyoming, on the Yoder branch. This has resulted in a positive economic impact within our community. The proposed merger will provide new routes, new single-line service and more business for the Union Pacific which will enhance economic opportunities for LaGrange, Wyoming.

I strongly urge your prompt approval of the proposed merger. Thank you for your time and consideration.

Sincerely,

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Curtis Grandstaff Mayor, LaGrange, Wyoming





OFFICE OF

The Board of County Commissioners

LARAMIE COUNTY GOVERNMENT COMPLEX CAREY AVENUE • P.O. BOX 608 CHEYENNE, WYOMING 82001 (307) 638-4260 • FAX (307) 638-4267

> JEFF KETCHAM VICE-CHAIRMAN

FRED EMERICH, DVM COMMISSIONER

NICK MIRICH CHAIRMAN

September 27, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, DC 20423

> RE: Finance Docket No. 32760, Union Pacific Corp., et at.-Control & Merger - Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

The Laramie County Commissioners strongly support the proposed merger between Union Pacific and Southern Pacific Railroads. Laramie County and Wyoming has benefited over the years from the presence of the Union Pacific Railroad. The proposed merger will help build a stronger rail transportation system resulting in improved markets availability and enhanced economic growth. Other benefits of the UP/SP merger sill be the job security of railroad employees; Laramie County shippers gain new single-line services to numerous points; routing of additional traffic onto UP main line; combining the strengths of two major railroads.

The results of the proposed merger will improve efficiency of UP/SP freight movements and justify increased investments to expand capacities and improve overall service, which means an economic benefit and growth for Laramie County.

We welcome this merger as a means of ensuring that Laramie County will receive top quality rail service from a stronger and more competitive Union Pacific Railroad Company. We urge your approval of the proposed merger.

Sincerely, ninch

Nick Mirich Chairman

Jeff Ketchand Vice Chairman

Fred Emerich Commissioner

cc: David Fisher Union Pacific Railroad Company Dick Hartman DOWNTOWN DEVELOPMENT AUTHORITY

316 South 3rd Street, Laramie, Wyoming 82070

October 27, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street Constitution Avenue, N.W. Room 2215 Washington, DC 20423

> RE: Finance Docket No. 32760, Union Pacific Corp., et al. Control & Merger - Southern Pacific Rail Corp., et al.

Secretary Williams:

The city of Laramie, in particular downtown Laramie, has had a long and positive history with the Union Pacific Railroad. Over the past 125 plus years the economics of our community and state has been greatly influenced by the growth of the Union Pacific Railroad. It has allowed for the positive development of the great State of Wyoming. It appears the proposed merger will provide additional opportunities for Wyoming industries to reach new markets. This of course will generate additional economic benefits for all affected; the state, the county, the city and of course our downtown.

Once again Laramie will benefit from the growth and improvement of the Union Pacific Railroad system. We believe the efforts to compete and provide improved service will enhance Wyoming's businesses and communities. The sooner these proposed changes take place the faster we will realize the improvements.

I urge your prompt approval of the UP/SP merger.

Sincerely, Tim Rubald

TMR/tr c: file David Fischer, UPRR



LARAMIE AREA CHAMBER OF COMMERCE

P.O. Box 1166 800 S. Third Struet Laramie, Wyoming 82070 (307) 745-7339

October 13, 1995

The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission Twelfth Street and Constitution Avenue, NW, Room 2215 Washington DC 20423

Dear Honorable Williams:

RE: Finance Docket No 32760, Union Pacific Corp., et al -Control & Merger - Southern Pacific Rail Corp., et al

The Union Pacific Railroad is a member of the Laramie Area Chamber of Commerce, and has asked for our support regarding the merger with Southern Pacific Railroad.

The Board of Directors has reviewed the information provided to us by Union Pacific. The Board would like our support of the Union Pacific and Southern Pacific Railroads merger to be acknowledged by the Interstate Commerce Commission.

Sincerely,

ample.

Rolinda Sample Executive Director Laramie Area Chamber of Commerce

LAREDO URBAN TRANSPORTATION STUDY

CITY OF LAREDO PLANNING DEPARTMENT 1118 NOUSTON STREET LAREDO, TEXAS 78942 (219) 791-7441

October 10, 1995

Mr. Jerry Martin, Director, Transportation/Ges Utilities Division, Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967

RE: Proper Response of the State of Texas to Union Pacific's proposed Acquisition of the Southern Pacific

Dear Mr. Martin:

The City of Laredo and the area located within the Metropolitan Planning Organization's metropolitan area boundaries is presently served by the Class I. Union Pacific Railroad through San Antonio and the Class II Texas Mexican Railroad from Corpus Christi. As you are aware, approximately 40% of all U.S. goods entering Mexico passes through Laredo en route to Monterrey and Mexico City.

Our analysis of the proposed acquisition of the Southern Pacific by the Union Pacific is limited to rall corridor efficiency in serving both Laredo and South Texas; financial ability to both maintain and expand infrastructure to meet the requirements of international trade; and in maintaining adequate competition between carriers to serve the public interest.

- (1) Corridor Efficiency
- (a) Acquisition of the Southern Pacific line which extends from Houston to Los Angeles will permit more direct service to and from the Laredo Port of entry from both Gulf Coast and West Coast markets. Although the decision concerning the international port of entry is a private business decision, often based on established relationships with freight fowarders and customs brokers, the efficiency of routes which both maintain existing service and provide for the expansion of international trade is important to Laredo and South Texas.
- (b) Trackage agreements between the Union Pacific and the Class I Burlington Northern will expand the competition between rail carriers serving Mexico from the midwest, as well as expanding trade through the intermodal facilities at the Port of Corpus Christi and at the Port of Brownsville in South Texas.
- (c) Efficient rail freight movement and the adequacy of intermodal connections is environmentally sound practice. Both Laredo and South Texas are working hard to remediate environmental problems which we share with our neighbors in Mexico. To the extent that cargo can move through international ports under programs like Despacho Previo, increasing railroad efficiency is extremely important to the City of Laredo. The new UP rail bridge, for which a Presidential Permit has been issued, includes structures to contain spillage and to limit the environmental impacts of any derailment. As well as providing a more efficient crossing, this bridge will also help protect the Rio Grande, our only source of drinking water.
- (2) Financial Ability

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(a) The acquisition of the Southern Pacific by the Union Pacific does not appear to adversely affect the financial capability of either railroad presently serving Laredo. The privatization of the Mexican

railroad is acknowledged as a financially sound decision by the Mexican government, and certainly one which appears to have benefitted the Larado operations of the TexMex. We believe that the expanded rall operations which appear the likely result of the trackage agreements with the Burlington Northern through the Port of Corpus Christi, will similarly benefit the TaxMex.

- (b) We strongly support actions which will improve the financial strength of the Union Pacific, and by extension, their ability to provide efficient service into and within Mexico. Their estimated \$67 million dollar investment in a new rall bridge will help protect our environment, maintain our competitive edge as an international port of entry, and relieve serious traffic congestion in downtown Laredo. The UP investment in relocating switching and transfer operations, as well as expanding the Intermodel container facility require continued financial strength.
- (3) Adequate Competition
- The members of the Laredo City Council have repeatedly expressed their desire to retain a competitive balance among transportation providers, both rail and truck. The acquisition of the Southern Pacific appears to have little, if any, direct effect on the UP's competitive relationship with the TexMex. It would appear that the trackage agreements between the UP and the Burlington Noithern will have the effect of increasing competition for the South Texas and Mexico market.

Your request for information and this response have been transmitted to the members of the Laredo City Council and the members of the Policy Committee of the MPO for their comments. Because of the date on which we received your request, I regret that time did not permit either body to take formal action.

Please let me know if you have any questions. You may contact me at 210/791-7447.

Very truly yours

ino les. Suller

Marina M. Sukup, AICP Transportation Planning Director

CC.

Mayor Saul N. Ramirez, Jr. Members of the Laredo City Council Peter H. Varpas, City Manager

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JAN LAVERTY JONES

MAYOR

September 22, 1995



The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Room 2215 Twelfth Street & Constitution Avenue, N.W. Washington, D.C. 20423

Dear Secretary Williams:

As Mayor of Las Vegas, I am writing to ask the Interstate Commerce Commission to give its speedy approval to the proposed merger between the Union Pacific and the Southern Pacific Railroads.

The main line of the Union Pacific runs through Las Vegas, and we have enjoyed a good relationship with this company. With the merger of these two rail companies, the geographic reach of the Union Pacific would expand to the benefit of Las Vegas area businesses that ship and receive freight by rail. For example, after the merger of the two railroads, Las Vegas shippers would have access over a single railroad to facilities along the Southern Pacific in Central and Northern California, and would have better access to markets in Mexico via the SP border connections at Mexicali and Nogales.

The merger will allow the UP-SP to compete directly with the merged Burlington Northern and Santa Fe Railroads. Without the merger, the Union Pacific (and the Southern Pacific, for that matter) will remain much smaller than the BN-Santa Fe railroad, and will be at a competitive disadvantage to that railroad. The merger of the Union Pacific and the Southern Pacific will provide for two competitive railroad systems in the Southwestern United States.

The benefits of the proposed UP-SP merger for Las Vegas area shippers, for Union Pacific employees in the Las Vegas area, and for the public are clearly substantial, and I ask the Interstate Commerce Commission to give its speedy approval to this proposal.

Sincerety

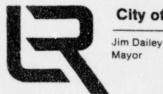
Jan Laverty Jones Mayor of Las Vegas

CITY OF LAS VEGAS

400 EAST STEWART AVENUE

LAS VEGAS, NEVADA 89101

102 229-6011 702 386-9108 100



City of Little Rock

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

FINANCE DOCKET 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, et al.

VERIFIED STATEMENT OF JIM DAILEY MAYOR, CITY OF LITTLE ROCK, ARKANSAS

I, the undersigned Jim Dailey, am Mayor of the City of Little Rock, Arkansas. This statement is being submitted to express support for the proposed merger of the Union Pacific (UP) and Southern Pacific (SP) Railroads.

Historically, the Missouri Pacific Railroad, and, following their merger, the Union Pacific, have been important contributors to the economic strength of the Greater Little Rock area. The Southern Pacific has also been a significant contributor to the economy of other areas in Arkansas. I believe it is important that the level of reliable service that the UP and SP have provided be maintained; however, I am concerned about the prospects for the long-term viability of the SP, particularly as a result of the recent merger of the Burlington Northern (NB) and the Santa Fe (SF) Railroads.

The BN/SF merger has resulted in a very strong source of competition with an extensive route system which has strengths that neither the UP nor the SP have, standing alone. Not only will the UP/SP

merger result in an entity that will be a stronger competitor, the recent agreement between the UP/SP and the BN/SF on competitive access issues also will strengthen the balance of competition within the rail industry in the United States. This agreement proves the commitment of the UP and the SP to their customers and the communities they serve. It also provides shippers with a competitive alternative for servicing their needs.

I strongly support the proposed merger of the Union Pacific and the Southern Pacific because of its benefits to the Little Rock community and I urge its prompt approval.

By my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that I believe it to be true and correct.

Executed on November _____, 1995.

m Railey

JIM/DAILEY Mayor, City of Little Rock



• Chamber of Commerce • Downtown Development • Convention and Visitors Bureau

October 18, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

> Finance Docket No. 32760, Union Pacific Corporation., <u>et al</u> -- Control & Merger -- Southern Pacific Rail Corporation, <u>et al</u>

Secretary Williams:

As President of the Longview Partnership, I would like to voice mysupport for the merger of the Union Pacific and Southern Pacific railroads. The Longview Partnership serves as the chamber of commerce for our community and is comprised of 1,600 member businesses and their representatives.

I believe there are many positive aspects to the merger including faster service, less costly service to many destinations, improved service and more competition. Our business' accessibility to the west coast will be greatly enhanced, and the streamlining of operations should result in improved service to the north, as well.

Further, as an organization looking to increased international trade opportunities, I believe the merger will facilitate I cal businesses in opening and serving markets in Mexico through the granting of additional operating rights for Burlington Northern and Santa Fe in Texas and Louisiana.

P.O. Box 472 · Longview, TX 75606 · 903/237-4000 · FAX 903/237-4049

Union Pacific/Southern Pacific Merger Support Page 2

I know there are many benefits to the merger in other parts of the country, and, here in east Texas, I believe the merger will serve as a catalyst for growth of our rail market and as a positive step in the expansion of business opportunities.

I appreciate your positive consideration and support of this merger.

Sincerely,

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Sid Aller, President Longview Partnership



LOS ANGELES

Area Chamber of Commerce

350 South Bixel Street P.O. Box 3696 Los Angeles, California 90051-1696

(213) 580-7500 Fax (213) 580-7511

October 26, 1995

Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Re: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

On behalf of the Board of Directors of the Los Angeles Area Chamber of Commerce, I am writing in support of the Union Pacific/Southern Pacific Railroad (UP/SP) merger. The Chamber believes that this transaction will result in an increase in the effectiveness and efficiency of our rail transportation system in Southern California.

The efficient movement of goods in Southern California is extremely important to the healthy recovery of our region's economy. The demand on the system's efficiency will continue to grow in the next few years as our position on the Pacific Rim requires us to prepare for the efficient movement of goods for export and for the expedited, cost effective, and safe distribution of products throughout our region and the rest of the country. We believe that the UP/SP merger will guarantee that our region will be able to compete effectively with other ports on the Pacific Rim. This is important not only to our region, but also to the many other markets that the UP/SP lines serve.

If the UP/SP merger is approved by the Interstate Commerce Commission, California businesses now served by the UP and SP will enjoy faster, more reliable service between Southern California and major gateways, including Chicago, East St. Louis, Memphis, and Houston. The multiple single-line routes that will be available to the new company will allow for reduced transit times for time sensitive intermodal freight. Also, the expanded route structure will open up new rail markets and will improve equipment utilization.

These are just some of the benefits of the UP/SP merger. We feel, however, that the most important aspect of the merger is that California's economic development efforts will be enhanced by the existence of two strong and competitive transcontinental railroads serving the state -- UP/SP and the newly merged Burlington Northern and Santa Fe -- and our shippers and consumers will continue to benefit from low transportation costs. We fear that unless the merger is approved, that competition will slowly be

Union Pacific/Southern Pacific Merger Docket No. 32760

October 26, 1995 Page 2

eliminated. It is possible that without any other financial support, the future of Southern Pacific Railroad will be short. If Southern Pacific's competitive position is further weakened, this could destroy the competitive efficiency that Southern California currently enjoys. The UP/SP merger will create a financially strong railroad with the capital resources to expand capacity and improve efficiency on key SP corridors serving Southern California.

This merger will ensure that where customers were served by two railroads before (SP vs. UP) and now served by only one (UP/SP), a second railroad will be maintained to ensure fair competition. UP and SP have entered into a settlement agreement with BN/Santa Fe that will grant BN/Santa Fe access to those points in the Los Angeles Basin, and elsewhere, that would lose rail competition as a result of the UP/SP merger. This is extremely important to our members and the business community of Southerm California.

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

Thank you for carefully considering our input in this application.

Sincerely. Ray Remy

President



CITY OF LOVELOCK, NEVADA

RAY ESPINOZA, MAYOR

TELEPHONE (702) 273-2356 P.O. Box 238 LOVELOCK, NEVADA 89419 Fax (702) 273-7626



November 8, 1995

The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.C. Room 2215 Washington, D.C. 20423

SUBJECT: Finance Docket No. 32760, Union Pacific Corporation, et al. -- Control & Merger -- Southern Pacific Rail Corp., et at.

I am writing in support of the proposed merger between the Union Pacific Railroad and the Southern Pacific Railroad.

The merger will allow the UP-S to compete directly with the merged Burlington Northern and Santa Fe Railroads. Without the merger, the Union Pacific and the Southern Pacific will remain much smaller then the BN-Santa Fe railroad, and will be at a competitive disadvantage to that railroad. The merger of the Union Pacific and the Southern Pacific will provide for two competitive railroad system in the area of the country.

I encourage you to support the UP-S merger at it will improve service and strengthen competition by creating a competitor that is fully the equal of B-Santa Fe.

Sincerely,

g/ins.

Ray Espinoza, Mayor

October 19, 1995

The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission 12th Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

RE: Finance Docket #32760, Union Pacific Corporation Control & Merger, Southern Pacific Rail Corporation

Dear Mr. Williams,

On behalf of the Board of Directors of the Greater Marshall Chamber of Commerce, I am writing to express our support for the proposed merger of the Union Pacific and Southern Pacific railroads.

Whereas, this merger will provide faster and less costly rail service and increase rail competition in Texas, we believe this merger will greatly benefit the citizens and businesses of Marshall and Harrison County.

The businesses in our community and the members of the Greater Marshall Chamber of Commerce, stand to profit from the service improvements and better equipment supply that will accompany this merger.

The merger of the Union Pacific and the Southern Pacific will improve rail service in East Texas and will strengthen railroad competition. We strongly support this merger.

Sincerely,

John Recterwald President

Greater

Marshall

Chamber of Commerce,Inc.

213 West Austin P.O. Box 520 Marshall, Texas 75671

(903) 935-7868 Fax # (903) 935-9982



Water Utilities (903) 935-4485



P.O. Box 698

Texas 75671

Mayor & City Commission (903) 935-4415 **City Manager** (903) 935-4416 October 24, 1995 Assistant The Honorable Vernon A. Williams City Manager Secretary (903) 935-4417 Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 **Civil Service** Washington, D.C. 20423 /City Secretary (903) 935-4445 Finance Docket No. 32760, Union Pacific Corporation, et al Control & Merger-Southern Pacific Rail Corporation, et al Engineering (903) 935-4400 Dear Mr. Williams: Finance This letter is written to express my support for the proposed 903) 935-4445 merger of the Union Pacific and Southern Pacific Railroads. My name is Audrey Kariel, and I serve as Mayor of Marshall, Texas. Fire Chief We are very pleased over the prospect of these two railroads (903) 935-4580 merging and feel that the merger will benefit the citizens and business community of our area. The merger will provide faster and less costly rail service to many destinations, improve service, and Library (903) 935-4465 increase rail competition in Texas. Of particular importance to my community will be Southern Parks and Pacific's Southern Corridor route which opens new trade corridors to Recreation Southern California through New Mexico and Arizona. This route will (903) 935-4470 be a major benefit to Texas as well as the state of Louisiana which is less than 30 miles from Marshall. This merger allows us to deal Personnel with only one railroad and carry freight for longer distances. (903) 935-4426 In addition to extensive routing advantages, our shippers will benefit from better equipment supply. The combined railroads will Planning and be able to offer greater equipment availability to our shippers as Community Development well as give us an advantage of backhand and triangulation (903) 935-4455 opportunities. This Union Pacific and Southern Pacific merger will offer Police Chief genuine competition to the giant new Burlington Northern/Santa Fe (903) 935-4575 Our shippers currently served by Union Pacific will be system. better able to compete with businesses served by the Burlington Public Works Northern/Santa Fe. (903) 935-4485 Purchasing (903) 935-4419 Water/Waste

Page 2

In my opinion, the merger of the Union Pacific and Southern Pacific will improve rail service in East Texas and strengthen railroad competition. I strongly support this merger.

Sincerely, audrey Las Audrey Karlel, Mayor City of Marshall

c: Texas Railroad Commission Attn: Jerry Martin, Director of Transportation and Gas Utilities

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October 25, 1995

Honorable Vernon A. Williams, Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Re: FINANCE DOCKET NO. 32760

Dear Secretary Williams,

The Modesto Chamber of Commerce supports the proposed merger of the Union Pacific and Southern Pacific Railroads.

This combined system will improve freight handling facilities, expand service and improve efficiencies.

Competition is the key to the future. Rail plays an important part in the transportation picture, especially as we enter the next century.

We request the commission to act favorably on the merger application.

Sincerely,

Bill Seavy President and C.E.O.

Chairman of the Board Doug Van Pelt

Immediate Past Chairman James D. Mayol

Chairwoman-elect

Officers Sylvester Aguilar Pat Casey-Gillum Joan Fischer Mike Gianelli Vera Girolami Wayne Henry Chris Hodges Duke Leffler Tom Van Groningen Rodger Wasson

Board of Directors David Cogdill Jim Crosbie Ron Ehrke Barbara Etrick Tim Fisher Jeroid Ford, DC David Halvorson Mitchell Hanna Dave Harvey Emerson Johnson Jahn Layman Craig Lewis Steve Rath Cecil Russell Keith Sheph dson Pam Stil :s Patty Stone Christing Way

BS:sld

RAILROADLTR

President and CEO William Seavy

ł

1114 J Street P. O. Box 844 Modesto, CA 95353 (209) 577-5757 FAX (209) 577-2673

MONTANA TAXPAYERS Association

506 NORTH LAMBORN - HELENA, MONTANA 59601



CHASE T. HIBBARD, Chainnan DENNIS M. BURR, President

P. O. BOX 4909, HELENA MT 59604

(406) 442-2130

FAX (406) 442-1230

Finance Docket No. 32760, Union Pacific Corp., et. al. --Control & Merger -- Southern Pacific Rail Corp., et. al.

Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Dear Mr. Williams:

On behalf of the Montana Taxpayers Association I endorse and support the merger of the Union Pacific Railroad and the Southern Pacific Railroad. I believe this merger has several benefits to the people and businesses of Montana. First, the merger will provide additional one line destinations and cost savings on rail shipments from the Port of Montana. Union Pacific Railroad currently serves Montana to Butte and provides the only southern rail line exiting in western Montana. The merger would extend service and reduce both time and expense for goods both entering and leaving the state. Second, this merger would extend markets for grain from eastern Montana by providing additional one line destinations and providing competition for other carriers. Finally, I believe the agreement between UP/SP and the Burlington Northern Santa Fe Railroad will increase competition and provide rail carrier efficiencies to Montana and other states. For these reasons I support the proposed merger and I encourage the Interstate Commerce Commission to act favorably on the application.

> STATE OF MONTANA)) SS. COUNTY OF LEWIS & CLARK)

Dennis M. Burr, President, Montana Taxpayers Association, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Dennis M. Burr

Subscribed and sworn to before me this 3rd day of November, 1995.

My Commission Expires: 12-1-97

294

Winston K. Goering Mayor



City of Nampa City Hall Nampa, Idaho 83651 (208) 465-2200

OFFICE OF THE MAYOR

VERIFIED STATEMENT Of Winston Goering, Mayor City of Nampa, Idaho

I, Winston Goering, am Mayor of the City of Nampa, Idaho. I make this statement in support of the proposed merger of the Union Pacific Railroad with the Southern Pacific Lines.

The Union Pacific Railroad plays a large role in Nampa commerce, providing rail transportation to our businesses and jobs to Nampa workers. We have found the Union Pacific to be responsive to the needs of our businesses and consumers. As a center for Idaho exports to the west, the Nampa area will benefit from these new strengths, including faster and more reliable service to and from points in the West and Southwest; better equipment supply; and the long term assurance of healthy competition among railroads.

We expect this merger to strengthen many aspects of the service provided by UP. Shippers via Nampa will gain new single-line service to numerous points previously served only by SP in Colorado, Oregon, California, Arizona, New Mexico, Texas, Louisiana, and the Midwest. We also expect that shipments will move faster for the merged system via Denver on SP routes to and from Texas and Gulf ports.

These shorter routes and other opportunities for consolidation have the potential to increase rail traffic through Nampa as well as throughout Idaho and the Northwest. For example, a higher number of UP rail cars, including flatbeds and refrigerated cars, will become available because UP will have the ability to reposition cars to move more efficiently on routes that will be opened by the merger. Cost savings from the merger should result in more capital investment and even greater capacity.

Because of these strengths, we believe that the merger will enable UP and SP to compete successfully with the merged Burlington Northern and Santa Fe Railway. A more competitive UP/SP will mean more stable jobs and increased economic development in Nampa. Because of these benefits and the potential for a more competitive railroad in Idaho and elsewhere, the City of Nampa supports this merger.

Winston Goering, Mayor City of Nampa, Idaho

VERIFICATION

STATE OF IDAHO COUNTY OF Canyon) ss.

Winston Goering, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Minston & Doering

Subscribed and sworn to before me this ______ day o Sept.____, 1995.

Aliana Lambing Notary Public

My Commission expires: 12/21/99

October 25, 1995

Honorable Vernon A. Williams, Secretary Interstate Commerce Commission Twelfth Street / Constitution Ave. N.W. Room 2215 Washington, D.C. 20423

Reference. Finance Docket No. 32760 Union Pacific Corp. et. al. - Control & Merger - Southern Pacific Rail Corp., et al.

To Whom It May Concern:

Our Chamber of Commerce is happy to endorse the proposed merger of its long term member, the Union Pacific Railroad, with the Southern Pacific Railroad.

Our officers and Board of Directors acknowledge the significant impact that the UPRR has had upon not only the separate city of North Las Vegas, but the entire valley in which we dweil. Indeed, the original town sites that constituted Las Vegas were originally auction from Union Pacific right of way in 1905. As North Las Vegas later emerged as a separate city, it benefited not only in the same way as the rest of our metropolitan area, but has housed switching yards and related components which contribute to our city's economy.

Consequently the importance of the Union Pacific to our city and our commerce, past and future cannot be overestimated. The proposed merger promises to provide faster and more reliable service to our citizens and our member business firms, not only to and from critical southern California markets and suppliers, but also to the middle west, which our regional economy increasingly serves as we grow. The merger will be good for North Las Vegas, its citizens, and its Chamber member firms. Please act favorably upon the proposed merger.

Sincerely,

Sharon Harris President

1. SHARON HAMPS declare

under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on OCT = 5, 1995.

(Sig)



OFFICE OF THE MAYOR



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

PATRICK HENRY HAYS

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

FINANCE DOCKET 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, ET AL.

VERIFIED STATEMENT OF PATRICK HENRY HAYS MAYOR, CITY OF NORTH LITTLE ROCK, ARKANSAS

I, the undersigned Patrick Henry Hays, am Mayor of the City of North Little Rock, Arkansas. This statement is being submitted to express support for the proposed merger of the Union Pacific and Southern Pacific Railroads.

The City of North Little Rock, Arkansas has had a long standing relationship with the Union Pacific Railroad and, before their merger, the Missouri Pacific Railroad. The Union Pacific is a major contributor to the economy of the City and has been a valuable corporate citizen through its contributions to various civic and philanthropic projects. The Southern Pacific has also been a significant contributor to the economics of other Arkansas communities. It is important to my City and to other areas in my State that the UP and the SP be permitted to merge in order that these positive economic benefits can be maintained. The prospects for the long-term viability of the SP appear to be questionable, particularly in the light of the recent merger of the Burlington Northern and the Santa Fe Railroads, and there is concern about the abilities of the UP and the SP, standing alone, to compete effectively with the BN/SF.

The BN/SF merger has resulted in a strong competitor with an extensive route system which has strengths that the UP and the SP, standing alone, do not have. The proposed UP/SP merger will obviously add capacity and efficiency to their operations and will permit them to offer quicker and more direct service to western destinations. As a result, I am sure UP/SP will be able to offer genuine competition to the services offered by the BN/Santa Fe.

One could not dispute that the UP/SP, following their merger, will be a stronger and more efficient competitor. Also, the recent agreement between the UP/SP and the BN/SF on competitive access issues also will strengthen the balance of competition within the rail industry in the United States. This agreement proves the commitment of the UP and the SP to their customers and the communities they serve.

I strong support the proposed merger of the Union Pacific and the Southern Pacific and I urge its prompt approval.

By my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that I believe it to be true and correct.

Executed on this _____ day of November, 1995.

PATRICK HENRY HAYS Mayor, City of North Little Rock, Arkansas

299



North Platte Chamber of Commerce 502 S. Dewey • P.O. Box 968 North Platte, Nebraska 69103-0968 (308) 532-4966 • Fax (308) 532-4827

October 25, 1995

Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

RE: Finance Docket No. 32760, Union Pacific Corp., et.al. --Control & Merger -- Southern Pacific Rail Corp., et.al.

Secretary Williams:

The North Platte Area Chamber of Commerce supports the merger of the Union Pacific Corporation and the Southern Pacific Rail Corporation.

Consumers will benefit from this combined system through improved freight handling facilities, expanded rail service and transportation routing efficiencies. Communities will benefit from more competitive shipping rates and new markets available to local business and industry.

It will certainly benefit the North Platte area because our area grain producers will have improved access to Southern Pacific grain and grain markets in the Pacific Southwest and western Mexico.

We appreciate the opportunity to unanimously support this merger.

Sincerely,

Here Inomse

Brent Thompson' President

cc: file



ATTACHMENT

ICC docket information for the UP/SP merger proceeding is as follows:

Finance Docket No. 32760, Union Pacific Corp., et al .--Control & Merger--Southern Pacific Rail Corp., et al.

Format to be used for verification:

STATE OF _	NEBRASKA	_)
COUNTY OF	LINCOLN) ss.
1	4	-'

Dana Armport, being duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

> Brent Thompson NAME - TYPED

LSubscribed and sworn to me before me this 25th day of UP tobes. , 1995

GENERAL NOTARY-State of Mebraska SHIRLEY M. MATSON ssion Exp. April 10, 1997 Commi

Notary Public

My Commission Expires:

April 10, 1997

Format to be used for affirmation (alternative to verification):

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

October 24, 1995



Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Dear Secretary Williams:

Subject: ICC Docket No. 32760, Union Pacific/Southern Pacific merger.

The Oakland Metropolitan Chamber of Commerce is in support of the application by Union Pacific Railroad and the Southern Pacific Railroad intent to merge their operations. We believe this action will enhance rail service to Oakland and provide direct benefits to our City as well as to the entire Union Pacific/Southern Pacific service area.

Specifically it is our considered judgment that the proposed consolidation will provide the following benefits:

- Would expedite the development of the Joint Internodal Terminal facility in Oakland while servicing our maritime industry and shippers in a modern state of the art facility.
- 2. Would improve and make safe the right of way through Oakland and eliminate a congested and potentially dangerous right of way on Third Street and improve the trackage and signage on our existing Southern Pacific right of way on Embarcadero.
- Would improve service for our shippers and reduce costs while enhancing competition for internodal cargo with a proposed expansion of the Burlington Northern Santa Fe expansion to service the Port of Oakland utilizing Southern Pacific trackage rights.
- Time sensitive intermodal freight will be greatly accommodated through shorter routes and single line service reducing transit times.
- 5. The multiple routes will reduce congestion and improve service consistency.

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We urge that you favorably approve this application in a timely manner so that the benefits from the proposed consolidation of Union Pacific and Southern Pacific Railroads can be realized.

Sincerely,

Ces Butner

Ces Butner Chairman of the Board

 Leo Brien, Director Maritime, Port of Oakland Jerry Davis, CEO, Southern Pacific Railroad Chuck Foster, Executive Director, Port of Oakland <u>Chamber of Commerce</u> Rosemary Muller, Chair, Economic Development Department Dave Wendel, Chair, Transportation Committee RADM R. L. Toney, USN (Ret.), President & CEO John Christensen, Manager, Economic Development Department

ATTACHMENT

ICC docket information for the UP/SP merger proceeding is as follows:

Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger --Southern Pacific Rail Corp., et al.

Format to be used for verification: STATE OF <u>California</u>
COUNTY OF Alameda)ss. he
RADM R. L. Toney, being first duly sworn, deposes and says that has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.
Subscribed and sworn to before me this <u>26th</u> day of <u>October</u> , 1995.



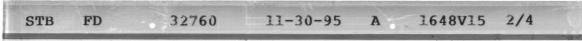
My Commission Expires: 6/8/96

Format to be used for affirmation (alternative to verification):

I, <u>RADM R. L. Toney</u>, declare under penalty of perjury that he foregoing is true and correct. Further, I certify that I am qualified and <u>authorized</u> to file this verified statement. Executed on <u>October 26, 1995</u>.

Horient

Vin



Ogallala/Keith County

Chamber of Commerce

The second

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P.O. Box 628 Ogallala, Nebraska 69153 (308) 284-4066 1-800-658-4390

October 31, 1995

Honorable Vernon A. Williams Secretary Interstate Comments Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Dear Honorable Williams.

On behalf of The Ogallala/Keith County Chamber of Commerce, we wish to voice our support of the UP/SP merger. We feel that this merger would be very beneficial to Ogallala and the surrounding area knowing that Union Pacific's main line in Central Nebraska is the busiest rail freight corridor in the world.

Other benefits of the merger would include:

- More multiple routes that will reduce congestion and improve service consistency.

- An expanded market service area that provides more opportunity for back hauls.

- A more direct route for Union Pacific imports from Southern California ports to the Southwest

Again, The Ogallala/Keith County Chamber of Commerce is in favor of the merger and would like to encourage the Commission to act favorably on the merger application.

Sincerely,

Vithere Xthelterin

Natalie Shelbourn Executive Director

Finance Docket No. 32760, Union Pacific Corp., et al. -- Control & Merger -- Southern NEBRASKA'S WESTERN DASIS LAKE McCONAUGHY



October 30, 1995

The Honorable Vernon A. Williams, Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

RE: Union Pacific/Southern Pacific Merger Docket # 32760

Dear Mr. Williams:

Please be advised that the Oklahoma City Chamber of Commerce supports the Union Pacific / Southern Pacific merger that is presently before the ICC for approval.

Union Pacific is a primary railroad carrier of goods in the State of Oklahoma, while the Southern Pacific crosses the state's panhandle. As a result of the merger, Oklahoma will enjoy the following:

- Grain products will gain access to Southern Pacific services and grain product consumers in the Pacific regions of the country.
- Single line service will be enhanced between Oklahoma and Southern Pacific points in Kansas, Texas, Arkansas, Louisiana, New Mexico, California, Oregon, Colorado and Utah.
- Unit grain train efficiency for shippers should improve.
- Competition from a merged Union Pacific / Southern Pacific and the new BNSF system should be strengthened as opposed to a separate Union Pacific and Southern Pacific.

We are also encouraged by the pre-merger dialogue and agreements between the BNSF and Union Pacific/Southern Pacific which should allow for a quicker and smoother affirmative decision by the Interstate Commerce Commission.

Oklahoma City, the largest city in Oklahoma, is served by the BNSF and the Union Pacific, and no other railroad. This proposed merger will allow the Union Pacific to offer more efficient service over a merged system.

123 PARK AVENUE, OKLAHOMA CITY, OK 73103, 405/297-8900, FAX 405/297-8916 "IT'S A WONDERFUL LIFE!"

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The Honorable Vernon A. Williams October 30, 1995 Page 2

We would ask for an affirmative response from the ICC in support of the Union Pacific/Southern Pacific merger, and we thank you for the opportunity to respond to this matter.

Sincerely,

Dean Schirf

Corporate Secretary

DS/ks



VILLAGE OF PALATINE

200 East Wood Street • Palatine, Illinois 60067 • 708-358-7500 FAX 359-9040

> Member: Northwest Municipal Conference Illinois Municipal League National League of Cities

October 5, 1995

Ms. Linda Morgan Chairperson Interstate Commerce Commission 12th Street and Constitution Avenue, NW Washington, DC 20423

RE: Finance Docket 32760 - Union Pacific/Southern Pacific

Dear Chairperson Morgan:

My name is Rita Mullins. I am Mayor of Palatine, Illinois.

The purpose of this letter is to formally advise you that I support the Union Pacific and Southern Pacific merger.

My reason for supporting this acquisition is to assure continued efficient commuter rail service to this Village.

Sincerely,

mulling)

Rita L. Mullins Mayor

cc: Vernon A. Williams, Secretary Interstate Commerce Commission Washington, DC 20423

> David Fischer Director Government Affairs Union Pacific Railroad 1416 Dodge Street, Rm. 801 Omaha, NE 68179



308





City of Palestine

ANDY MCCUISTION CITY MANAGER Tele: (903)731-8415 Fax: (903)731-8486

October 24, 1995

Honorable Vernon A. Williams, Secretary Interstate Commerce Commission 12th & Constitution Avanue N.W., Room 2215 Washington, D.C. 20423

Dear Mr. Williams:

The community has had a long and valued association with the railroad industry in general and the Union Pacific Railroad in particular. Union Pacific has a significant presence in our community contributing not only in jobs and capital but also in service to our local businesses and industries.

A merger of the Union Pacific and Southern Pacific Railroads allowing them to improve services from Houston to California, to better serve Texas shippers and to reduce operating costs thereby improving their competitive position would be in the best interest of the City of Palestine and Anderson County.

The City of Palestine strongly supports the proposed merger of the Union Pacific and Southern Pacific Railroads.

Sincerely,

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Andy McCuistion City Manager

AMC/de

CHAMBER OF COMMERCE

October 31, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Finance Docket No. 32760, Union Pacific Corporation, <u>et</u> <u>al</u> - Control & Merger - Southern Pacific Rail Corporation, <u>et</u> <u>al</u>

Dear Mr. Williams:

It is with interest that I support the proposed merger of the Union Pacific Railroad and the Southern Pacific Railroad.

Union Pacific is a major influence in our community and provides many opportunities for employment in our area. The company also is a strong supporter of the region and is an important part of our economic development. It makes sense that the company can only become stronger and can help our region and the state of Texas even more as the merger becomes final.

It is with best wishes that I write this letter of support.

Sincerely,

Sam F. Cartwright Executive Director Palestine Chamber of Commerce

CC: Railroad Commission of Texas Jerry Martin, Director Transportation/Gas Utilities P.O. Box 12967 Austin, TX 78711-2967

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CITY OF PARK RIDGE

505 BUTLER PLACE PARK RIDGE, IL 60068 TEL: 708 / 318-5200 FAX: 708 / 318-5300



September 25, 1995

Ms. Linda Morgan Chairperson Interstate Commerce Commission 12th Street & Constitution Avenue, NW Washington, D.C. 20423

Dear Chairperson Morgan:

RE: Finance Docket 32760 - Union Pacific/Southern Pacific

My name is Ronald Wietecha. I am the Mayor of the City of Park Ridge, Illinois.

The purpose of this letter is to formally advise you that I support the Union Pacific and Southern Pacific merger.

My reason for supporting this acquisition is as follows:

- The new system's routes will be significantly shorter than UP's or SP's routes today in many important corridors, including Chicago-Oakland.
- There will be greatly improved service for both intermodal and carload traffic moving between California and Chicago.
- Availability of alternative routings will provide UP/SP with flexibility to reroute traffic to
 improve service. For example, intermodal and automobile traffic moving between southern
 California and Chicago will be concentrated on SP's Tucumcari route, and other traffic will be
 concentrated on UP's Overland route. This will reduce delays, increase reliability, and create
 new capacity for the merged system.
- Coordination and specialization of intermodal yards at Chicago will allow reduced drayage and improved efficiency.
- UP/SP will have the opportunity to build run-through trains from the Gulf chemical region to Chicago, resulting in improved transit time for Illinois receivers.

Ms. Linda Morgan

-2-

Thank you for considering my point of view.

Very truly yours,

Brack littlethe

Ronald W. Wietecha Mayor

RWW:lh

CC: Vernon A. Williams Secretary ICC

> David Fischer Director, Government Affairs Union Pacific Railroad 1416 Dodge St., Rm. 801 Omaha, NE 68179



OFFICE OF THE MAYOR 911 N. 7th P.O. Box 4169 Pocatello, Idaho 83205 (208) 234-6163 FAX (208) 234-6297 PETER J. ANGSTADT Mavor

Pocatello City Council: GREGORY R. ANDERSON L. ED BROWN I. J. "BABE" CACCIA ROGER W. CHASE KAREN A. McGEE HARRY NEUHARDT

VERIFIED STATEMENT

OF

PETER J. ANGSTADT, MAYOR

CITY OF POCATELLO, IDAHO

I am Peter Angctadt, Mayor of the City of Pocatello, Idaho. I make this statement in support of the proposed merger of the Union Pacific Railroad with the Southern Pacific Lines.

The Union Pacific Railroad plays a major role in Pocatello business, providing rail transportation to Pocatello businesses and jobs to Pocatello workers. Our businesses and consumers will benefit in several specific ways if this merger is approved, including faster and more reliable service to and from points in the West and Southwest; better equipment supply; and the long term assurance of healthy competition among railroads.

The ability of the merged UP and SP to compete with the combined Burlington Northern and Santa Fe Railroads is very important to Pocatello shippers and workers. Pocatello shippers and receivers should have the same advantages enjoyed by their competitors served by the BN/Santa Fe. Because the merger will improve service by the SP and UP, we believe that competition between BN/Santa Fe and a merged UP/SP will be stronger than competition between BN/Santa Fe and UP and SP separately. We expect the merger to help UP, and Pocatello, remain strong and grow into the 21st century.

The UP/SP merger will benefit our area through shorter and more direct routes to and from markets and suppliers throughout the country. For example, shipments will move faster on the SP route via Denver to and from Texas and Gulf ports. Pocatello shippers will also gain new single-line service to numerous points previously served only by SP in Western and Midwestern states.

These shorter routes and routing alternatives will help reduce congestion at various UP/SP points. For example, the ability to use different routes should allow streamlining of service at Salt Lake City and Ogden. These improvements will be good for commerce and economic development in Pocatello, as it will help make traffic in and out of Pocatello more predictable.

Because of these benefits and the potential for a more competitive railroad in Idaho and elsev/here, we support this merger.

hyped

Peter J. Angstadt, Mayor City of Pocatello, Idaho

VERIFICATION

STATE OF IDAHO))ss. COUNTY OF BANNOCK

Peter Angstadt, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Pele lingite

Subscribed and sworn to before me this 2nd day of October .

1995.

Cara Lewis Notary Public

My Commission expires: 11/6/98



CITIES

ALEXANDER CAMMACK VILLAGE

JACKSONVILLE

LITTLE BOCK MAUMELLE

SHERWOOD WRIGHTSVILLE

AREA

Pulaski County

F.G. "BUDDY" VILLINES COUNTY JUDGE / CHIEF EXECUTIVE OFFICES ADMINISTRATION BUILDING 201 SOUTH BROADWAY, SUITE 400 LITTLE ROCK, ARKANSAS 72201 501-340-8305 501-340-8282 FAX

FINANCE DOCKET NO. 32760

VERIFIED STATEMENT OF FLOYD G. VILLINES, III COUNTY JUDGE, PULASKI COUNTY, ARKANSAS

I, the undersigned F. G. Villines, am the County Judge for Pulaski County, Arkansas. This statement is being submitted to express support for the proposed merger of the Union Pacific and Southern Pacific Railroad.

The Union Pacific Railroad, and, before their merger, the Missouri Pacific NORTH LITTLE ROCK Railroad, have been important to Pulaski County and its two major cities, Little Rock and North Little Rock, for a very long time. Our residents have benefitted not only from the economic stability its presence has given, but also from the interest it has exhibited in local civic and charitable projects. Although its presence in Pulaski UNINCORPORATED County has not been as dramatic, the Southern Pacific has also had a significant presence in other Arkansas communities. 600 SQUARE MILES

MILITARY BASES 1 RAFR

CAMP ROBINSON

I believe it is important to the residents of my County and to these other areas that the UP and the SP be permitted to merge in order to maintain these benefits. It is a matter of concern whether the SP will be able to maintain its long-term viability, particularly as a result of the recent merger of the Burlington Northern and the Santa Fe Railroads.

I believe the BN/SF merger has resulted in a very strong source of competition

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with an extensive route systern which has strengths that the UP and the SP, standing alone, do not have. The proposed UP/SP merger will add capacity and efficiency to their operations and will permit them to offer quicker and more direct service to western destinations. As a result, UP/SP will be able to offer genuine competition to the services offered by the BN/Sante Fe.

Not only will the UP/SP merger result in an entity that will be a stronger competition, the recent agreement between the UP/SP and the BN/SF on competitive issues would seem to strengthen the balance of competition within the country's rail industry. This agreement proves to me the commitment of the UP and the SP to their customers and the communities they serve. It also provides shippers with competitive alternatives for servicing their needs.

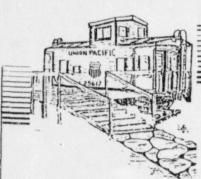
I strongly support the proposed merger of the Union Pacific and the Southern Pacific and I urge it be promptly approved.

By my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that I believe it to be true and correct.

Executed on November 7____, 1995.

Hayd J. Villines, III

County Judge, Pulaski County



Kawlins

Carbon County Chamber of Commerce

October 24, 1995

Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Regarding ICC docket information for the UP/SP merger proceeding is as follows: Finance Docket No. 32760, Union Pacific Corp., et al.--Control & Merger -- Southern Pacific Rail Corp., et al

Dear Sir,

The Rawlins-Carbon County Chamber of Commerce Board of Directors has requested that I write this letter in support of the Union Pacific Railroad merger with the Southern Pacific Railroad to meet increased transportation demands and provide a viable, competitive alternative to the BN/Santa Fe system.

Our Board of Directors feels this merger would benefit our community, and especially our county, through more competitive shopping rates and new markets available to local business and industry.

Sincerely,

Kathi Gray Executive Director

519 W. Cedar P.O. Box 1331 Rawlins, Wyoming 82301 (307) 324-4111 Fax (307)

Fax (307) 324-5078

ATTACHMENT

Finance Docket No. 32760, Union Pacific Corp., et al -- Control & Merger -- Southern Pacific Rail Corp., et al.

STATE OF WYOMING) SS. COUNTY OF CARBON)

Kathi Gray , being first duly sworn, deposes and says that he has read the foregoing document, and knows the facts asserted therin, and that the same are true as stated.

Kathi gray

Subscribed and sworn to before me this 24th day of October, 1995

My Commission Expires: June 11, 1997 Notary Public

SCIA

South Central Industrial Association of Wyoming

P.O. Box 700 Rawlins, WY 82301

16 October, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, DC 20423

> RE: Finance Docket No. 32760, Union Pacific Corp., et al. -Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams;

South Central Industrial Association supports the proposed merger of the Union Pacific and Southern Pacific Railroads which is being considered by you. We anticipate that this merger will enable Union Pacific Railroad, which serves this area, to operate more effectively and efficiently. In turn, we hope that the improved efficiency will result in lower freight rates.

Our members include coal mines, lumber mills, other energy producers, utilities, and large construction firms. All of these businesses are affected by the relative "health" of the railroad. The members are extremely interested in how easily and economically their freight can be shipped to their respective markets, and likewise, how easily and economically they can receive needed freight.

We anticipate that the proposed merger of Union Pacific and Southern Pacific Railroads will open new markets to us as well as allow a wider range of goods to be easily available to us. Freight should travel more quickly because fewer line changes will be necessary.

We urge your approval of this proposed merger.

Sincerely,

Bob Dahl President

BD:mb



P.O. Box 1900 Reno. Nevada 89505

OFFICE OF THE MAYOR

702/334-2001

October 30, 1995

City Hall 490 S. Center Street Suite #201 Reno, NV89501 The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission Twelfth Street & Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Phone 702/334-2020 Fax 702/334-2097

City Manager Clay Holstine

Assistant City Manager Rslph Jaeck

Adm. Services Director Leann McElroy

Mayor Jeff Griffin

Councilmembers:

Ward I Tom Herndon

Ward 2 Candice Pearce

Ward 3 Janice Dalske

Ward 4 Judy Prusti

Ward 5 Jim Pilzner

At-Large Pierre Hascheff RE: Finance Docket No. 32760, Union Pacific Corporation, <u>et al</u> --Control & Merger -- Southern Pacific Rail Corp., <u>et al</u>

Dear Secretary Williams:

I am writing in support of the proposed merger between the Union Pacific Railroad and the Southern Pacific Railroad.

Nevada shippers will benefit from improvements in operations on UP's Overland route. The combined UP/SP will be able to concentrate different categories of transcontinental traffic on different routes. This will reduce delays, increase reliability and create new capacity for the merged system.

I encourage you to support the UP/SP merger as it will indeed improve service and strengthen competition by creating a competitor that is fully the equal of BN/Santa Fe.

Sincerely

Jeff Griff Mayor

JG/pm

VILLAGE OF RIVER FOREST

Proud Heritage . Bright Future

September 26, 1995



ministration

F

Ms. Linda Morgan Chairperson Interstate Commerce Commission 12th Street and Constitution Avenue, N.W. Washington, D.C. 20423

Re: Finance Docket 32760 - Union Pacific/Southern Pacific

Dear Chairperson Morgan:

My name is Frank Paris. I am the Village President of River Forest, Illinois.

The purpose of this letter is to formally advise you that I support the Union Pacific and Southern Pacific merger.

Sincerely,

1.1.1

Frank M. Paris Village President

cc: Vernon A. Williams Secretary ICC

> David Fischer Director, Government Affairs Union Pacific Railroad 1416 Dodge Street, Room 801 Omaha, NE 68179

1. 1.13

321

Village Board of Trustees

Frank M. Paris President Nancy C. Dillon Trustee Robert B. Graham A Trustee Joann N Heppes Trustee Dale Rider Teuster. n P. Rigas . vie'e' Gary M. Sullivan Trustee Emerson K. Houser Village Clerk Charles J Biondo Village Administrator

Printed un recycled paper. OFFICE OF THE MAYOR - (307) 352-1510 FAX - (307) 352-1516



CITY OF ROCK SPRINGS 212 D STREET • ROCK SPRINGS, WYOMING 82901

October 16, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, DC 20423

RE: Finance Docket No. 32760, Union Pacific Corp., et al.-Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

This letter is in support of the Union Pacific and Southern Pacific's proposed merger with the approval of the ICC. It is with the City of Rock Springs understanding that the employment situation will improve with this merger.

It is the desire of the City of Rock Springs that this merger will provide dramatic service improvement to shippers, strengthen western rail competition and improve the public interest and economic development benefits such as more employment opportunities.

Enclosed is the general support letter and verification page. Please call if I can be of further assistance. Thank you.

Sincerely, Taur

Paul S. Oblock Mayor

cc: Wiley N. Jones David Fischer.

Enc.

PSO/blc

VERIFICATION

STATE OF <u>Wyoming</u>) COUNTY OF <u>Sweetwater</u>) SS.

Paul 5 Chlock, being first duly sworn, deposes and says that he has

read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Paul S. Oblock, Mayor

Notary Public

My Commission Expires:

12/10/97

ANNETTE M. JO COUNTY OF WEETWATER

ROCK SPRINGS CHAMBER OF COMMERCE



October 27, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street & Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

> RE: Finance Docket No. 32760, Union Pacific Corp., et al. Control & Merger - Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

The Rock Springs Chamber of Commerce supports the proposed merger between the Union Pacific Railroad and the Southern Pacific Railroad. Rock Springs has a long and prosperous history with Union Pacific Railroad, and views the proposed merger as an enhancement to our community.

The proposed merger will strengthen the competitive opportunities of the Union Pacific Railroad. This improved competitiveness will in return enhance important economic sectors important to the Rock Springs business community. The single-line service for Wyoming businesses will open new import/export points.

The prompt approval of the UP/SP merger will provide significant economic benefits for Rock Springs and Wyoming. We urge your approval of the proposed merger.

Sincerely,

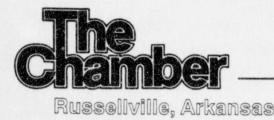
Kallo

Mike Hill President Rock Springs Chamber of Commerce

cc: David Fischer (Union Pacific Railroad Company 1416 Dodge St., Rm. 801 Omaha, NE 68179)

Sweetwater County ... by choice

> 1897 DEWAR DRIVE, P.O. Box 398, Rock Springs, Wyoming 82902-0398, PHONE: (307) 362-3771 FAX: (307) 362-3838, 800-46-DUNES



September 28, 1995

Union Pacific Railroad Mr. Ken Lueckenhoff 1000 West Fourth Street North Little Rock, AR 72114

Dear Ken:

Please accept this letter as support for the proposed merger of the Union Pacific Railroad and the Southern Pacific Lines.

Some of the positive benefits we see are:

-- This merger will provide more direct routing, especially for shipments into the western states.

--Expected additional investments to upgrade both lines will yield service improvements and mileage savings.

--Service will be improved by the ability to coordinate traffic and routes.

--Arkansas shippers will receive assurance of top-quality service from a financially strong railroad.

--The combined railroads can afford the capital investments necessary to build new capacity, add new technology, and continually improve operations.

Your favorable consideration of this application for approval of the proposed merger will be appreciated.

Sincerely,

Etty C. LaGron

Betty C. LaGrone President

By affixing the corporate seal of the Russellville Chamber of Commerce, I affirm this letter to be a true copy of my statements.

Betig C. LaGrone, President

Randy Horiuchi Salt Lake County Commissioner

Blaze Wharton Administrative Assistant



SALT LAKE COUNTY GOVERNMENT CENTER 2001 S. State Street Suite N2100 Salt Lake City Utah 84190-1000 Tel (801) 468-3387 Fax (801) 468-3535

November 7, 1995

The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission 12th Street and Constitution Ave., N.W. Rm. 2215 Washington D.C. 20423

> Re: Finance Docket No. 32760, Union Pacific Corporation, et al -Control and Merger-Southern Pacific Rail Corp., et al

Dear Secretary Williams:

As a member of the Salt Lake County Commission, I want to express my strong support for the proposed merger of Union Pacific Railroad Company and Southern Pacific Transportation Company which is presently pending before the Interstate Commerce Commission.

Although the merger of Union Pacific and Southern Pacific will remove Southern Pacific as a rail competitor within the State of Utah, Union Pacific's negotiated track agreement with the BN/Santa Fe adequately addresses the competition concerns and eliminates the possibility that shippers previously served by two railroads will become captive to the rates dictated by only one railroad.

It is my understanding that the merger will improve services from Utah to the Bay Area, Denver, Texas and the Gulf Coast. In Particular, SP will obtain faster routes to cement the trona plants in the Mojave Desert and to Los Angeles/Long Beach port facilities. Moreover, equipment supply will be improved as a result of operating facilities, the ability to reposition cars efficiently, and taking advantage of backhaul and triangulation opportunities and seasonality. Utah shippers will enjoy extensive new single line service between SP points in Utah and UP points in Washington, Idaho, Montana, Oregon. California, the midwest and upper midwest, and the southwest and gulf coast and points throughout the SP system. There will be major cost savings from reduced overheads, facility consolidations and use of the merged rail systems.

Rerouting traffic made possible by the merger will result in reduction of rail traffic between Salt Lake City, Ogden and throughout Salt Lake County with less interference with highway traffic in these areas.

Inasmuch as SP's Chairman, Phil Anschutz, has stated that SP cannot survive financially in the wake of BN/Santa Fe merger, the UP/SP merger will create a competitor that is fully equal with the BN/Santa Fe while maintaining two rail competition for Utah Shippers.

In light of these advantages to the shippers within the state of Utah, I urge your support of the Union Pacific/Southern Pacific merger.

Sincerely,

Raul And

Randy Horiuchi, Commissioner Salt Lake County Commissiion



VERIFIED STATEMENT OF Richard G. Hadley

on behalf of the Spokane Area Chamber of Commerce

I am Richard G. Hadley, President/CEO, Spokane Area Chamber of Commerce, 1020 West Riverside, PO Box 2147, Spokane, Washington, 99210. I have held this position for 2 years and have responsibility for the overall management and direction of the Chamber. I have 20 years of experience managing Chambers of Commerce in Minnesota, Colorado and Montana.

The Spokane Area Chamber of Commerce represents the interests of 2200 employers who depend on the efficient movement of manufactured products and goods and services. Our transportation committee is well informed about member's needs for rail service.

The Spokane Area Chamber of Commerce supports the Union Pacific Railroad and Southern Pacific merger without qualification.

Our chamber supports the UP/SP merger due to the new single line that will be provided to producers and consumers within the Spokane area business community to key markets in Southern California, Arizona and New Mexico. This merger along with the BN/ATSF merger and related trackage rights granted by UP to BN/ATSF will all combine to greatly enhance Spokane's market position versus cities such as Portland Oregon, Denver Colorado, Kansas City Missouri, etc. who currently enjoy single line rail service to the key southwest producing/consuming markets. These same benefits will apply concerning commerce with both Mexico and Canada as relates to the N.A.F.T.A. agreement.

It is also our view that a merged UP/SP system competing against an equally strong BN/ATSF system will help create a very high level of rail competition ensuring quality service and competitive pricing to rail shippers throughout the Western United States. In addition, the strength of these two combined carriers serving the Spokane market area will augment our city's market position vs. other cities and regions.

In conclusion, the Spokane Area Chamber of Commerce supports the UP/SP merger and related agreements with BN/ATSF as being in the interest of our membership and the public interest at large.

VERIFICATION

)) ss.

STATE OF WASHINGTON

COUNTY OF SPOKANE

Richard G. Hadley, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Richard G. Hadley

Subscribed and sworn to before me this 24 day of ______, 1995.

Donie & & m Cler Notary Public

My Commission Expires: 4/20/98



GREATER STOCKTON CHAMBER OF COMMERCE

October 27, 1995

Honorable Vernon A. Williams, Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Re: <u>Finance Docket No. 32760, Union Pacific Corp., et</u> <u>al.-- Control & Merger -- Southern Pacific Rail</u> <u>Corp., et al.</u>

Dear Mr. Williams:

On behalf of the Greater Stockton Chamber of Commerce, I would like to express our support for the proposed merger of the Union Pacific Railroad Company and the Southern Pacific Railroad.

From the information currently available, and from our conversations with members of the San Joaquin Regional Rail Commission and the California Transportation Commission, we believe the merger would be in the best interests of the greater Stockton area.

We have also heard from local Chamber businesses who rely on rail to receive and distribute supplies and products. They have expressed their belief that the merger would provide many benefits, through increased efficiency and lower costs for rail service.

We would urge the Commission to act favorably on the merger application.

Very truly yours JEANNE M. ZOLEZZ

President

JMZ:des cc: Paula McCloskey Alex Tice Wayne Horiuchi I, JEANNE M. ZOLEZZI, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on October 27, 1995.

JEANN ZOLEZZ



MLW UPRR 0CT 3 0 1995 LAW DEPT.

TACOMA-PIERCE COUNTY CHAMBER OF COMMERCE

October 27, 1995

Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

RE: Finance Docket No. _2760, Union Pacific Corp., et al. -- Control & Merger -- Southern Pacific Fail Corp., et al.

Dear Mr. Whitcomb:

Our Chamber has reviewed the proposed merger and control action between the Union Pacific Railroad Company and the Southern Pacific Rail Corporation.

Our Chamber believes the proposed action will increase the service between our Port of Tacoma and area businesses and their markets to the south. Further, our Chamber wishes to continue the competitive environment for rail services for our area and believe this proposed action will enhance that desired result.

Our Chamber encourages the Commission to act favorably on the merger application.

Sincerely,

Gary D. Brackett, Mgr. Business and Trade Development

> 950 PACIFIC AVENUE, SUITE 300, PO BOX 1933, TACOMA, WA 98401 PHONE: 206-627-2175, FAX 206-597-7305

ATTACHMENT

ICC docket information for the UP/SP merger proceeding is as follows:

Finance Docket No. 32760, Union Pacific Corp., et al. -- Contro & Merger -- Southern Pacific Corp., et al.

STATE OF WASHINGTON))85. COUNTY OF PIERCE)

Gary D. Brackett, being duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therin, and that the same are truce as stated.

Gary B. Brackett

Subscribed and sworn to before me this $\frac{27}{6}$ day of $\frac{62}{6}$ be.

21

Notary Public AT THEFURA, WA.

My Commission Expires: 2/29/49



October 26, 1995

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission Twelfth Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

re: Finance Docket No. 32760, Union Pacific Corp., et al. -- Control and Merger --Southern Pacific Rail Corp., et al.

Dear Secretary Williams:

By this letter, the Metropolitan Tulsa Chamber of Commerce fully endorses the proposed merger between Union Pacific and Southern Pacific and encourages the ICC to act favorably on the merger application.

This proposed merger will allow the combined rail lines to meet increasd transportation demands and provide a viable, competitive alternative to the BN/Santa Fe system. Northeast Oklahoma will specifically benefit from more competitive shipping rates and new markets available to local business and industry. The switchyards in Tulsa and Muskogee are vital employers in our area and will remain so due to the merger. And as a future gateway for NAFTA corridor traffic, Oklahoma businesses will have single-line access to all international border crossings in Mexico, a boon to our rapidly-expanding export businesses.

Thank you for your consideration. We look forward to hearing of your positive ruling.

Very Truty Yours, 11-

Richard H. Hedgecock Vice President Government Affairs

I, Richard H. Hedgecock, declare under penalty of penjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on October 26, 1995.

Metropolitan Tulsa Chamber of Commerce 616 South Boston, Suite 100 Tulsa, OK 74119-1298 (918)585-1201 • Fax (918)585-8016

VERIFIED STATEMENT

OF

J. Kent Just, Executive Vice President Twin Falls Area Chamber of Commerce

I, J. Kent Just, am Executive Vice President of the Twin Falls Area Chamber of Commerce. I make this statement in support of the proposed merger of the Union Pacific Railroad with the Southern Pacific Lines.

The Union Pacific Railroad plays a large role in the Twin Falls commerce, providing rail transportation to our businesses and jobs to Twin Falls workers. We have found the Union Pacific to be responsive to the needs of our businesses and consumers. The Twin Falls area will benefit from these new strengths, including faster and more reliable service to and from points in the West and Southwest; better equipment supply; and the long term assurance of healthy competition among railroads.

We expect this merger to strengthen many aspects of the service provided by UP. Shippers via Twin Falls will gain new single-line service to numerous points previously served only by SP in Colorado, Oregon, California, Arizona, New Mexico, Texas, Louisiana and the Midwest. We also expect that shipments will move faster for the merged system via Denver on SP routes to and from Texas and Gulf ports.

These shorter routes and other opportunities for consolidation have the potential to increase rail traffic through Twin Falls as well as throughout Idaho and the Northwest. For example, a higher number of UP rail cars, including flatbeds and refrigerated cars, will become available because UP will have the ability to reposition cars to move more efficiently on routes that will be opened by the merger. Cost savings from the merger should result in more capital investment and even greater capacity.

Because of these strengths, we believe that the merger will enable UP and SP to compete successfully with the merged Burlington Northern and Santa Fe Railway. A more competitive UP/SP will mean more stable jobs and increased economic development in Twin Falls. Because of these benefits and the potential for a more competitive railroad in Idaho and elsewhere, the Twin Falls Area Chamber of Commerce supports this merger.

J/Kent Just, Executive Vice President Twin Falls Area Chamber of Commerce

VERIFICATION

STATE OF IDAHO)) ss. COUNTY OF TWIN FAUS)

Kent Just, being first duly sworn, deposes and says that he has read the

foregoing document, knows the facts asserted therein, and that the same are true as stated.

Subscribed and sworn to before me this ____

1995.

My Commission expires: 10/26/99

- Anna

Notary Public

RESOLUTION 95-96 1

WHEREAS, the Union Pacific Railroad and the Southern Pacific Railroad are requesting authority to merge; and

WHEREAS, the merger will improve service with new single-line service; and

WHEREAS, the merger will improve service with more efficient routes; and

WHEREAS, the merger will improve service with improved intermodal service; and

WHEREAS, the merger will improve terminal coordination; and

WHEREAS, the merger will improve route specialization; and

WHEREAS, the merger will improve competitive benefits including meeting the competitive challenge of the Burlington Northern/SantaFe Railroad.

WHEREAS, the merger will provide assurance of long-term quality service for Southern Pacific shippers;

THEREFORE, the Weatherford Chamber of Commerce strongly supports the merger.

NOW, THEREFORE, BE RESOLVED BY THE BOARD OF WEATHERFORD CHAMBER OF COMMERCE,

That the findings of the Board and its actions approving this merger taken at the Weatherford Chamber of Commerce Board meeting and adopted.

PASSED BY THE WEATHERFORD CHAMBER OF COMMERCE BOARD this 12 day of best . 1995 Dr. Jim Boyd, President of the Board

STATE OF TEXAS

COUNTY OF PARKER

of the Board of Weatherford Chamber of I. Raymond E Curtis Commerce do hereby certify that the above and forgoing is a true and correct copy of Resolution 95-96 1 passed by the Board of the Weatherford Chamber of Commerce on the 12 day of October , 1995.

Raymond E. Curtis Raymond E. Curtis, Executive Vice-President

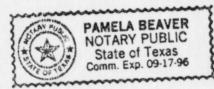
STATE OF TEXAS

COUNTY OF PARKER

the undersigned authority, on this day personally BEFORE ME. appeared Raymond E. Curtis of the Weatherford Chamber of Commerce, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this /3 day of Oct , 1995.

(Seal)



lance Berle

Notary Public State of Texas

My commission expires on 9-12-96



COUNTY COMMISSION

¥

Bruce H. Anderson Commissioner

Joe H. Ritchie Commissioner

Spencer F. Stokes Commissioner

> The Honorable Vernon A. Williams Secretary, Interstate Commerce Commission 12th Street and Constitution Avenue, N.W. Room 2215 Washington, D.C. 20423

Re: Finance Docket No. 32760, Union Pacific Corporation, et al - Control and Merger - Southern Pacific Rail Corporation, et al

Dear Secretary Williams:

November 6, 1995

As a member of the Weber County Commission, I want to express my strong support for the proposed merger of Union Pacific Railroad Company and Southern Pacific Transportation Company which is presently before the Interstate Commerce Commission.

Although the merger of Union Pacific and Southern Pacific will remove Southern Pacific as a rail competitor within the State of Utah, Union Pacific's negotiated track agreement with the BN/Santa Fe adequately addresses the competition concerns and eliminates the possibility that shippers previously served by two railroads will become captive to the rates dictated by only one railroad.

It is my understanding that the merger will improve services from Utah to the bay area, Denver, Texas, and the gulf coast. In particular, Southern Pacific coal shippers will obtain faster routes to cement and trona plants in the Mojave Desert and to Los Angeles/Long Beach port facilities. Moreover, equipment supply will be improved as a result of operating efficiencies, the ability to reposition cars efficiently, and taking advantage of backhaul and triangulation opportunities and seasonality. Utah shippers will enjoy extensive new single line service between Southern Pacific points in Utah and Union Pacific points in Washington, Idaho, Montana, Oregon, and California, the Midwest and upper Midwest, and the southwest and gulf coast and points throughout the Southern Pacific system. There will be major cost savings from reduced overheads, facility consolidations and use of the merged rail systems.

County Commission 2510 Washington Blvd. Suite 2M Ogden, Utah 84401 (801) 399-8401 FAX (801) 399-8305

Printed on recycled paper

Rerouting traffic made possible by the merger will result in reduction of rail traffic between Salt Lake City, Ogden and through Weber County with less interference with highway traffic in these areas.

Inasmuch as Southern Pacific's Chairman, Phil Anschutz, has stated that Southern Pacific cannot survive financially in the wake of the BN/Santa Fe merger, the Union Pacific/Southern Pacific merger will create a competitor that is fully equal with the BN/Santa Fe while maintaining two rail competition for Utah shippers.

In light of these advantages to shippers within the State of Utah, I urge your support of the Union Pacific/Southern Pacific merger.

Sincerely,

Spencer F. Stokes Weber County Commission

SFS:lmf



CITY OF WEST MEMPHIS

205 South Redding . West Memphis, Arkansas 72301 . (501) 732-7500

AL BOALS Mayor

October 9, 1995

VERIFIED STATEMENT OF AL BOALS, MAYOR on behalf of the CITY OF WEST MEMPHIS

As Mayor of West Memphis I am in charge of the overall dayto-day administration of the City of West Memphis. I have served in office since January, 1995. Prior to that time I served as Councilman for the City of West Memphis for seven years.

The City of West Memphis works hand-in-hand with many city agencies, as well as different organizations in the city. Many organizations assist my office with the recruitment of industries and businesses. Not only do you need proper personnel to handle the different activities that may come up, you need available a strong transportation system in order to make the city competitive with other communities. I believe the success that West Memphis has enjoyed over the past many years has been due to the rail service of our community. The rail service opened doors of opportunity that other modes of transportation could not compete with. Therefore, as Mayor of the City of West Memphis we support the efforts in the merger of Southern Pacific with Union Pacific for I believe it could open other opportunities not only to existing industries but future industries. I hope through this merger it could broaden the scope of services already offered by Union Pacific. Page II

Thank you for giving me the opportunity to voice my support of this merger, and if I can be of further assistance, please do not hesitate to contact me.

VERIFICATION

I, Al Boals, Mayor of the City of West Memphis, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on Oct 9, 1995.

al Boals Al Boals, Mayor

CHARLOTTE K. GEAN Administrative Assistant



OFFICE OF ECONOMIC DEVELOPMENT

October 9, 1995

VERIFIED STATEMENT OF SIDNEY RUNNELS on behalf of West Memphis Chamber of Commerce Office of Economic Development

Sidney Runnels, Director of Economic Development.

As Director of Economic Development I am in charge of recruiting and retaining new industries and other projects which may have an economic impact on this community. Work hand-inhand with Board of Directors of the West Memphis Chamber of Commerce, as well as the Mayor and City Council. Responsible for advertising and promotion of West Memphis industrial properties, public or private. I have held this position since February 1, 1995, and prior to that I was the Mayor of Canton, Mississippi for 16 years.

The West Memphis Chamber of Commerce-Office of Economic Development conducts research and maintains demographics, as well as specific information concerning economic indications describing the West Memphis area. This information is packaged and made available to prospects as well as to existing industry in order to assist their expansion and location decisions. Many of our existing industries utilize rail service to transport their goods to their customers. When marketing our area, the availability of rail is of great interest to many companies considering locating to West Memphis.

From the information we have read and heard about concerning the merger of Union Pacific and Southern Pacific we feel this merger would be an asset to our community. In marketing our city to other companies rail service is a transport service which we heavily promote. We have many companies in this community that depend on a strong rail service. Any effort which could enhance their service, and it feel this particular merger would, would certainly be an asset to each and every user of rail. As earlier stated, the focus of the West Memphis Chamber and Office of Economic Development is to promote, recruit and maintain existing industries, therefore adequate rail service is a very important service to us. We support the merger of these two companies in providing rail service to our community.

VERIFICATION

I, Sidney Runnels, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on 10-10-95 (date).

Signature Junele

JOHN J. SINDE President JOHN H. CROIS Village Manager KATHRYN J. HAYES Cierk CHRISTOPHER D. EDMONDS Village Attorney

Billage of Westchester

10300 ROOSEVELT ROAD • WESTCHESTER, ILLINOIS 60154 TELEPHONE (708) 345-0020 Trustees BARBARA L. BAILEY MICHAEL DEL RE ANTHONY J. KRIPAS LOWELL LUCAS ANGELO L. LUCIANO DAVID RICORDATI

September 26, 1995

SEP 2 9 1995

Ms. Linda Morgan Chairperson Interstate Commerce Commission 12th Street and Constitution Avenue, NW Washington, DC 20423

CALS.

RE: FINANCE DOCKET 32760 - UNION PACIFIC/SOUTHERN PACIFIC

Dear Chairperson Morgan:

Let me introduce myself as the Mayor of Westchester, Illinois for the past 14 years and a public servant for the last twenty. I was very interested in hearing of the Union Pacific/Southern Pacific merger and, because of this interest, would like to advise you of my wholehearted support.

A merger of this nature, I am sure, would not only benefit the State of Illinois, as well as other parts of the country, but also would be one of the most cost effective moves that two great railroads could make in their operations.

It is a positive move, I feel, that service would be greatly improved for both intermodal and carload traffic moving between California and the gateways of our Midwest, Chicago and St. Louis/East St. Louis.

It is my understanding that all transportation contracts entered into by the Union Pacific or Southern Pacific would remain in effect until their expiration dates and, therefore, no hardship would be created.

am sure that, by this time, you have heard of the many other great advantages of such a merger, but let me say, as the president of one small village of 18,000 people, such ventures of this nature are totally supported, especially with two great railroads that we need so badly in our economy and development.

Thank you for taking the time to read this. With all good wishes, we remain,

Sincerely

JOAN J. SINDE President

October 3, 1995



27 W 465 Jewell Road Winfield, Illinois 60190 (708) 665-1778 FAX (708) 665-1767

> PRESIDENT Marylou D. Crane

CLERK Patricia Stuart

TRUSTEES

John Bajor Rudy Czech Robert Fairbairn Gerald Mazurczak Judith Newitt Donald York

> MANAGER Bryon Vana

CHIEF OF POLICE Douglas Riner

٠

Ms. Linda Morgan Chairperson Interstate Commerce Commission 12th Street and Constitution Ave., NW Washington, DC 20423

Re: Finance Docket 32760 - Union Pacific/Southern Pacific

Dear Chairperson Morgan:

My name is Marylou Crane. I am the Village President of Winfield, Illinois.

The purpose of this letter is to formally advise you that I support the Union Pacific and Southern Pacific merger.

Some of my reasons for supporting this acquisition are as follows:

There will be service improvements as the UP/SP merge. For example the new system's routes will be significantly shorter than UP's or SP's routes today in many important corridors, including Chicago-Oakland and St. Louis-Oakland. Additionally, there will be greatly improved service for both intermodal and carload traffic moving between California and the gateways of Chicago and St. Louis/East St. Louis. Finally, UP/SP will have the opportunity to build run through trains from the Gulf chemical region to Chicago, resulting in improved transit time for Illinois receivers.

Sincerely,

Marylou Crane Village President

cc: Vernon A. Williams Secretary ICC

David Fischer Director Government Affairs Union Pacific Railroad 1416 Dodge Street, Rm. 801 Omaha, NE 68179

OTHER RAILROADS

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BEFORE THE INTERSTATE COMMERCE COMMISSION

Finance Docket 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

> VERIFIED STATEMENT OF DAVID M. PERKINS

My name is David M. Perkins and my business address is Angelina and Neches River Railroad Co. ("ANR"), P.O. Box 1328, Lufkin, TX 75902. I am President and General Manager of ANR and I am fully authorized to submit this Verified Statement on its behalf.

ANR is a Class III railroad providing general freight service on approximately 14.5 miles of track extending generally between Lufkin and Dunagan, TX. ANR serves a number of industries on its line including, primarily, those engaged in the manufacture of newsprint and other paper products. ANR owns 148 railcars, including 98 special purpose boxcars used to transport newsprint.

Southern Pacific Lines ("SP") is our only trunk line connection. Therefore, ANR and the industries located on our line are completely dependent on SP as the only means of rail access to customers. As a short line, ANR's fortunes rise and fall in direct relation to those of the shippers located on our lines. To the extent that our sole trunk line connection is a financially viable carrier with single line access to a large territory our customers obviously benefit. For this reason ANR supports the proposed acquisition of the SP by Union Pacific Railroad Company ("UP").

Phil Anschutz, SP's Chairman, has publicly stated his belief that SP simply cannot survive as a free standing railroad in competition with the merged EN/ATSF. We share the concern of many shippers and short lines as to the concentration of Western railroads. However, now that the Commission has authorized creation of the BN/ATSF system it cannot reasonably require the SP to attempt to compete with that system as a free standing carrier. Thus, we support the UP/SP merger primarily because we believe it is necessary to the survival of our only trunk line connection.

We also anticipate positive benefits from the UP/SP merger. For example, it will provide our customers with single line rail service to and from a greatly increased number of stations. This can be important both in terms of access to raw materials used in their manufacturing processes and access to prospective customers for their products.

A UP/SP combination will also create a much larger pool of equipment, particularly power equipment. The ability of trunk line carriers to provide responsive service is directly related to the availability of adequate power. The combined locomotive fleet of

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UP/SP will provide much greater flexibility in assigning power in such a way as to assure prompt movement of cars.

The combined UP/SP also will be able to operate more efficiently due to economies of scale. The combined traffic of both carriers will make it possible to fill out trains faster and more frequently, thereby improving the timeliness of service.

Finally, the financial strength of a combined UP/SP system will assure long term quality service for our customers. The combined system will have the capital resources necessary to maintain and upgrade facilities, invest in new technology and provide competitive balance with the BN/ATSF.

[G:\PAG\ANGELINA\STATEMNT.DMP]

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VERIFICATION

I, David M. Perkins, declare under penalty of perjury that the foregoing statement is true and correct. I certify that I am qualified and authorized to file this verified statement. Executed on November \mathcal{Q} , 1995.

-4-

1. Jerhins

David M. Perkins



ARIZONA EASTERN RAILWAY COMPANY

A Subsidiary of KYLE RAILWAYS, INC.



Verified Statement of Donald Tolle on behalf of Arizona Eastern Railway Company

My name is Donald Tolle. I am General Manager of the Arizona Eastern Railway Company with its principal office located in Claypool, Arizona. I have been in the railroad industry for thirteen years with the Kyle Railroad Company and the Arizona Eastern Railway Company. I am familiar with the rail needs of our shippers.

The Arizona Eastern Railway Company is a shortline railroad consisting of approximately 135 miles of mainline and serving the Miami Arizona to Bowie, Arizona area. We currently interchange our traffic directly with the Southern Pacific. The principal traffic on our railroad consists of inbound copper ore concentrates and outbound finished copper destined primarily for Chicago, Illinois and Omaha, Nebraska.

Our only trunk line connection is SP. The level and quality of service we can provide to our shippers is largely dependent on the service which SP can provide to us. The financial performance of SP and its inability to make capital improvements necessary to remain fully competitive has been of concern to us.

We support the proposed merger of UP and SP. The infusion of capital and technology which UP adds to the combination assures that we will be served by a financially sound carrier that can make the capital improvements necessary to provide responsive and reliable service for the long term. The use of UP leading edge technology, such as their car tracing system, will further strengthen the SP portion of the system and provide benefits to us and our shippers.

The benefits of expanded single line service through the combination of these two systems are enormous, and accrue to the benefit of not only the merging carriers, but to short lines, our shippers, shippers in general, and the public. The efficiencies resulting from route optimization, reduced congestion, consolidation and improvement of facilities, reduced intermediate handling and shortened routes are real. Transit and equipment cycle times are reduced. Equipment utilization and supply are enhanced. Of particular benefit to our shippers is the enlarged reach of single line service over the new system. The movement from our shipper to Omaha will be single line. The movements to Chicago will enjoy more efficient and reliable service, avoiding congestion at intermediate points and taking advantage of UP's state-of-the-art intermodal facilities in Chicago.

The proposed merger combines the strengths of the two systems and will result in a stable, financially sound carrier capable of meeting the competitive challenge posed by the newly merged BNSF. It assures the continued availability of quality competitive rail service for the long term. We urge the Commission to grant approval to this merger.

I, Donald Tolle, declare under penalty of perjury that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed this 18th day of October, 1995.

Donald Tolle



AT&L RAILROAD CO.

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

VERIFIED STATEMENT OF S. STEVEN SMOLA on behalf of A. T. & L. RAILROAD CO.



MEMBER

I, S. Steven Smola, am president of the A. T. & L. Railroad Co; 2nd Street and Nash Boulevard; Watonga, OK 73772. My responsibilities include the management of all operations as well as the sales and marketing of the transportation service we provide. I have held this position for 10 years.

The Austin Todd & Ladd Railroad (AT&L) is a privately held company that operates 48.3 miles of track and provides service to six (6) stations in west central Oklahoma. Our primary business involves the movement of unit wheat trains to export markets in connection with the Union Pacific Railroad at El Reno, OK. We also transport carloads of bulk fertilizer. Our total annual volume, all carloads handled, is approximately 2300.

We believe the proposed merger of the Union Pacific and Southern Pacific Railroads is in the best interest of our company, as well as consumers of transportation services.

The increased capacity and single line service capabilities of the combined systems will provide efficient routes and direct access to new markets. This will increase opportunities for our company to grow existing business and develop new business. Direct access to flour mills in Arizona and California served by the Southern Pacific provides a new market for area wheat. Direct access to Southern Pacific destinations will allow us to better compete for other commodities, including gypsum rock and scrap iron/steel, that are currently moving adverse to our line, by providing alternative markets. We also feel that overall equipment utilization will improve through use of shorter routes and alternative routes during times of track maintenance.

The Austin, Todd and Ladd Railroad Company supports the application for merger.

220 max S. Steven Smoka, President

A. T. & L. Railroad Company

"The Wheat Line Railroad" (CONNECTING WITH THE UNION PACIFIC RR AT EL RENO, OK.) SERVING: WATONGA, GREENFIELD, GEARY, CALUMET AND BRIDGEPORT, OKLAHOMA

VERIFICATION

STATE OF OHalisma)) ss. COUNTY OF Blaine

<u>S. Steven Smola</u>, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

ven Smola

Subscribed and sworn to before me this 20th day of October, 1995.

Jane McChary Notary Public

My commission Expires:

7-19-97

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BROWNSVILLE AND RIO GRANDE INTERNATIONAL RAILROAD

October 18, 1995

VERIFIED STATEMENT

OF

L. E. CANTU on behalf of Brownsville & Rio Grande International Railroad

The Brownsville & Rio Grande International Railroad was created by the Brownsville Navigation District of Cameron County, Texas, a political subdivision of the state of Texas, as an independent Board of Trustees to manage and control certain facilities at the Port of Brownsville as provided by Section 60.118 of the Texas Water Code. The Brownsville & Rio Grande International Railroad Board of Trustees has appointed me as President & Chief Operating Officer and I am charged to administer Board policy and oversee the general operation of the railroad. I have held this position since 1991.

The Brownsville & Rio Grande International Railroad is a switching carrier that operates over approximately thirty-three miles of track at the Port of Brownsville. Brownsville & Rio Grande International Railroad (BRG) services over forty-five different rail customers and has a direct connection with Union Pacific Railroad Company (UP). Southern Pacific Transportation Company (SP) does not have a direct interchange with BRG and the Port of Brownsville, however, reciprocal switching arrangements between Union Pacific and Southern Pacific are in place to get traffic moving via SP Roadhaul to and from the Port of Brownsville. This arrangement will change in the next few months due to the construction of a new segment of track that will connect Southern Pacific Transportation Company directly to the Port of Brownsville. This new connection is via a north rail loop from the Port of Brownsville to Southern Pacific's main line north of Brownsville. This construction is part of a Federal Highway Demonstration Project referred to as the Brownsville - Matamoros Railroad Relocation Demonstration Project. This project also includes connecting the Union Pacific Railroad main line track north of Brownsville to the new connection mentioned earlier with Southern Pacific Railroad. BRG has connections with Ferrocarriles Nacionales de Mexico via a Union Pacific intermediate switch.

Verified Statement of L.E. Cantu Page 2

Most of the traffic handled by Brownsville & Rio Grande International Railroad is grain (farm products) moving from the Midwest via Union Pacific Railroad to the Port of Brownsville. Brownsville & Rio Grande International Railroad handles over 10,400 rail car loads per year. Forty-eight (48%) percent of this milic moves via Union Pacific Roadhaul (thirty-nine percent (39%) is inbound and nine percent (9%) is outbound), forty percent (40%) moves via Ferrocarriles Nacionales de Mexico (eighteen percent (18%) is inbound and wenty-two percent (22%) is outbound), and twelve percent (12%) moves via Southern Pacific Roadhaul (nine percent (9%) is inbound and three percent (3%) is outbound). Commodity groups handled by Brownsville & Rio Grande International Railroad consist of forty-two percent (42%) farm products, sixteen percent (16%) food & kindred products, seven percent (7%) non metallic ores, seven percent (7%) petroleum products, six percent (6%) primary metal products, four percent (4%) paper products and eighteen (18%) consist of various types of products such a transportation equipment, hazardous materials, scrap materials and chemical products.

Brownsville & Rio Grande International Railroad understands that Union Pacific Railroad Company and Southern Pacific Transportation Company are requesting authority to merge. Brownsville & Rio Grande International Railroad supports this merger. We understand that certain local issues that concern BRG and the Port of Brownsville will be addressed by Union Pacific Railroad Company.

Brownsville & Rio Grande International Railroad is served exclusively by Union Pacific and Southern Pacific. Their merger would create a single source railroad in our area and we strongly promote that another mainline carrier be allowed trackage rights to service our area. It is our understanting that this issue is being addressed and I refer to a press release issued by Union Pacific dated September 26, 1995 citing a comprehensive agreement between Union Pacific, Southern Pacific and Burlington Northern Santa Fe Corporation (BNSF). This agreement contemplates BNSF operating over Union Pacific track between Houston and Brownsville, Texas.

I mentioned earlier the Brownsville - Matamoros Railroad Relocation Demonstration Project. This project will relocate Union Pacific's and Southern's Pacific's rail yards out of downtown Brownsville to a location north of Brownsville and on Port of Brownsville property. The project will enable Southern Pacific direct access to the Port of Brownsville. In light of this, we expect BNSF have similar access to the Port of Brownsville. We also expect that the concordance of a Memorandum of Understanding , an agreement for relocation of railroad facilities and for related improvements at and near Brownsville, Texas, which was endorsed by Union Pacific, Southern Pacific be adhered to by this new merged company. Verified Statement of L.E. Cantu Page 3

With approval of the application, Union Pacific and Southern Pacific will be able to combine the strengths of their rail systems which will improve service to South Texas. Granting trackage rights to BNSF, a strong rail system, to operate into South Texas will strengthen competition. We believe that the proposed merger will provide significant benefits to our shippers. Brownsville & Rio Grande International Railroad supports the Union Pacific/ Southern Pacific application to merge.

I, <u>Lorenzo E. Cantu</u>, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on <u>October 3, 1995.</u>

L. E. Cantu President & Chief Operating Officer

VERIFICATION

STATE OF TEXAS | | ss. COUNTY OF CAMERON |

Lorenzo E. Cantu, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts therein, and that the same are true as stated.

E enzo

1995.

18th day

Subscribed and sworn to before me this _____

PEGGY A. GUTIERREZ NOTARY PUBLIC State of Texas 06-03-99 Comm. Exp.

My Commission Expires:



BUCKINGHAM BRANCH RAILROAD COMPANY

P. O. Box 336 • Highway US 15 • Dillwyn, VA 23936 804 983-3300

VERIFIED STATEMENT OF ROBERT E. BRYANT ON BEHALF OF BUCKINGHAM BRANCH RAILROAD COMPANY

My name is Robert E. Bryant, I am President of the Buckingham Branch Railroad Company, headquartered in Dillwyn, Virginia. I have been in the railroad industry for forty-two years. Thirtyfour and a half years with CSXT, one year negotiating and purchasing a branch line railroad and owner and operator of the Buckingham Branch Railroad Company for the last six and a half years.

Buckingham Branch Railroad Co. operates two branch lines that connect with CSXT. One of the lines interchanges with NS. Our annual traffic volume is about 2500 carloads. Our largest shipper, Kyanite Mining Corp., ships about 150 carloads to Colorado via SP and to Mexico via SP-UP joint line movements as well as come UP direct movements.

We support the proposed merger of UP and SP. The proposed combination will allow our traffic to be routed over more efficient routes, including new single line service on the western portion of our SP-UP movements to Mexico. The proposed combination will also result in increased efficiency, improved car handling, reduced transit time and overall improved and more reliable service. SP has been plagued by power and car shortages and generally unreliable service. The combination of the financially strong and service oriented UP with the route structure and market access of SP will result in significant improvements and will create a strong competitor to the newly merged BNSF.

Moreover, most of our traffic moves in our equipment. As a result, service reliability, service efficiency and reliable cycle time is of paramount importance. The UP equipment tracking system is much superior to that of SP. The UP system will be used by the merged system. This, together with better equipment utilization will allow us to better manage our fleet. In addition, the merger should make additional equipment available through UP and SP.

Finally, we support the proposed settlement between UP/SP and BNSF. It should enhance transportation competition throughout the western United States. Two strong systems will be better able to compete not only with each other, but also with other modes. We see many additional market opportunities for our shippers as a result of the increased availability and reach of single line service to the western region that will result from the merger and settlement. The benefits of this enhanced competition to shippers and the public cannot be overstated. Page 2 Verified Statement of Robert E. Bryant, Buckingham Branch

In conclusion, the proposed merger combines the strengths of UP and SP and will result in a stable, financially sound carrier capable of meeting the competitive challenge posed by the newly merged BNSF. It assures the continued availability of quality competitive rail service for the long term, creating additional marketing and better opportunities for short line railroads like Buckingham Branch Railroad. We urge the Commission to grant quick approval to this merger.

I, Robert E. Bryant, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement. Executed this 27th day of October, 1995.

Robert E. Bryant

Verified Statement of David L. Parkinson

My name is David L. Parkinson, Chairman and Chief Executive Officer of California Northern Railroad Co., with offices located at 1470 Railroad Ave., St. Helena, CA 94574. I am President and Director of the California Short Line Railroad Association which represents 20 California short line railroads with offices in Sacramento, CA.

From 1972 to 1988, I owned and managed an engineering and environmental consulting firm. Since 1988, I have been engaged in the regional and short line railroad business. In 1993, I founded the California Northern Railroad Company which is comprised of several rail line segments which were formerly part of the SP Lines. It includes the former Northwestern Pacific and Southern Pacific lines between Willits and Suisun-Fairfield, SP's former Napa and Vallejo branch lines, the former West Valley line between Davis and Tehama and the West Side lines between Tracy and Los Banos, for a total of 354 miles of railroad. California Northern also operates over SP on trackage rights between Suisun and Davis, a distance of 30 miles. It is the largest California short line in terms of number of cars handled and annual freight revenues.

This statement is submitted on behalf of the California Northern Railroad.

During its first two years of operations, California Northern's traffic has grown by approximately ten percent, from 31,000 cars to 34,000 cars. It originates and terminates a broad range of commodities moving to and from points throughout the United States and to various ports for export overseas. Principal commodities include tomato paste in bulk from producers such as Hunt-Wesson to food processors located throughout the country, inbound long grain rice from Arkansas for milling and packaging, outbound short grain rice from rice mills located in the Sacramento Valley between Davis and Tehama, and beer from the Anheuser Busch brewery at Fairfield, CA. We also originate refrigerated products, such as frozen foods and milk products, from customers located on the Los Banos line and flour from the General Mills plant at Vallejo, CA. Our outbound products move east through the Central Corridor, south on the I-5 Corridor and east on the Sunset route. Other inbound commodities include feed grains sourced from points in the midwest and chlorine from the Gulf Coast and Canada destined for Tracy for use as swimming pool disinfectant.

A major customer is Napa Pipe Co. which receives inbound steel plate from Oregon Steel Co.'s plant at Portland, OR moving via the I-5 Corridor to its plant at Napa. It ships finished pipe to points in the U.S. and to ports such as Stockton, CA and Houston, TX for export. We also handle a considerable amount of lumber from the California North Coast moving south on the I-5 Corridor to Southern California and on the Sunset Route to points beyond in Arizona, Texas and the midwest. Earlier this year, California Northern began handling municipal waste moving in double stack domestic container service from a transfer station located south of Napa, CA via the I-5 Corridor to a land fill in the State of Washington. The "trash train" is projected to generate 2,500 carloads of new business in its first year.

The proposed merger of Union Pacific and Southern Pacific will provide strong competition for the newly merged BN/SF and for motor carriers, and a will produce important benefits for California Northern and the local businesses which depend on us and the Southern Pacific for rail service.

California Northern supports the proposed UP/SP merger for the following reasons:

Better Central Corridor Service:

Combining UP and SP routes between Northern California and the midwest will restore the historic connection between these two rail systems and substantially reduce both the route miles and the mountainous grades that must be traversed on the Central Corridor. Fewer route miles and lesser grades will result in shorter transit times, and more reliable service. With these benefits, our customers can, in turn, be more competitive in their respective markets. Lumber, tomato paste, feed grain, frozen foods, and milk products are among the commodities that will enjoy improved service on the Central Corridor as a result of the merger.

The merger will also remove a major stumbling block to the efforts of local receivers to source grain and grain products from origins located on Union Pacific in the mountain states and midwest. For example, the General Mills flour mill at Vallejo receives Idaho grain, but because they have been unable to negotiate an acceptable joint rate on a UP/SP move, it moves over the road by truck to Ogden, Utah, and is transloaded to the SP for rail haul to Vallejo. The proposed merger of UP and SP will not only ensure both carriers' cooperation in the through move, it will also provide the added efficiency and convenience of single line service through the Central Corridor and beyond to and from all points served by the UP system.

Better Car Supply and Equipment Utilization:

California Northern is dependent upon SP for the major portion of freight cars required by our customers. The much larger UP System has a bigger inventory of equipment from which these requirements can be met. Additionally, because of routing efficiencies inherent in the combination, UP/SP should be able to get better utilization out of its equipment -- which should in turn significantly improve equipment availability for California Northern customers. Our

customers have suffered from shortages of box cars, particularly "DF" cars, seasonal shortages of lumber cars, mechanical refrigerator cars, and an insufficient supply c. flat and gondola cars for steel pipe and steel plate. The merger should significantly reduce car chortages and substantially improve equipment utilization.

Improved Service

SP's car supply problems have been aggravated by chronic locomotive power shortages and by an unfortunate series of natural disasters, including the 1995 floods in the midwest, the earthquake in Southern California in early 1994, and last winter's floods in Northern California. Although these problems are largely behind us and the power situation has improved in recent months as SP has begun putting new locomotives in service, our customers continue to experience erratic service and unreasonable delays. This has impeded California Northern's ability to market our rail service as effectively as we might have. I would believe that we could increase our lumber traffic significantly if we had on-time performance and available equipment. Some of California Northern's existing business has also been jeopardized by problems with SP service and equipment shortages. Recently, some of the steel plate from Oregon Steel Co. which was consigned to Napa Pipe Co. moved by truck because SP was unable to meet the customer's transit time demands or equipment requirements.

Union Pacific's Operating Department has a stable management team and is known for providing very high quality service. It is reassuring that Union Pacific is a financially strong company with sufficient resources to fund necessary capital improvements, such as the track improvements and tunnel clearances which UP constructed on the Feather River route following

its merger with the Western Pacific. We look forward to receiving the same high level of service from the consolidated UP/SP system that UP customers receive today.

Expanded Route Structure and Single Line Service Capabilities

The UP/SP System will involve a much broader route network, capable of providing single-line rail service for California Northern customers in geographic areas that SP has not served. In addition to the mountain states and midwest grain producing areas discussed above, this includes better access to the Port of Portland and access to Seattle/Tacoma. We should gain a larger share of outbound flour from General Mills with a combined UP/SP rail system. Other new traffic opportunities include the ability to move lumber and lumber products from California Northern in single line UP/SP service to the Las Vegas area -- a strong market for housing and construction.

Expanded Information Technology Network

As a short line connection to the larger merged UP/SP system, California Northern would expect to benefit from the ability to access enhanced information services for car tracing and other customer services from a more comprehensive data base. We will have more information to help our customers if we are plugged into a larger rail system with a much broader geographic coverage than if we are confined to the more limited SP Lines system and service territory. <u>A More Competitive Partner for California Northern</u>:

In addition to my responsibilities at California Northern, I am Chairman and Chief Executive Officer of the Arizona & California Railroad Company, a shortline railroad which connects exclusively with the Santa Fe, now the BN/SF. Through my association with the Santa

Fe at California & Arizona, I have gained great respect for that railroad and would expect them to move swiftly to implement their merger with BN.

As the SP is currently configured, it will be at a distinct disadvantage compared to the combined BN/SF and will not be able to effectively compete in the Central and Southern transcontinental corridors. This is a matter of serious concern for California Northern because it is integrally tied to the SP Lines system and is dependent on the SP to provide trunk line rail service. If the SP is not authorized to merge with UP, California Northern customers will be deprived of the market opportunities and efficiencies of expanded single line UP/SP service. I am further concerned that, without the merger, the SP will be relegated to a marginal and weak position relative to the other Class I California railroads. This would be contrary to the public interest and extremely detrimental to short lines such as California Northern whose only access to the national rail network is through SP.

I support the proposed UP/SP merger for all the reasons set forth above.

VERIFICATION

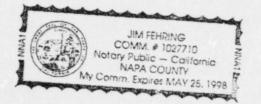
STATE OF CALIFORNIA)) ss. COUNTY OF NAPA)

David L. Parkinson, being first duly sworn, deposes and says that he has read the

foregoing document, knows the facts asserted therein, and that the same are true as stated.

PARKINSON

Subscribed and sworn to before me this 10th day of October, 1995.



otary Public

My Commission Expires:

May 25, 1995

CALIFORNIA WESTERN RAILROAD, INC.

A Subsidiary of KYLE RAILWAYS, INC.

P.O. Box 907 • Fort Bragg, California 95437 • Phone: (707) 964-6372



Verified Statement of David Lutz on behalf of California Western Railroad, Inc.

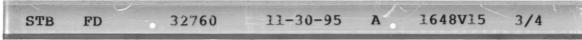
My name is David Lutz. I am the General Manager of the California Western Railroad, Inc., with its principal office located in Fort Bragg, California. I have extensive experience in the railroad industry, having held positions with the Missouri Pacific Railroad, Union Pacific, the South Central Tennessee Railroad and the California Western Railroad., Inc. I am familiar with the transportation needs of our shippers.

The California Western Railroad, Inc. is a shortline railroad consisting of approximately 40 miles of main line and serving the southern Fort Bragg area in Northern California. We currently interchange our traffic with the California Northern Railroad which interchanges with the Southern Pacific. The principal commodity of our shippers is lumber destined to points west of the Mississippi River.

We support the application of Union Pacific and Southern Pacific for approval of the merger of the two railroad systems. Expanded single line service over our trunk line carrier will be of benefit to us and our shippers. The efficiencies we expect include the rationalization of routes, reduced intermediate handling, less congestion because of improved terminals and optimized routes, more frequent and reliable schedules, reduced transit time and improved equipment supply and utilization. There is no doubt that the expanded territory reasonably accessible to our shippers is of great importance.

Perhaps the greatest benefit of the proposed merger is the preservation of quality service over the Southern Pacific system. We have been concerned about SP's ability to survive in face of the pressures created by the approval of the BNSF merger, particularly when the history of SP's poor financial performance and condition is considered. SP has not been able to keep up with the capital improvements necessary to maintain quality railroad service. This situation would soon become untenable with the competition from BNSF and the financially scund UP. The combination of the financially strong and service conscious UP with the route structure of SP will result in a strong rail competitor that will be able to make 'he necessary improvements to remain a viable competitor for the long term.

We heartily support the merger of SP and UP and urge the Commission to approve the application.



I, David Lutz, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed this ______ day of October, 1995.

David Lutz

CITY OF PRINEVILLE RAILWAY

185 E. 10th Street Prineville, OR 97754 Telephone (503) 447-6251

VERIFIED STATEMENT

OF

J.L. PRICE on behalf of CITY OF PRINEVILLE RAILWAY

My name is Jerry Price. I am the General Manager of the City of Prineville Railway, 185 East 10th Street, Prineville, Oregon 97754. I am responsible for the day to day operation of this railroad. I have held this position for nine years, and prior to that I worked twenty three years for a Class I railroad in management of the operating department.

The City of Prineville Railway is a shortline, Class 3 railroad, with twenty miles of trackage, operating between Prineville and Prineville Junction, four miles north of Redmond, Oregon, where we interchange traffic with the Union Pacific and Burlington Northern Railroads, two Class 1 carriers.

Our primary commodities are woodchips, lumber, and sawlogs. We received domestic lumber and sawlogs from the Northwest, and we also receive export logs from as far away as Mexico and New Zealand. Commodities originating on our railroad are woodchips, which are destined to the Northwest, and lumber, which is destined to the Midwest and Northeast.

We understand that Union Pacific and Southern Pacific are requesting authority to merge. We support this as a means of improving service and strengthening competition. We also believe that the proposed merger would be in our company's best interest as well as the interest of our shippers. We heartily endorse the Union Pacific/Southern Pacific application.

With approval of the application, Union Pacific and Southern Pacific will be able to combine the strengths of their rail systems. As a result, customers on both systems will enjoy improved service.

Union Pacific today is financially strong, but lacks efficient routes to many markets. Southern Pacific has many excellent routes but lacks the volume and capital to take advantage of its opportunities. The merged system will be able to overcome bottlenecks and to provide capital dollars where they will accomplish the most. The merger will better able Union Pacific/Southern Pacific to compete with Burlington Northern/Santa Fe.

September 15, 1995 UP/SP Merger

We believe that the proposed merger will provide significant benefits to our shippers. Our company supports the application.

I, Jerry L. Price, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement executed on September 15, 1995

Jerry L Price (signature)

State of OREGON County of CROOK

Signed and sworn to before me on SEPTEMBER 15, 1995 by

JERRY L. PRICE



Enline Mass

PAULINE E. MOSS Notary Public

My commission expires

1/14/99

VERIFIED STATEMENT

OF

DONALD J. STIER on behalf of

THE COLUMBUS AND GREENVILLE RAILWAY COMPANY

My name is Donald J. Stier, and I am Director of Marketing and Pricing for the Columbus and Greenville Railway Company, with offices at 201 19th Street North, Columbus, MS 39701. I hold the same position with two affiliated companies, namely the Chattooga and Chickamauga Railway and Redmont Railway Company.

I have previously held the positions of:

Manager of Pricing for Chemicals and Petroleum Products for Seaboard System/Louisville and Nashville Railroads (now part of CSX Transportation), Jacksonville, FL and Louisville, KY.

General Traffic Manager, Blue Circle Atlantic Cement, Stamford, CT.

Director of Transportation, Louisville Edible Oil Products (Now Golden Brands/Golden Foods), Louisville, KY.

The Columbus and Greenville Railway Company dates back, under a variety of names, to the 1870s. When the Illinois Central Railroad and Gulf Mobile and Ohio Railroad filed for merger approval in 1968, it led to a series of events that resulted in the Interstate Commerce Commission including a provision that the merger would be tied in with acquisition of the Columbus and Greenville Railway. That sale became final September 29, 1972, and the C&G ceased to exist. Eventually, with abandonment of the former C&G trackage looming on the horizon, action was taken to purchase the properties from the ICG, and the "new" C&G Railway was created October 30, 1975.

During 1994 the C&G handled 9,880 carloads of traffic, which compares to 10,070 during 1993. Most of our traffic is tied to agricultural commodities in the Delta area on the west end of our line. This includes rice (we have two major rice mills, namely Cargill Rice Milling and Uncle Ben's on our line in Greenville. MS), cotton, cottonseeds, cottonseed meel, and cottonseed hulls. Greenville also has a strong customer base for inbound steel, chemicals, mineral wool, scrap and waste paper. A large fish feed facility at Heathman, MS, who was our largest single carload customer in 1994, and who is the leading customer through mid-October, receives large volumes of soybean meal, grain screenings and wheat middlings.

Our railroad operates entirely within the state of Mississippi, extending from the Mississippi River in Greenville, MS on the West and just short of the Alabama state line in Columbus, MS to

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the East. We connect with five Class One carriers, namely Illinois Central at Winona and Greenwood, MS; Norfolk Southern at Columbus, MS; Kansas City Southern at West Point; Columbus and Artesia, MS; the recently merged Burlington Northern / Santa Fe in Columbus, MS; and CSX Transportation at Brookwood, AL (via car-haul agreement with KCS).

I am providing this statement in the Columbus and Greenville Railway's support of the Union Pacific Railroad application to acquire the Southern Pacific, in Finance Docket 32760.

Today, the C&G is faced with a natural geographic disadvantage on a lot of tonnage to and from the west, since we do not have direct access to western connections to reach market areas west of the Mississippi River. We have a direct connection with the Burlington Northern / Santa Fe in Columbus, MS, and already we have seen some areas where we are more competitive, ratewise, as a result of their merger. The concessions to BN/SF that will be made as a result of the settlement agreement struck between UP/SP and BN/SF as part of the UP/SP merger will allow us even more opportunities to develop new business.

Our opportunities are not limited to potential new business with BN/SF, we can envision numerous movements that can be created by working with a merged UP/SP railroad. Today, we work with the Illinois Central, mainly, to connect C&G tonnage to the MP at East St. Louis, IL; Memphis, TN; Baton Rouge and New Orleans, LA. We also work extensively with the SP, in connection with IC, for joint traffic over East St. Louis, IL; Memphis, TN (SSW); and New Orleans, LA. In some cases it is necessary to handle with both carriers in an attempt to secure the best possible prices for our customers, and, of course, ourselves, in order to try and compete for any traffic potentials that may be available.

It is my opinion that a single UP/SP system can more effectively compete with the merged Burlington Northern / Santa Fe system, and this can only allow the C&G, and numerous other carriers, and shippers/receivers of freight, to obtain the best prices possible. This could also allow C&G to obtain longer hauls over Columbus, MS, in connection with BN/SF, while retaining the options of the river crossings previously named in connection with the UP/SP.

For these reasons, I strongly support the combination of the Union Pacific and Southern Pacific, and urge the Interstate Commerce Commission to approve the application.

VERIFICATION

I, Donald J. Stier, declare under the penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on November 7, 1995.

Donald J. Stier

VERIFIED STATEMENT

OF

JEFFERY T. LINDSEY

ON BEHALF OF THE

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

My name is Jeffery T. Lindsey. I am the Vice President of the East Camden and Highland Railroad with offices located at Highway 274 East, East Camden, Arkansas 71701.

The East Camden and Highland Railroad is a short line railroad located in South Arkansas interchanging with the St. Louis Southwestern Railway Company at Eagle Mills, Arkansas. Established in 1972, the East Camden and Highland Railroad currently operates 50 miles of track in Highland Industrial Park, Inc. and serves eleven customers on a regular basis. Our customers ship a variety of commodities, including rubber, paper, woodpulp, tires, chemicals, and scrap metals.

I am providing this statement in support of the Union Pacific Railroad application to acquire Southern Pacific, F. D. No. 32760.

The East Camden and Highland Railroad is dependent upon the Southern Pacific for the major portion of freight cars required by our customers. At times, shipments have been delayed due to the Southern Pacific's inability to provide cars ordered weeks in advance. The Union Pacific System has a much larger inventory of equipment from which these requirements can be met. Furthermore, better utilization of the available Union Pacific/Southern Pacific equipment is inherent due to routing efficiencies achieved by the merger.

The East Camden and Highland Railroad prides itself on being an efficient railroad. At times, our credibility has suffered due to the lack of performance on the part of the Southern Pacific. The Southern Pacific's lack of performance has cost our company both potential and current customers. It is my belief that the proposed Union Pacific/Southern Pacific merger will drastically improve the Class I service that our railroad has experienced.

Enhanced technical capability will be a distinct advantage for short lines and their customers with the approval of the Union Pacific/Southern Pacific merger. The Southern Pacific's information system is greatly inferior to the Union Pacific's in terms of capability and customer utility. Our shippers demand quick response to car tracing information. The Union Pacific's system will improve the availability of such information.

Page Two

Furthermore, the proposed merger, if approved will provide an opportunity for the creation of new short line railroads from overlapping on redundant tracks. The East Camden and Highland Railroad will be active in the process of evaluating these opportunities.

For these reasons, I strongly support the combination of the Union Pacific and Southern Pacific and urge the Interstate Commerce Commission to approve the application.

VERIFICATION

STATE OF ARKANSAS) \$\$. COUNTY OF CALHOUN)

Jeffery T. Lindsey, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Jeffery T Lindsey

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Subscribed and sworn to before me this 4th day of October, 1995.

Dian Mª at

My Commission Expires:

May 2, 2005

GEORGETOWN RAILROAD COMPANY

5300 SOUTH IH-35 POST OFFICE BOX 529 GEORGETOWN, TEXAS 78627-0529 512-863-2538 FAX 512-869-2649

CHARLES R. TURNER PRESIDENT & CHIEF EXECUTIVE OFFICER

> October 20, 1995 File: E-640

Mr. Vernon A. Williams Secretary Interstate Commerce Commission 12th Street & Constitution Avenue, N. W. Washington, D. C. 20423

Dear Secretary Williams:

I am presenting this Verified Statement on behalf of Georgetown Railroad Company and Texas Crushed Stone Company in support of the purchase and merger of Southern Pacific Transportation Company by Union Pacific Railroad Company in Finance Docket No. 32760.

My name is Charles R. Turner, and I am President of Georgetown Railroad Company headquartered in Georgetown, Texas, and I have been with this company for approximately twenty (20) years in the capacity of Vice President or President, and prior to that time was with the Missouri-Kansas-Texas Railroad Company for approximately twenty-four (24) years serving in the Labor Relations and Operating Departments.

Georgetown Railroad Company is a Short Line Railroad with General Offices and Terminal Facilities located at 5300 IH-35 South, Georgetown, Texas 78628. The railroad consists of approximately thirty (30) miles of main track and twenty-five (25) miles of secondary track; twelve hundred (1200) rail cars, including special equipment, and twenty-eight (28) locomotives, with approximately 45,000 carloads shipped annually. Georgetown Railroad Company services the quarry facility of Texas Crushed Stone Company, located at Feld, Texas, and recognized as one of the leading aggregate producers in the United States. Georgetown Railroad Company presently has direct connections with Union Pacific Railroad Company and Southern Pacific Transportation Company. Georgetown Railroad Company has fifteen (15) rail served customers, not including Texas Crushed Stone Company.

Our primary customer, Texas Crushed Stone Company, ships crushed limestone, used for roads, sub-divisions, concrete aggregate, hot mix aggregate, scrubber material for power plants, etc., to many destinations served by our Class I rail carriers, Union Pacific Railroad Company and Southern Pacific Transportation Company, and we believe the merger of these two rail carriers will have the effect of providing long term quality service to Union Pacific and Southern Pacific customers because of the savings realized by the merged companies that should make pricing more competitive with other modes of transportation and sources of material. October 20, 1995 File: E-640 Mr. Vernon A. Williams Secretary Interstate Commerce Commission Page 2 of 2 pages

We further believe that the merger of Union Pacific Railroad Company with Southern Pacific Transportation Company will assure the continued operation of Southern Pacific routes; will assure better quantity and quality of freight equipment and motive power because of the strong financial position of Union Pacific Railroad Company, and will expedite the movement of commodity because of route consolidation between these two carriers.

Because of the Comprehensive Agreement announced on September 26, 1995, between Union Pacific and Southern Pacific Railroads and Burlington Northern Santa Fe Corporation to preserve and intensify rail competition following the UP/SP merger by providing the Burlington Northern Santa Fe with trackage and/or haulage rights to serve every shipper that is currently served jointly by Union Pacific and Southern Pacific, which will provide Georgetown Railroad Company and Texas Crushed Stone Company at Kerr, Texas with a Burlington Northern Santa Fe connection and maintain our two Class I Carrier status, we are withdrawing any opposition that we may have had to the merger proposal and now offer our full support to the merger. Our support of the merger is conditioned upon the Interstate Commerce Commission including the Comprehensive Agreement in its decision, and imposing a common carrier obligation on the combined merged Union Pacific/Southern Pacific carrier and the Burlington Northern Santa Fe to serve Georgetown Railroad Company and Texas Crushed Stone Company at Kerr, Texas.

We look forward to working with the merged company to increase rail traffic; to the connection with Burlington Northern San's Fe, which will protect our present two carrier status, and we offer our full support for this proposed purchase and merger, and would encourage the Commission to expedite these proceedings to a final conclusion.

Yours very truly, Charles R. Ju Charles R. Turner, President, for GEORGETOWN RAILROAD COMPANY

William B. Snead, Executive Committeeman, for TEXAS CRUSHED STONE COMPANY

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CRT/cb

VERIFICATION

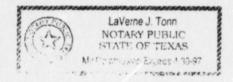
STATE OF TEXAS

COUNTY OF WILLIAMSON

Charles R. Turner being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true and correct as stated.

Charles R. Quines

Subscribed and sworn to before me this 20 day of October ,1995.



Jonn (Notary Public)

My commission expires: april 30, 1997

VERIFICATION

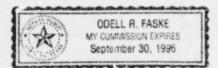
STATE OF TEXAS

COUNTY OF WILLIAMSON

William B. Snead being first duly sworn, deposes and says that he had read the foregoing document, knows the facts asserted therein, and that the same are true and correct as stated.

(Name)

Subscribed and sworn to before me this 20th day of Detobur, 1995.



My commission expires: September 30, 1996

Before The

INTERSTATE COMMERCE COMMISSION

Washington, D.C.

Finance Docket 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, ET AL.

VERIFIED STATEMENT OF DAVID R. BENSON President Hampton Railway, Inc.

My name is David R. Benson, I am President of Hampton Railway, Inc., with corporate offices located at 9400 S. W. Barnes Road, Suite 400, Portland, Oregon 97225.

Hampton Railway, Inc., (HLSC) is a short line railroad, operating in the Northwest area of Oregon, and interchanges traffic with the Willamette & Pacific Railroad at Willamina, Oregon, who intern interchanges traffic with the Southern Pacific Lines at Albany, Oregon. We currently operate 5.2 miles of railroad,

Hampton Railway, Inc., acquired the physical properties of the Willamina & Grand Ronde Railroad in June of this year (1995). Customers located on our railroad ship lumber to various destinations throughout the United States.

We are aware that the Union Pacific and Southern Pacific are requesting authority to merge. Hampton Railway, Inc., strongly supports this action as a means of protecting and improving the

high quality of service we are able to pass on to our customers.

As a short line railroad, we are dependent upon the Southern Pacific for all boxcars and certain types of flatcars required by our customers. We are aware that the Union Pacific has a much larger fleet of this type of equipment from which these requirements may be met. Because of routing efficiencies which would be realized through this merger, UP/SP should be able to achieve even better utilization of its equipment which will provide a greater car supply for the short line railroads.

Merger of the UP and SP will allow our shippers to remain competitive with lumber shippers presently served by the newly formed BN/SF system. A much more efficient, competitive UP/SP will substantially increase the markets to which our customers may ship.

A short line railroad is no better than that of its main line connection. For the past few years, the Southern Pacific has been unable to acquire sufficient additional equipment as has the Union Pacific. This has resulted in major service shortfalls in transit time and service and has not allowed customers located on our and other short lines served by the SP to be competitive.

Hampton Railway, Inc., believes that the proposed merger will provide significant benefits to our company as well as the shippers served by our railroad, and supports this application.

VERIFICATION

I, David R. Benson, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on October 31, 1995.

R. Benson Dav

lowa Northern Railway Co.

October 2, 1995

VERIFIED STATEMENT

OF

DANIEL R. SABIN

on behalf of the

IOWA NORTHERN RAILWAY COMPANY

1. Daniel R. Sabin is President of Iowa Northern Railway Company. He is also President of Transportation Operations, Inc. (TOI), Vice President of TOIX Equipment Corporation (TOIX), President of the Windsor & Hantsport Railway, Executive Vice President of Canadian American Railroad Company, and director and Vice President of Iron Road Railways Inc. He has nearly thirty years experience in the rail industry covering a multitude of departments and positions with three different class 1 railroads and the various short lines of current involvement. Mr. Sabin began his career in 1968 with the Chicago, Rock Island and Pacific Railroad Company, working as a section laborer, train order operator and Train Dispatcher.

After completing his Bachelor's degree in Economics and Business Administration from Southwestern Oklahoma State University in 1977, Sabin joined Canadian Pacific Railway as Trainmaster, Assistant Superintendent; Manager, Planning and Analysis and Director, Service Planning.

Sabin was with Chessie System/CSX Transportation from 1981 to 1987. He was appointed Manager, Operations Planning in 1981, before becoming Superintendent/Manager Operations on the Western Division and later Superintendent Administration on the Michigan Division. Mr. Sabin headed the Chessie/Seaboard Chicago Terminal coordination team for CSX. While Manager Operations at Cincinnati, he was responsible for train operations on 1300 miles of Chessie System lines with an operating budget of over \$300 million.

- 2. IANR is a 126-mile short line railroad with 35 employees and was acquired in November 1994. It is predominantly involved with shipping agricultural commodities such as corn and soybeans. Among the companies it serves are ADM, Continental Grain Cargill, IBP, John Deere and Penford as well as approximately 12 on-line grain elevators. There is also significant overhead traffic from the Union Pacific and CP Rail System, totaling approximately 20,000 carloads per year. Approximately 58% of Iowa Northern's traffic and 35% of its revenues are derived from joint operations with Union Pacific. Ongoing exchanges of traffic with Union Pacific are critical to the livelihood of our company.
- We believe that the proposed merger would be in our company's best interests as well as the interests of Iowa Northern's shippers. We heartily endorse the UP/SP application.
 - Supporting Reasons
 - a. Service Benefits to Iowa Northern Customers
 - New Single-Line Service to points on Union Pacific and Southern Pacific. Union Pacific has adopted Iowa Northern into its own tariffs, providing Iowa Northern shippers with single line benefits to all Union Pacific destinations. We anticipate significant growth to IANR as a consequence. We believe that these opportunities will grow, particularly to the feedlots and other grain consumers and export points on the combined Union Pacific and Southern Pacific lines.
 - ii. Service Benefits from Combined Systems
 - Shorter, More Efficient and Direct Routes. Iowa Northern shippers should benefit from the combined routes to western U.S. feedlots in Texas, Utah, Colorado, etc. as well as export facilities in the Bay Area of California.
 - (2) Improved Intermodal Service for Export Agricultural Products and implements generated from Iowa Northern points.

Iowa Northern's market area now generates a substantial volume of intermodal soybeans as well as tractors for export. We hope to encourage growth

in this area for our line to share, particularly with additional intermodal service anticipated with the transaction. Enough additional traffic should be generate to support a container stuffing/loading operation on IANR for feeding to Union Pacific.

- (3) Terminal Coordination/Pre-Blocking of IANR traffic. We anticipate greater use of the Spine Line as well as the East West main line of the former C&NW lines of Union Pacific. This should generate additional overhead traffic on Iowa Northern under existing overhead agreements, as well as provide greater train frequency at common points where Iowa Northern connects with Union Pacific. We believe Iowa Northern originated Grain will be handled more efficiently under the higher density operations of Union Pacific.
- (4) Route Specialization/Capacity Optimization. Union Pacific will have greater options for handling traffic generated by Iowa Northern with the additional corridors of Southern Pacific, nc tably the Kansas City-Tucumcari-El Paso line and the former Denver and Rio Grande line through Colorado and Utah.
- (5) Mexico.

Mexico is a market opportunity for agricultural goods that will be waiting to happen. Iowa Northern shippers will be anxious to tap that new market.

(6) Better Equipment Utilization.

Grain cars are desperately short. We are confident that the Union Pacific/Southern Pacific combination will allow greater use of dedicated unit trains for the movement of grain from Iowa Northern to western U. S. points.

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(7) New Markets.

As previously mentioned Iowa Northern shippers will be anxious to tap into the more numerous domestic and export markets directly provided to them through Union Pacific's acquisition of Southern Pacific.

- b. Competitive Benefits
 - Meeting the Competitive Challenge of BN/Santa Fe. Without a direct connection to BN/ATSF, Iowa Northern cannot tap into western and export markets without Union Pacific. Having Southern Pacific points available as a single line haul will be highly beneficial to Iowa Northern shippers.

ii. Stronger Competition Generally.

UP/SP partnership with Iowa Northern and other short lines will give a tremendous boost to the short line markets within the railroad industry and should go far in aiding in the long term health of short lines.

iii. Competition with Other Modes.

Increased rail traffic will save Federal and State Governments substantial funds in decreased highway deterioration and build sooner costs. This will make a small step toward competitive parity among transportation modes. The railway industry will have a minor boost against the highly unfair federal and state subsidies of trucking with our current highway policies. We believe that the UP/SP combination will provide much more truck competitive rates for the movement of grain and implements originated on Iowa Northern, which will allow more traffic and greater stability to our company. c. The Assurance of Long-Term Quality Service for IANR-UP-SP Shippers.

> A short line like Iowa Northern is only as good as its connecting carriers. A stronger Union Pacific will result in a stronger Iowa Northern.

- 5. We believe that the proposed merger will provide significant benefits to shippers. Our company strongly supports the application.
- Iowa Northern requests ICC recognition as an interested party in favor of this transaction.
- 7. Address of Iowa Northern:

Daniel R. Sabin, President Iowa Northern Railway Company 17177 North Laurel Park Drive Suite 423 Livonia, MI 48152

Daniel R. Sabin, President Iowa Northern Railway Company

VERIFICATION

I, Daniel R. Sabin, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on October 2, 1995.

4 lim Daniel R. Sabia, President

Witness:

llins Nicole Collins

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H

VERIFIED STATEMENT OF GREG CUNDIFF

ON BEHALF OF IRONHORSE RESOURCES, INC., SOUTHERN SWITCHING COMPANY, RIO VALLEY SWITCHING COMPANY and RAILROAD SWITCHING SERVICE OF MISSOURI, INC.

My name is Greg Cundiff. I am President and owner of Ironhorse Resources, Inc. ("Ironhorse") with an office address of 103 N. Oak, O'Fallon, Illinois 62269. I have owned and managed Ironhorse for approximately five (5) years. I have a total of approximately eight years of railroad experience.

Ironhorse is the parent company of and manages three railroads which switch traffic to and from Union Pacific Railroad Company ("UP"). Rio Valley Switching Company provides switching service in Harlingen, Texas; Southern Switching Company provides switch service in Abilene, Texas, and Railroad Switching Service of Missouri switches traffic to and from UP in St. Louis, Missouri. The three Ironhorse affiliated railroads serve a total of approximately 70 rail customers and switch diverse commodities such as paper and paper products, lumber, fresh vegetables and scrap. The railroads switch a total of approximately 6,700 cars annually in Harlingen, Abilene and St. Louis.

I support the proposed merger of UP and the Southern Pacific Railroads ("SP") on behalf of Ironhorse Resources and the three affiliated railroads. Dependable rail service is a key requirement of our affiliated railroads and the customers which are served by the railroads. I believe that the merger of UP and SP will promote dependable rail service and will be in our best interest and in the best interest of the shippers who are served by the Ironhorse railroads.

Merger of UP and SP will give our customers in Harlingen, Abilene, and St. Louis greater access to direct, single-line service to SP-served origins and destinations. Our customers in Texas and St. Louis currently do not have access to direct rail routes to California. This merger will give them single-line access to important new California destinations such as Los Angeles and San Diego for shipment of commodities such as fresh vegetables, lumber, grain products and diesel fuel. This efficient single-line access is very important to our customers as a means of opening up new markets. Direct access to these new markets will enhance our customers' ability to increase their traffic resulting in new business for them and for the Ironhorse railroads.

The UP-SP merger will give our customers access to a larger pool of rail cars for their shipments. Because of the resulting more-direct and efficient access to existing and new markets, the cars should make quicker turns for reloading, resulting in better car utilization which will benefit our customers, rail customers generally, the Ironhorse railroads and UP/SP.

In addition to the benefits to our customers and the Ironhorse railroads, the efficiencies and better service which will result from the UP-SP merger will permit the consolidated railroad to compete more effectively with the recently merged BN/SF rail system.

2

On behalf of Ironhorse Resources, Inc., Rio Valley Switching Company, Railroad Switching Service of Missouri, Inc. and Southern Switching Company, I request the Interstate Commerce Commission to approve merger of Union Pacific Railroad Company and the Southern Pacific Railroads. STATE OF ILLINOIS

) \$5:

COUNTY OF ST. CLAIR

GREG CUNDIFF, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated.

SUBSCRIBED and sworn to before me this 27 day of October , 1995.



Karen Brown Notary Public Expiration 11/3/97

GALAWADMUDA CUNDIFF VS



121 SW Morrison St. Suite 1500 Portland, OR 97204

Ph: 503/274-7100 Fax: 503/274-8787

VERIFIED STATEMENT

OF

MARIA GRIFFITH on behalf of

KLAMATH NORTHERN RAILROAD

My name is Maria Griffith, Traffic Manager for Crown Pacific Lumber, L.P., headquartered out of Portland Oregon. Crown Pacific Partners own and operate the KLAMATH NORTHERN RAILROAD. As the Traffic Manager for Crown Pacific Lumber, L.P., my responsibilities include analyzing transportation options, negotiating contracts and maintaining high quality transportation service, as well as representing the Klamath Northern Railroad transportation needs. I believe the proposed merger between Union Pacific and Southern Pacific (Finance Docket 32760), will be in the best interests of Klamath Northern Railroad as well as other shortline railroads.

Klamath Northern Railroad is a shortline railroad located in the coastal mountain range of Oregon. The Klamath Northern Railroad resumed operations in October of 1994 and interchanges approximately 200 cars in 1994 and 700 cars in 1995 with Southern Pacific over Gilchrist Jct., Oregon.

I am providing this statement in support of the Union Pacific Railroad application acquire Southern Pacific, F.D. No. 32760.

The following are major reasons for my support of this application.

UP /SP ROUTE EFFICIENCIES

The UP/SP combination will provide more efficient routes along the I-5 corridor into Southern California. This translates into shorter transit times that will enable our customers to better compete in the Southern California market place.

UP/SP EQUIPMENT SUPPLY

The Klamath Northern is dependent on the Southern Pacific for the supply of rail cars needed by our customers. A merged UP/SP railroad will not only have a much larger supply of cars to satisfy our customers needs, but the new railroad will have a more diversified pool of equipment to help our customers be more competitive in new markets.

UP/SP FINANCIAL CAPABILITY

Unlike the SP the UP has a very long history of profitable operations. The UP profit base is capable of making the necessary investments to be competitive. The SP has been crippled for some time by low profit margins in its effort to make the necessary capital expenditures. The UP will be able to provide the necessary resources for the desperately needed SP capital improvements.

UP/SP COMPETITIVE PARTNERSHIP

A UP/SP railroad will offer more efficient and competitive services that will allow our customers to reach new markets that they are unable to reach today. The new UP/SP combination will extend our customers' reach, allowing them to ship more products on the Klamath Northern. Our customers will be able to reach farther to new sources of raw materials that they can not competitively do today on the Southern Pacific.

For these reasons, we strongly support the combination of UP and SP, and urge the ICC to approve the application.

I. Maria Griffith, declare under penalty of perjury that the foregoing is true and correct. I certify that I am gualified and authorized to file this verified statement. Executed on October 27, 1995.

Maria Griffith



KYLE RAILROAD COMPANY

A Subsidiary of KYLE RAILWAYS, INC.



Verified Statement of Dan Lovelady on behalf of Kyle Railroad Company

My name is Dan Lovelady. I am the General Manager of the Kyle Railroad Company with its principal office located in Phillipsburg, Kansas. I have twenty years experience in the railroad industry with McCloud River Railroad, Eastern Alabama Railroad, and the Kyle Railroad Company. I am familiar with the rail transportation needs of our shippers.

The Kyle Railroad Company is a regional railroad consisting of approximately 750 miles of main line serving the northeastern Kansas area. We currently interchange with Union Pacific, BN and SF (now BNSF). The principal commodities we handle for our shippers are grain destined to points in Kansas and the Gulf states and roofing materials to points throughout the United States.

We understand that Union Pacific and Southern Pacific are requesting authority to merge their two rail systems. We support this application.

Single line service from our point of interchange to destination has many advantages for us and our shippers. Single line service as a result of a merger not only opens new markets to such service, existing service becomes more efficient. Routes are rationalized, terminals are consolidated and improved, intermediate handling is reduced, and traffic management and operation is more efficient and coordinated. The results are reduced transit time, improved cycle time, increased equipment utilization and supply, and more efficient and reliable schedules and service. These benefits accrue directly to us as a connection and to our shippers. In addition to the overall benefits of enhanced service available to our shippers, there are at least two special benefits they will enjoy. First, our grain shippers will gain new and enhanced markets by direct access to Southern Pacific served points throughout its system. Second, our customers can ship loads to new destinations on SP in the Gulf Coast region.

We are also extremely pleased by the announced settlement agreement between UP/SP and BNSF. In addition to assuring a vigorous competitive environment for rail transportation in the western United States, it gives our shippers access to competitive rail service through the central corridor via BNSF to BNSF points which could not reasonably be reached otherwise. This settlement, which insures two strong rail competitors in the West, is preferable to the situation where smaller and weaker carriers are created or introduced to correct perceived problems. We support the settlement.

The combination of the financially sound and technologically up to date UP with the route structure and market reach of SP will result in a strong competitor able to compete with the newly merged BNSF in the transportation market for the long term.

Our company heartily endorses the Union Pacific and Southern Pacific application for merger and urge its approval.

I, Dan Lovelady, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed this 20th day of October, 1995.

Lovelady

Dan Lovelady General Manager

VERIFIED STATEMENT

OF

FORREST L. BECHT on behalf of Louisiana & Delta Railroad, Inc. and Genesee & Wyoming Switching Services, LP

1. Name, title, responsibilities and credentials:

Forrest L. Becht President & General Manager Louisiana & Delta Railroad, Inc. & GWI Switching Services, LP 402 West Washington Street New Iberia, LA 70560 (318) 364-9625 Fax (318) 369-1487

Louisiana & Delta Railroad, Inc. (LDRR) was formed in March, 1987 out of approximately one hundred (100) miles on non contiguous Southern Pacific Lines branch lines located along SP's main New Orleans to Houston line in south - central Louisiana. LDRR is based in New Iberia, Louisiana and in 1995 handled almost 14,000 car loads of business as compared to an annual average of 6,500 at the time start - up in 1987.

I have held the position of General Manager of LDRR since January, 1987. The additional duties of President were given me in 1993.

GWI Switching Services, LP (GWSS) was formed in 1993 to provide industrial switching capability to plants and railroads. Currently GWSS is constructing and operating a 3,000 car slot storage yard on a contract with Southern Pacific Lines. The yard is located in Dayton, Texas and provides car space to store and stage loaded plastic pellet covered hoppers. I have held the position as President of GWSS since the Company was formed in 1993. My responsibilities with LDRR and GWSS cover the entire operation, administration and bottom line financial performance of the companies.

I have been in the rail transportation industry for almost thirty (30) years. Prior to accepting my current assignments I held managerial and supervisory positions in the Mechanical and Operating Departments of the New York Central, Santa Fe and Ann Arbor Railroads. In addition to those experiences, from 1983 - 1986 I was under contract with the U. S. Department of Transportation as an advisor to the Saudi Railways Organization in Dammam, Saudi Arabia. I was also a Regional Manager for Relco Locomotives, a locomotive leasing company.

Education:

Bachelor of Applied Science, 1965 University of Houston, Houston, Texas

2. Description of Companies:

The Louisiana & Delta Railroad currently handles approximately 14,000 car loads of business annually which is interchanged with the Southern Pacific at New Iberia and Schriever, Louisiana. LDRR customers include three (3) carbon black plants, two (2) rice mills, four (4) sugar mills, one (1) paper mill, one (1) sugar refinery, three (3) salt mines, three (3) small ports, one (1) pipe coating company and a variety of smaller customers in the area. Our only connection is with the Southern Pacific.

As stated above, GWI Switching Services currently operates a 3,000 car slot storage yard on a contract with CMC, Dayton. Texas and the Southern Pacific. GWSS is also bidding on several in - plant switching opportunities in the area.

3. Statement of Position on UP/SP Merger:

We believe that the Union Pacific and Southern Pacific merger is in the best interests of our customers as well as LDRR and GWSS. The combined carrier will provide top - quality rail service as well as the financial strength to sustain the growth and investment required to ensure long term stability.

4. Supporting Reasons:

Service benefits to our customers will be the most important end result of the merger. Single line service and more efficient use of available routes will benefit our customers and assist us in marketing the use of rail transportation in our area.

Several of our customers ship products to destinations served by the UP. Since the shipments originate on the SP/LDRR the involvement of two large railroads (UP & SP) in the line haul has historically made it more difficult for these customers to ship from origin by rail. They have either trucked to a UP loading site or not shipped rail at all. Now, with the single line service to these destinations, we have more of an opportunity to realize a gain in traffic from the originating point on LDRR. The primary example of this is industrial molasses (used in cattle feed) which is shipped to midwest destinations on the UP from sugar mills we serve.

5. Mexico:

The growing NAFTA potential is another area where the proposed merger should help our customers. Many of LDRR's customers are attempting to penetrate the NAFTA market in Mexico. The merger will bring together the efforts of the two (2) railroads (UP and SP) which have spent the greatest effort in developing the resources to grow this market. By providing the rail transportation network to support the movement of our customers products into this area, the UP/SP merger will help us grow our business. Commodities we handle which could be affected are: rice, carbon black, salt and raw sugar.

 I expect business opportunities to grow for both Louisiana & Delta Railroad and GWI Switching Services, as well as for our customers due to the merger of the Union Pacific and Southern Pacific.

L Beett

Forrest L. Becht President & General Manager - Louisiana & Delta Railroad, Inc. & GWI Switching Services, LP

I, Forrest L. Becht, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on September 8, 1995.

1. Bett

VERIFICATION

STATE OF LOUISIANA)) PARISH OF LAFAYETTE)

Forrest L. Becht, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

ett

Forrest L. Becht

Subscribed and sworn to before me this _____ day of _____, 1995.

1.1 an. C. Notary Pubic

CHERYLA. BARRAS - NOTARY PUBLIC LAFAYETTE PARISH, LOUISIANA MY COMMISSION IS FOR LIFE



BEFORE THE

INTERSTATE COMMERCE COMMISSION

UNION PACIFIC CORPORATION,	}	
UNION PACIFIC RAILROAD COMPANY	}	
and MISSOURI PACIFIC RAILROAD	}	FINANCE DOCKET
COMPANY - Control and Merger	}	NO. 32760
SOUTHERN PACIFIC RAIL CORPORATION	}	
SOUTHERN PACIFIC TRANSPORTATION	}	
COMPANY, etal.	}	

VERIFIED STATEMENT

OF

RICHARD D. BERTEL

ON BEHALF OF

NEBRASKA CENTRAL RAILROAD COMPANY

2480 33rd Avenue 🌲 Columbus, Nebraska 68601 🌻 Phone (402) 562-6155 👙 Fax (402) 562-7501

My name is Richard D. Bertel and I am the President and Chief Executive Officer of NEBRASKA CENTRAL RAILROAD COMPANY (NCRC). My business address is 2480 33rd Avenue, Columbus, Nebraska 68601. I have held this position since operations began on June 27, 1993. As President of NCRC I am thoroughly familiar with its operation, the nature of its traffic and shippers, and present interchange capabilities with the Class I railroads with which NCRC now connects, including the Union Pacific Railroad and the Burlington Northern Santa Fe Railroad.

I began employment in this industry with Missouri Pacific Railroad Company in 1971, first serving in the maintenance of way department, then in the mechanical department. During the early 1980's I founded TRAX ENGINEERING & ASSOCIATES, INC., a civil engineering and consulting firm specializing in the evaluation, structuring and formation of shortline and regional railroad properties throughout the U.S. and South America. In 1990 I became President of WICHITA, TILLMAN & JACKSON RAILWAY COMPANY, a 100.2 mile grain hauling and industrial shortline railroad in southwestern Oklahoma and north Texas. In 1993 I became Chairman and Chief Executive Officer of IDAHO NORTHERN & PACIFIC RAILROAD COMPANY, a 295.0 mile regional railroad in Idaho and Oregon serving the forest products industry. I am authorized to make this verified statement on behalf of NCRC in support of the proposed merger of UP/SP.

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NCRC is a rail common carrier operating approximately 285 miles of track in the state of Nebraska. The network over which NCRC operates was leased from UPRR in mid 1993 and operations began on June 27, 1993 pursuant to authority granted by the ICC. NCRC hauls agricultural products (primarily corn and soybeans) as well as scrap, finished steel products, fertilizer, chemicals, tallow, and miscellaneous general freight. It serves a variety of shippers both large and small including Cargill, Inc., Agrex, NIK Group, Scoular Grain, Belgrade Grain, Ochsner Grain, Affiliated Foods, IBP and Nucor Steel Corp.

Its operations are headquartered in Columbus, Nebraska, and serves communities such as Columbus, Norfolk, Albion, Madison, Monroe, Ord, St. Paul, St. Edward, Shelby, Stromsburg, with a number of other rural locations which significantly contribute to both our traffic and revenue as well as the rich agricultural areas of north central and northeastern Nebraska.

NCRC is submitting this statement in support of the proposed merger between UP and SP because it believes that such a merger would be of benefit to the shippers and receivers it serves. There should be positive benefits to the shipping public and to shortline and regional railroads such as NCRC from this merger. NCRC believes the combination of the two carriers would provide additional competitive rail service between our Nebraska shippers and Pacific Northwest destinations and destinations in southern and central California. We believe that this merger will provide

a healthier competitive environment in light of the recent BN/SF merger. Additionally, with the acquisition of CNW by UP earlier this year, it is our hope and belief that agricultural shippers such as those found on NCRC may enjoy elevated status and importance relative to additional markets and opportunities when compared to their pre-merger status.

The merger may also provide a source of additional equipment for our shippers through the combination of the car fleets of UP and This would be of significant benefit to NCRC and SP. its during traditional times of car customers shortage in agricultural areas such as ours. The merger should allow UP and SP to be more flexible and efficient in the use of rolling stock and motive power on a combined basis. The consolidation, which has been and is taking place in the west, should improve transit and terminal times, which in turn should improve equipment utilization and future investment in specialized equipment. This is particularly important to many of our shipper with their own private car fleets. The more direct routings available under the proposed merger should reduce cycle times enabling our private car shippers to better manage their equipment, reduce financing uncertainties, reduce maintenance costs and extend equipment These same benefits should also accrue to the merged life. UP/SP, thus facilitating more competitive pricing for transportation services provided, which will obviously benefit our shippers. NCRC also believes the proposed merger should expand the breadth of marketing opportunities available to our

shippers. The combined system should allow for simplified pricing and accounting administration, uniform information systems and quantum improvements in customer service. This should become reality because of single source responsibility for these functions and more singular accountability within a broader geographic area. Further, NCRC believes that this combination will preserve competition through the comprehensive agreement reached with BNSF to preserve and enhance rail competition following the UP/SP merger, as announced on September 26, 1995.

NCRC believes this merger would be in the public interest as it would further move the concept of "seamless" railroad service toward actualization, it would provide more financially stable competitors in the arena of competition, and should allow more customer sensitive utilization of transportation assets. NCRC therefore supports this application by UP and SP to complete the proposed consolidation and urges its early approval.

VERIFICATION

STATE OF TEXAS

COUNTY OF TARRANT

Richard D. Bertel, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Rout Richard D. Bertel

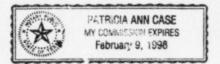
Subscribed and sworn to before me this 29th day of September, 1995.

atricen an Case

Notary Public

My Commission Expires:

Fillmary 9, 1998



NORTH COAST RAILROAD

October 12, 1995

VERIFIED STATEMENT

OF

EDWARD M. McLAUGHLIN DAVID R. HEBERT on behalf of NORTH COAST RAILROAD

- Edward M. McLaughlin is the Chief Executive Officer, and David R. Hebert, General Manager for the North Coast Railroad, 4 West 2nd Street, Eureka, CA 95501, (707) 444-8055; Fax (707) 441-1324.
- 2. The North Coast Railroad (165 miles long including branch lines) is the only railway into Northwestern California. Our system operates between Willits and Eureka, Calif. The company annually ships 4,000+/- cars primarily hauling finished lumber and related building materials, powered milk, rock and other general merchandise to markets throughout the Western United States and California. We interchange our freight to the California Northern Railroad (CFNR) at Willits where it is delivered to Suisun-Fairfield for interchange with the Southern Pacific Railroad (SPRR). The NCRR and the CFNR represent the only railroad infrastructure into Northwestern California. It is therefore very important for our operations to have a stronger and more diversified interchange partner, i.e. a merged SP/UP Railroad.
- 3. The NCRR fully understands that Union Pacific and the Southern Pacific are requesting authority to merge. We support this as a means of improving service and strengthening competition. When the BN/ATSF merger was announced over 18 months ago, it was Edward M. McLaughlin's personal opinion that the only strategic planning option open to Union Pacific was to either take over the struggling Southern Pacific or merge with a major east Coast Based Carrier. Southern Pacific was my first choice as a suitable partner.
- 4. In terms of supporting this merger, we see the Southern Pacific's car supply and general dependability should be improved with stronger and more decisive management style found on the Union Pacific. More to the point, this merged Class I railroad may be more responsive to the NCRR and its shippers in terms of timely car supply and equipment utilization.

Verified Statement October 12, 1995 Page 2 of 2

- 5. The combined strengths of both the UP / SP Railroads should provide both more rapid service and a larger synergistic transportation network for all connecting short lines and related shippers. Additionally these short lines and shippers alike should enjoy expanded market opportunities with a more diverse single line movement.
- 6. In summary, the North Coast Railroad and its shippers depend on the services of the Southern Pacific Railroad. Generally speaking, we believe the merger of Southern Pacific with the Union Pacific will improve rail transportation for Northwestern California.

VERIFICATION

We, Edward M. McLaughlin, and David R. Hebert, jointly declare under penalty of perjury that the foregoing is true and correct. Further we certify that we am qualified and authorized to file this verified statement. Executed on October 13, 1995.

Edward M. McLaughlin Chief Executive Officer

David R. Hebert General Manager

North Coast Railroad, 4 West 2nd Street, Eureka, CA 95501, Phone (707) 444-8055; Fax (707) 445-1324

PIONEER RAILCORP

1318 SOUTH JOHANSON ROAD • PEORIA, ILLINOIS 61607 • (309) 697-1400

September 19, 1995

VERIFIED STATEMENT OF GUY L. BRENKMAN ON BEHALF OF PIONEER RAILCORP AND SUBSIDIARIES FORT SMITH RAILROAD CO. AND MINNESOTA CENTRAL PAILROAD CO.

1. Witness's name, title, responsibilities and credentials

Guy L. Brenkman is the President/CEO of Pioneer Railcorp and the two railroads mentioned in this statement, the Fort Smith Railroad and the Minnesota Central Railroad. The address of Pioneer and the subsidiary railroads is 1813 S. Johanson Road, Peoria Illinois 61607. Guy L. Brenkman is responsible for the daily management of eight short line railroads totaling over 400 route miles that handle in excess of 22,000 car loads of rail traffic yearly. He has worked in this capacity since 1988 for Pioneer Railcorp.

2. Description of company, its products, facilities, traffic patterns, and use of rail transportation.

The Fort Smith Railroad Co. interchanges rail traffic with Union Pacific at Fort Smith Arkansas and the Minnesota Central Railroad Co. interchanges traffic with Union Pacific (former C&NW) at Minneapolis St. Paul, Minnesota.

Many products handled by both railroads are routed long distance over UP including grain, fertilizers, food stuffs, steel, paper products, insulation, alcohol, frozen foods and military traffic.

3. Statement of Position on the UP/SP merger

Pioneer Railcorp and it's eight subsidiaries including the Fort Smith Railroad and the Minnesota Central Railroad strongly support the UP/SP merger and view the proposed merger as a means of improving service and strengthening competition for Pioneer's railroads and customers.

As a short line company we welcome this merger because we feel we will receive top quality service from an enlarged and financially secure carrier with single line access to numerous points. As a short line operator single line access reduces rates for our customers and greatly speeds movement of rail cars across country.

We feel without a doubt that the merger would be in the best interest of our companies and the shippers we serve. We totally endorse the UP/SP application.

4. Supporting reasons

We believe service levels will greatly increase for our railroads and our customers with a single line system versus the present two. We believe our customers will benefit from a single pricing system and that more competitive rail rates will transpire because of a single system.

As a merged system the UP/SP system would off set the competitive BN/ATSF system and the trucking industry providing strong competition to both resulting in better service and rates for the short line customers we serve.

In addition we believe shorter and more direct routes will become available to our customers reducing transit times which are often critical. Also, we believe the equipment of both railroads merged together in particular rail cars will enhance the ability of short lines to have better access to empty cars for loading purposes, again, helping our customers needs.

5. Conclusion

We strongly believe that the proposed merger will provide significant benefits to our short lines and our customers. Pioneer Railcorp and subsidiaries supports the application and urges the Commission to act favorably upon the application.

I, Guy L. Brenkman, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on September 19, 1995.

President CEC

VERIFICATION

STATE OF Illinois COUNTY OF Peoria

Guy L. Brenkman, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Guy L. Frenkman

Subscribed and sworn to before me this 19th day of September 1995.

Notary Public

My Commission Expires:

3.29.98

OFFICIAL SEAL J. MICHAEL CARR NOTARY PUBLIC, STATE OF ILLINGIS MY COMMISSION EXPIRES 3-20-41



PORT OF PEND OREILLE dba PEND OREILLE VALLEY RAILROAD

1981 Black Road, Usk, WA 99180 • (509) 445-1090 • 445-1750 • FAX: (509) 445-1522

VERIFIED STATEMENT OF .L. SHANKLIN on behalf of THE PEND OREILLE VALLEY RAILROAD

My name is Robert L. Shanklin. I am the Railroad Operations Manager for the Port of Pend Oreille, dba Pend Oreille Valley Railroad (POVA). Our office is located at 1981 Black Road, Usk, WA. 99180.

POVA is a short line railroad located in Northeast Washington, we currently operate 61 miles of railroad and serve one customer on a regular basis. POVA has been in operation since 1979, and its traffic base was 3,238 carloads in 1993 and 2,886 carloads in 1994.

We currently interchange only with the Burlington Northern Railroad in Newport, WA. I am providing this statement in support of the Union Pacific Railroad application to acquire Southern Pacific F.D. No. 32760. We would benefit from that merger because the competitive pricing authority granted to UP/SP under the settlement we understand it has reached with BNSF would allow UP/SP to quote through rates from Newport, WA, to key destinations south of Portland, OR., including California and the Southwest.

Allowing the UP/SP to quote rates from Newport, WA., to the destinations served by our customer will increase the competition between the two (2) remaining major Western rail systems thus offering our customer a more economical means of shipping their product by rail.

The following are the major reasons for my support of this application:

- UP/SP better Central Corridor service
- UP/SP better car supply and equipment utilization
- UP/SP stronger financial capability
- UP/SP more efficient, competitive partner for POVA
- UP/SP greater technical support

The combinations of carriers in the West during the last 20 years have occurred against a backdrop of ever increasing rate and service benefits for shippers. The combinations themselves created many of the efficiencies, which have been passed on to shippers. It is our hope that the efficiencies generated by the UP/SP will also accrue to the benefit of short lines and in turn to short line customers.



Better Central Corridor Service:

Combining UP and SP routes between Northern California and the Midwest substantially reduces both the route miles and the mountainous grades that must be traversed on the Central Corridor. Fewer route miles and lesser grades translate into shorter transit times, which can be much more reliably achieved. With these benefits, our customers can in turn be more competitive in their respective markets.

Better Car Supply and Equipment Utilization:

As a short line, POVA is dependent upon Southern Pacific for the major portion of freight cars required by our customer. The much larger UP system has a bigger inventory of equipment from which these requirements can be met. Additionally, because of the routing efficiencies inherent in the combination, UP/SP should be able to achieve better utilization of its equipment, a benefit which should translate into more equipment availability for POVA customers.

Stronger Financial Capability:

Profit streams that support the capital investment requirements of railroad operations, including replacement and new technology investments, are required in order to keep transportation costs in line and services competitive. UP has had an extensive record of profitable operations over a long period of time; SP has been hamstrung by low profit margins in its effort to put in place the capital improvements required for competitive service. The combination with UP should provide the capital resources for these needed improvements.

A More Competitive Partner for POVA:

We understand that UP/SP and BNSF have entered into a settlement agreement that would allow UP/SP to quote competitive rates from certain BNSF-served points in the Pacific Northwest, including Newport, WA, for movements to destinations in the Pacific Northwest (South of Portland), California, and the Southwest. By creating competition for the pricing of shipments from our customer in Newport, these new rights would allow our customer to ship more products via POVA at a more competitive rate.

Stronger Service Performance:

In a very real sense, POVA's service is no better than that of its main line connections. During a decade of cash losses, SP has not had the capability to invest in its plant as UP has done. The result has been major service shortfalls in transit time and transit time consistency versus not only UP, but BN and Santa Fe as well. Both of these measures will improve with SP's combination with UP.

Better Technical Support:

Improved technical surport for POVA is expected such as in the are of car tracing when just-in-time delivery commitments are becoming standard business practice.

For these reasons, I strongly support the combination of UP and SP, and urge the ICC to approve the application.

VERIFICATION

I, Robert L. Shanklin, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on <u>Norember 9</u>, 1995.

Robert L. Shanklin, POVA Railroad Operations Manager

VERIFICATION

STATE OF: WASHINGTON COUNTY OF: PEND OREILLE

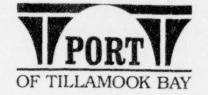
ROBERT L. SHANKLIN, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Robert L. Shanklin

Subscribed and sworn to before me this <u>4.11</u> day of November, 1995

RENEE L. MORTENSEN STATE OF WASHINGTON NOTARY ----- PUBLIC My Commission Expires 1-18-98

My Commission Expires: 8198



VERIFIED STATEMENT

OF

JACK CRIDER on behalf of PORT OF TILLAMOOK BAY RAILROAD

My name is Jack Crider, General Manager of Port of Tillamook Bay Railroad (POTB), a shortline railroad in the State of Oregon, with the office located at 4000 Blimp Blvd., Tillamook, OR 97141

The POTB is a shortline railroad located on the Oregon Coast between Tillamook and Hillsboro, with connections and interchanges with Southern Pacific lines at Mahan. We currently operate 108 miles of railroad which serves 6 customers on a regular basis.

POTB purchased the line in 1990 from Southern Pacific, and its traffic base was 1,721 carloads in 1993, and 2,429 in 1994. Our customers ship a variety of commodities, including lumber and grain products. Major origins are Tillamook and Banks, Oregon, and destinations vary.

I am providing this statement in support of the Union Pacific Railroad application to acquire Southern Pacific, F.D. No. 32760.

The combination of the Union Pacific and Southern Pacific will complete a round of railroad consolidations which started over 20 years ago. With ICC approval, the remaining two major western rail systems will provide strong competition for each other and for motor carriers. This is good news for shippers and shortlines, and in particular, for POTB.

The following are the major reasons for my support of this application:

- UP/SP better Central Corridor service
- UP/SP better car supply and equipment utilization
- UP/SP stronger financial capability
- UP/SP broader route network bigger system
- UP/SP more efficient, competitive partner for POTB
- UP/SP stronger service performance
- UP/SP greater technical support
- UP/SP creating more shortlines out of redundant lines

The combinations of carriers in the West during the last 20 years have occurred against a backdrop of ever increasing rate and service benefits for shippers. The combinations themselves created many of these efficiencies, which have been passed onto shippers. I anticipate that the efficiencies generated from UP/SP will also accrue to the benefit of shortlines and in turn to shortline customers.

BETTER CENTRAL CORRIDOR SERVICE:

Combining UP and SP routes between Northern California and Midwest substantially reduces both the route miles and the mountainous grades that must be traversed on the Central Corridor. Fewer route miles and lesser grades translate into shorter transit times, which can be much more reliably achieved. With these benefits, our customers can in turn be more competitive in their respective markets.

BETTER CAR SUPPLY AND EQUIPMENT UTILIZATIONS:

As a shortline, POTB is dependent upon Southern Pacific for the major portion of freight cars required by our customers. The much larger UP System has a bigger inventory of equipment from which these requirements can be met. Additionally, because of the routing efficiencies inherent in the combination, UP/SP should be able to achieve better utilization of its equipment -- a benefit which should translate into more equipment availability for POTB customers.

STRONGER FINANCIAL CAPABILITY:

UP has had an extensive record of profitable operations over a long period of time. Profit streams that support the capital investment requirements of railroad operations, including replacement and new technology investments, are required in order to keep transportation costs in line and services competitive. SP has been hamstrung by low profit margins in its efforts to put in place the capital improvements required for competitive service. The combination with UP will provide the capital resources for these needed improvements.

BROADER ROUTE NETWORK:

The UP/SP System will involve a much broader route network, capable of providing single-line rail service for POTB customers in geographic areas that SP has not served. That is, Minneapolis, Seattle, Spokane, Omaha, Des Moines and other major markets will be much more accessible to our customers.

Furthermore, our customers increasingly will depend upon such a broad network as UP/SP will provide to remain competitive with firms served by the newly fashioned BN/SF system.

A MORE COMPETITIVE PARTNER FOR POTB:

A much more efficient, competitive UP/SP will substantially increase the markets that POTB customers regularly serve. That is,

the combination will extend our customers reach, and enable them to ship more products via POTB to these new markets. Similarly, they will be able to obtain materials at sources which SP has not served.

STRONGER SERVICE PERFORMANCE:

In a very real sense, POTB's service is no better than that of its main-line connection. During a decade of cash losses, SP has not had the capability to invest in its plant as UP has done. The result has been major service shortfalls in transit time, and transit time consistency versus not only UP, but BN and Santa Fe as well. Both of these measure will improve with SP's combination with UP.

BETTER TECHNICAL SUPPORT:

A strong plus for SP served shortlines and their customers arising from the combination will be the enhanced technical capability which UP makes available to its shortline partners. SP's information systems lag far behind UP's in terms of capability and customer utility. POTB expects that services such as car tracing will be greatly improved. Such a development has great merit in an age when just-in-time delivery commitments are fast becoming standard business practice.

CREATION POTENTIAL FOR SHORTLINES:

The combination and that of the BN/SF will create the possibility for new regional and shortline railroads from overlapping or redundant tracks of the merged railroads. POTB expects to be active in the process of evaluating these opportunities for new affiliate railroads. In general, shortlines have been successful in producing ongoing rail services for customers on light density lines.

For these reason, I strongly support the combination of UP and SP, and urge the ICC to approve their application.

Respectfully,

Jack Crider, General Manager

> I, Jack Crider, 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.

ghich

VERIFICATION

State of Oregon)) ss COUNTY OF TILLAMOOK)

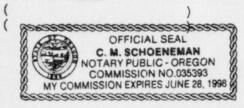
I. Jack Crider, being first duly sworn, depose and say that I have read the foregoing document, know the facts asserted therein, and that the same are true as stated. //

Jack Crider

Subscribed and sworn to before me this 10th day of October, 1995.

enem Notary Public

SEAL



VERIFIED STATEMENT OF DANIEL T. McSHANE

ON BEHALF OF RAILTEX SERVICE COMPANY, INC. AND RAILTEX'S 25 SUBSIDIARY RAILROADS

My name is Daniel T. McShane. I am employed as Vice President -Acquisitions and New Venture Development for RailTex Service Company, Inc. ("RailTex") with a business address of 4040 Broadway, Suite 200, San Antonio, Texas 78209. I have been employed by RailTex for approximately 4½ years and I have held the prior position of Vice President - Sales and Business Development with RailTex. From March, 1976 through May, 1991, I was employed by Union Pacific Railroad Company ("UP") and UP's corporate affiliate Missouri Pacific Railroad Company. I have a total of approximately 19½ years of railroad experience.

RailTex was formed in 1977 as a rail car leasing business. RailTex now is involved in managing 25 short line railroads operating over 3,300 miles of track in the United States, Canada and Mexico. In 1994, the RailTex railroads transported approximately 253,000 carloads of commodities, consisting of numerous and diverse commodities such as coal, grain, lumber, paper, aggregates and consumer products. The attachment to my statement provides details regarding the RailTex railroads.

I am submitting this verified statement on behalf of RailTex and RailTex's subsidiary railroads in support of the proposed merger of UP and the Southern Pacific Railroads ("SP"). Based on my 191/2 years of railroad experience, it is my opinion that consolidation of these two railroad systems will result in significant benefits to the RailTex railroads and their shippers, and that the merger should be approved by the Interstate Commerce Commission.

The merger will consolidate the financially strong UP system with the weaker SP system, a field result in a more viable and stronger combined system, capable of providing improved service. This is very important to us because the RailTex railroads connect with SP at five locations in the States of California, Oregon and Texas. I think it clear that, by itself, SP cannot compete over the long term with the recently merged BN/SF System. Our ability to connect with a financially strong and viable railroad is critical to RailTex's ability to provide long-term, top-quality service to our customers.

The consolidation should permit numerous service improvements including increased availability of equipment, improved cycle times for equipment, shorter routes in important corridors, and greatly increased opportunities for single system service.

There are four RailTex railroads operating in Texas: Austin & Northwestern Railroad ("AUNW"), Texas - New Mexico Railroad ("TNMR"), Texas Northeastern Railroad ("TNER") and Dallas, Garland and Northeastern Railroad ("DGNO"). AUNW and TNMR connect with UP. TNER connects with both UP and SP, and DGNO connects with UP, SP and BN/SF. The consolidation will benefit our Texas railroads by providing more single system service. For instance, approximately 1,500-1,800 carloads of liquified petroleum gas/liquid asphalt move west from TNMR's line between Monahans, Texas and Lovington, New Mexico each year. These commodities

move via a routing of TNMR - UP - SP through the El Paso gateway to Mexico and the SP-served destination of Phoenix, Arizona. The merger will substantially benefit this significant volume of traffic through the El Paso gateway because of the new single-line service from the combined UP/SP system.

Similarly, DGNO and its shippers will benefit substantially from use of UP's line between Dallas and El Paso in conjunction with SP's line between El Paso and California. This is a shorter single system route and the combined system intends to upgrade both lines. The result will be major service improvements between Dallas and several other Texas points and California. This will be a significant factor in DGNO's ability to attract traffic from shippers such as Kraft and Rubbermaid which now is moving via motor carriage. DGNO and its customers also should benefit from the new Houston - Dallas - Amarillo - Denver - Pacific Northwest service which will be implemented by UP/SP. Elimination of multiple interchanges with UP and SP in Dallas will result in significant cost savings for DGNO, and will improve service for DGNO customers that ship through the Dallas gateway.

Mid-Michigan Railroad ("MM") also will benefit from the consolidation. MM currently provides service to Frigidaire at Greenville, Michigan using a pool of high cubic capacity boxcars. UP and SP both participate in supplying cars for the pool. After merger, the pool can be coordinated and managed more efficiently by the combined UP/SP System, resulting in improved utilization of the pool and better service to the shipper.

RailTex's Central Oregon & Pacific Railroad ("CORP") likewise will benefit from the merger. SP currently provides boxcars and flat cars principally for the forest products shippers served by CORP, but the car supply has been inadequate and has resulted in customers frequently using motor carriers. The UP/SP merger should result in more efficient car utilization and improvements in car supply. In addition, CORP has had problems with SP's connecting service through SP's yards in Roseville, California and Eugene, Oregon. I believe the merger should provide improved service through these yards, and enhanced service to Eastern destinations as SP's service is brought up to UP's standards. In addition, service improvements by UP will enable the CORP to better compete with motor carriers for the forest products business in Southern California and Arizona, that today is largely moving via trucks due to inadequate service and poor car supply.

RailTex and its railroads request the Interstate Commerce Commission to approve the proposed merger. The benefits from consolidation will be substantial particularly because the merger will address the SP service problems and will open up many new opportunities for single system service. Single system service is critical for RailTex and our subsidiary railroads since approximately 31% of our business interchanges with UP or SP based on 1994 carloadings.

RAILTEX RAILROAD SUBSIDIARIES

	Miles of Track
Name	Operated
Austin & Northwestern Railroad	81
Cape Breton & Central Nova Scotia Railway	245
Carolina Piedmont Railroad	37
Central Oregon & Pacific Railroad	439
Chesapeake & Albermarle Railroad	82
Dallas, Garland & Northeastern Railroad	92
Georgia & Alabama Railroad	75
Georgia Great Southern Railroad	2
Georgia Southwestern Railroad	270
Goderich - Exeter Railway	70
Grand Rapids Eastern Railroad	38
Indiana Southern Railroad	176
Michigan Shore Railroad	14
Mid-Michigan Railroad	67
Missouri & Northern Arkansas Railroad	527
New England Central Railroad	343
New Orleans Lower Coast Railroad	24
North Carolina & Virginia Railroad	54

Northeast Kansas & Missouri Railroad	104
Salt Lake City Railroad	25
San Diego & Imperial Valley Railroad	163
South Carolina Central Railroad	58
Texas - New Mexico Railroad	107
Texas Northeastern Railroad	182
Virginia Southern Railroad	

G: LAWADM JDA MCSHANE.VS

STATE OF TEXAS COUNTY OF Beyar) ss:

DANIEL T. McSHANE, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated.

Daniel T. Mc Show

SUBSCRIBED and sworn to before me this _27 the day of October 1995.

Ungela J. Nichols

ANGELA D. NICHOLS MY COMMISSION EXPIRES October 13, 1998



SAN JOAQUIN VALLEY RAILROAD COMPANY

A Subsidiary of KYLE RAILWAYS, INC.



Verified Statement of Fred L. Krebs on behalf of San Joaquin Valley Railroad Company

My name is Fred L. Krebs. I am the General Manager of the San Joaquin Valley Railroad, with its principal office located in Exeter, California. I have fifteen years of experience in the railroad industry with the Milwaukee Railroad, Southern Pacific, the Eastern Alabama Railroad, and the San Joaquin Valley Railroad. I am familiar with the transportation needs of the shippers located on our railroad.

The San Joaquin Valley Railroad is a regional railroad consisting of approximately 450 miles of main line, serving the southern San Joaquin Valley area in California. We currently interchange our traffic with the Southern Pacific and the Santa Fe (now BNSF). The principal commodities handled are inbound grain from the Midwest and outbound perishables, petroleum and lumber destined for points throughout the United States.

We strongly support the merger application of Union Pacific and Southern Pacific for approval.

Short line railroads need efficient and reliable service by their trunk line carrier if they are to provide quality service. The combination of the financially sound and service conscious UP and the market reach of SP will result in important service improvements of benefit to us and our shippers. The optimization of routings, elimination of congestion and the extension of single line service territory will enable UPSP to reduce transit time and establish and meet reliable schedules. Likewise, as a result of this improved service, equipment turnaround and placement will be improved. This, coupled with the combination of the two fleets will improve car supply.

There are a number of particular benefits that would accrue to our shippers as a result of the combination of UP and SP. First, our shippers would enjoy single line service beyond our line to current Nebraska grain suppliers. Second, our shippers will enjoy the availability of additional reefers as a result of the addition of the UP fleet to that of SP. Third, our petroleum shippers in the Bakersfield area will enjoy an expanded market for their product reachable by single line service. Finally, the addition of the UP service territory gives our shippers additional sources for grain throughout the Midwest.

Additionally, we are in full support of the settlement agreement reached by UPSP and BNSF. This settlement will create full competition between two strong competitors which can only help our company and our shippers. The entire BNSF system will be available to our shippers for efficient routes in competition with UPSP. Markets will be opened and the competitive environment will remain vigorous.

We urge the Commission to grant approval to the UP/SP merger.

I, Fred L. Krebs, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed this 17th day of October, 1995.

Fred L. Krebs



SANTA CRUZ. BIG TREES & PACIFIC RAILWAY COMPANY P.O. BOX G-1 • FELTON • SANTA CRUZ COUNTY • CALIFORNIA 95018 • (408) 335-4484

VERIFIED STATEMENT

CF

RALPH D. RANGER on behalf of Santa Cruz, Big Trees & Pacific Railway

My name is Ralph D. Ranger I am Vice President of Transportation for the Santa Cruz, Big Trees & Pacific Railway Company, with offices at Roaring Camp and Graham Hill Roads (P. O. Box G-1), Felton, California 95018.

The Santa Cruz Big Trees is a short line railroad located approximately 70 miles southwest of San Francisco, California connection and interchange with Southern Pacific Lines at Santa Cruz, California. We currently operate seven miles of railroad and serve one customer on a regular basis.

The Santa Cruz Big Trees has been in summer tourist passenger operation since 1985, with year around freight business since 1991 Its traffic base was 63 cars in 1993, and 65 cars in 1994. Our customer is a lumber yard with inbound loads of lumber and phywood. The majority of these cars originate in Oregon, with some from Washington and British Columbia.

I am providing this statement in support of the Union Pacific Railroad application to acquire the Southern Pacific, F.D. No. 32760.

The following are the major reasons for my support of this application:

- UP/SP better service from the Northwest.
- * UP/SP better car supply and equipment utilization.
- * UP/SP stronger financially.
- * UP/SP broader route network in the area where 90% of our traffic originates.

Better Service from the Northwest:

The Santa Cruz Big Trees would expect that the UP routes from Washington state in combination with the SP routes in Oregon should reduce route miles and time of transport from our primary points of inbound traffic.

Better Car Supply and Equipment Utilization:

The Santa Cruz Big Trees is a short line owning no freight cars of its own. It relies on the SP to furnish cars. With the SP equipment added to the much larger inventory of the UP, the resultant total should improve equipment availability.

Strong Financially:

It has been long noted that UP has had a very positive record of profitable operations. This has not, however, been the case for the SP. The low profit margins suffered by the SP has put the company at a disadvantage in generating the capital required to support new technology, equipment upgrades and plant modernization. The positive impact of the UP and its strong financial position should do nothing but help improve the SP portion of the combination.

Broader Route Network:

It is very possible that the joining of the SP with the UP will open more points of origin for the forest products our customer receives. It is our belief that, due to UP's routes in the Pacific Northwest, more sources will be available at competitive rates, enabling our customer to obtain better transportation cost control.

For these reasons, I support the combination of UP and SP, and urge the ICC to approve the application.

I, RALPH D. RANGER, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verification statement. Executed on this 12th day of October, 1995.

R. D. Ranger Vice President, Transportation Santa Cruz, Big Trees & Pacific Railway

Finance Docket 32760

NAME: TITLE: CORPORATION: ADDRESS: Sue J. Sword President and Manager Santa Maria Valley Railroad Company 625 South McClelland Street Santa Maria, California 93454

Commissioners Interstate Commerce Commission 12th & Constitution Washington DC 20423

Dear Commissioners:

My name is Sue J. Sword. I have been employed by the Santa Maria Valley Railroad Company, a short line railroad, as Vice President and Manager and President and Manager for over twenty-five (25) years. One of my responsibilities includes rates and routings of the following commodities throughout the country: Lumber, refined sugar, fresh and frozen vegetables, fertilizer, beer, scrap iron, hazardous waste products, feed and grain, coke, plastic materials, and petroleum products. We utilize the Southern Pacific and the Union Pacific Railroads as well as many others in the movement of the above commodities.

The Santa Maria Valley Railroad Company is a California Shortline on the Southern Pacific Coast Branch. We serve a variety of customers. We receive corn, milo and soybean meal for Rosemary Farms which is an egg producer in the local area. The corn and milo primarily come from BNSF origins at this time, but, with the proposed UP/SP merger, the Nebraska Elevators on the UP would be a competitor. Soybean meal from Iowa and Nebraska which comes from BNSF also could be more expeditiously routed via the UP/SP to SMV interchange. This would allow competition from origins for the 100 cars per year of grain products. Also with this merger, the UP fleet grain cars would be available.

The SMV also has two (2) frozen food processors on line, J. R. Simplot and PictSweet Frozen Foods. With the UP/SP merger there would be an increased availability of mechanical refrigerator cars for their use and better transit times through improved routings over the new system. The destinations vary but some go to the East, Southeast, Midwest and Rocky Mountain States. Between the two processors they ship about 300 carloads per year. With the financially stronger UP merging with the SP the current fleet of cars could be upgraded to a larger and more reliable fleet of cars. The SMV serves an asphalt refinery which is owned by an independent oil and gas producer. Their shipments are presently going to the Rocky Mountain area. Once their production is maximized, shipments are projected to be 1300 carloads per year. Their tank car fleet is limited, and it is vital that the transit times be direct, efficient and reliable. With the proposed merger, this could become a reality.

The merger would create financial strength, single-line service, more efficient routes, reduced transit times, better utilization of cars and locomotives, and new markets.

As a short line railroad dependent on SP service, we welcome this merger as a means of ensuring that we receive top-quality rail service from a financially sound carrier. We believe that this will be in the best interest of our company as well as the interests of our other shippers.

We heartily endorse the UP/SP application and urge you to come to a favorable decision in a timely manner

Yours very truly,

SANTA MARIA VALLEY RAILROAD COMPANY

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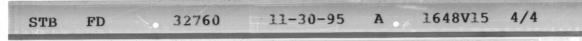
(Mrs.) Sue J. Sword President and Manager

VERIFICATION

(Date)

The Atword

Sue J. Sword



SHORTLINE SERVICES

3113 Van Aken Boulevard Cleveland, OH 44120 (216) 991-6055 FAX: (216) 991-5413

VERIFIED STATEMENT OF MICHAEL J. KLASS ON BEHALF OF SHORTLINE SERVICES

My name is Michael J. Klass. I am the President of Shortline Services. Our address is 3113 Van Aken Boulevard, Cleveland, OH 44120. My telephone number is 216-991-6055. My fax number is 216-991-5413. I have been involved in the transportation field for the past 17 years. I am a graduate of Case Western Reserve University, with a degree in Public Administration. I am responsible for marketing and sales activities on behalf of Shortline Services' clients.

Shortline Services is the marketing and sales representative for six Class III railroads: Belvedere & Delaware River Railway (BDRR), Black River & Western Railroad (BRW), East Penn Railways, Inc. (EPRY), New York & Lake Erie Railroad (NYLE), Oil Creek & Titusville Lines (OCTL), and St. Lawrence & Raquette River Railroad (SLRR). The BDRR is not yet in operation. These railroads carry combined carloadings exceeding 3,500 per year. We are continuing to expand the business.

These shortlines carry a wide variety of traffic. All of the railroads are located in New Jersey, New York and Pennsylvania and all connect with CR. The NYLE has multiple connections: BP, BSOR, CN, CP, CSXT and NS. The majority of the traffic on these railroads is received from connections. Major traffic patterns include: printing paper from the eastern and southern US and Canada, petroleum products from the Gulf Coast, minerals and food products from east coast ports, sugar from the west and specialty scrap metal from western and southern origins. About 10% of carloads are forwarded to connections. These include scrap paper to eastern US and Canadian points, recycled paper products shipped

SHORTLINE SERVICES STATEMENT ON UP-SP MERGER October 13, 1995 Page 2

nationwide, processed minerals shipped to the southwest, and hardwood lumber shipped to the west and southwest.

We strongly support approval of the merger between UP and SP. The combination will complete a series of railroad consolidations that began in the 1970's. Approval of the UP-SP merger will result in two strong, competitive rail systems in the west. These systems will not only compete with each other, but also provide our client railroads with improved ability to compete with trucks.

Shortline Services supports the merger of UP and SP for the following reasons:

1. Better Route Structure and Single Line Service

The combined UP-SP system will have a broader route network capable of providing single line service over more efficient routes. In several instances the combined system will provide shorter routes between key points that either UP or SP has now. This should translate into improved transit time between such points at Chicago and Oakland (260 mile reduction) and Chicago and Portland (541 mile reduction). Single line service should also eliminate many reciprocal switch requirements, improving transit time and more competitive costs.

It is no secret that SP has experienced service delivery problems over the past few years. The merger UP-SP system offers routing alternatives for the combined system that should eliminate these problems. I know of instances where our clients have lost business because of shipment delays on the SP. These delays were largely due to SP's capacity and routing constraints.

The agreements reached between UP-SP and BN-ATSF providing trackage rights and other access to a variety of markets eliminates our fear that a combined UP-SP would reduce competition. Frankly, we wish such arrangements we available to our clients in the northeast. Because of the changing nature of railroad's pricing policies over time, and the changes in our client's customers business, it is critical to our client's future to have routing options available. SHORTLINE SERVICES STATEMENT ON UP-SP MERGER October 13, 1995 Page 3

2. Financial Viability of the merged UP-SP

The SP has struggled for over ten years to improve its fir ancial performance. It has not been able to generate the resources necessary to make the necessary investments in track, equipment and facilities. This has manifested itself in SP service problems due to capacity and equipment constraints. Through merger with UP, SP will benefit from UP's financial strength.

If SP is not permitted to merge with SP, we feel that SP will be too weak to compete in the long term with UP and BN-ATSF. This will eventually result in a push to merge SP with another railroad. The only choice will be one of the 3 large eastern curriers. In our opinion, this would eventually result in the three eastern and three western carriers pairing-up. We do not feel that this is in our client's or their customer's best interest, since it would result in severe reduction in routing options and competition.

3. Improved Car Supply and Equipment Utilization

Since most of the traffic handled by our clients are terminations, we depend heavily on the origin carriers to supply equipment. The combined UP-SP system will have a fleet of over 140,000 cars. This, in itself, increases the likelihood that the proper type of car will be available to shippers. However, when combined with more efficient movement of cars through combined facilities, it should increase the velocity of car turns, and effectively increase the size of the fleet. Given the tight supply situation with certain types of equipment, this will be a major benefit. Lessors and lessees of equipment will benefit from this, as well.

4. Better Use of Terminals and Facilities

The combination of UP and SP will permit the more efficient use of facilities, particularly where each railroad has similar facilities at major terminals. This efficiency will come about through several means, such as: creating large specialized facilities, eliminating duplicate terminals, concentrating activities at certain locations or on certain routes. These efficiencies will lower operating costs, as well as reduce the need for duplicate investments.

SHORTLINE SERVICES STATEMENT ON UP-SP MERGER October 13, 1995 Page 4

In the long run, these efficiencies will help keep costs down, and enable more effective competition.

5. Assurance of Long Term Service and Competition

Shortlines depend on Class I connections. They need to be assured of quality service now, and in the future. In a very real sense, the shortline's service is no better than its connections. If a shortline cannot meet its customer's needs for reliable, integrated service because of the shortline's connection's failure, then that customer will move his freight by another mode and the shortline will suffer. The best guarantee of competitive service and pricing is competitive routing options. A shortline with multiple connections is in the best position to maximize competitive pressure on its connections. The next best option is to have multiple routing options from origin to destination. The agreements between UP-SP and BN-ATSF help guarantee that there will be effective competition at western locations. This may, in fact, increase our client's routing options by eliminating uncompetitive routes and reciprocal switch arrangements. Failure of SP to merge with UP may result in one of the three remaining western carriers merging with Conrail. Since most of our client's only connect with CR, this would likely result in reduced competition due to being forced to use a CR+partner route.

In summary, Shortline Services strongly supports the merger of UP and SP. We urge the Commission to approve the merger as soon as possible.

I, Michael J. Klass, declare under penalty of perjury, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on October 13, 1995.

Michael J. Klass

Verified Statement of Michael G. Hart on behalf of The Sierra Railroad

My name is Michael G. Hart. I am the President of the Sierra Railroad, with offices at 17516 Old Summit Road, Los Gatos, CA 95030.

The Sierra Railroad is a 49-mile long short line railroad located in Tuolumne and Stanislaus counties of California. Our railroad passes through the historic towns of Jamestown, Chinese and Sonora. We presently originate and connect with both the Southern Pacific and the ATSF in Oakdale, California. We operate under a Junction Settlement Agreement with the Southern Pacific and with the ATSF-BN. The Southern Pacific reaches the Sierra Railroad in Oakdale under a trackage rights agreement with ATSF-BN routed through Riverbank.

The Sierra Railroad is the oldest operating shortline in California, founded in 1897 and in continuous operation ever since. Under a joint operating agreement with the California State Railroad Museum, our line still has a variety of steam and passenger operations continuing year-round. Our present freight traffic level has been stuck at 1,000 carloads per year for the past few years, this is a traffic volume far below what we need to profitably operate.

We presently have one customer, Sierra Pacific Industries, which operates two sawmills on our line; one in Standard, and the other in Chinese Camp. Our largest move now is woodchips to Georgia Pacific in Toledo, Oregon, via the Southern Pacific. Our customer needs to have larger markets to increase freight loadings significantly.

I am providing this statement in support of the Union Pacific Railroad application to acquire Southern Pacific, F.D. No. 32760.

The opportunities presented by the proposed SP/UP merger may be exactly what our customer needs to increase its traffic levels. By having the balance of two strong Western railroads, we will have excellent opportunities to reach many markets previously unavailable to our customer. In addition, it opens opportunities for new customers to come on line in the future.

The following are the major reasons for my support of this application:

1. UP/SP Improved car supply and equipment utilization

The Sierra Pacific Coast Railway is wholly dependent upon our mainline partners for all freight cars used by our customers. The Southern Pacific provides the vast majority of those cars, and equipment shortages are chronic. Each time a car is late or not available, it is another load lost to the very active truck competition in our area. We understand that the Union Pacific has a much larger inventory of equipment to help satisfy those equipment needs. We anticipate a tremendous improvement in car utilization on many of the routes that we use.

2. Broader Route Network

The most obvious advantage of the proposed UP/SP system will be the expansion of the route network available to our present customer and those which may come on line. The ability to use a single carrier over great distances is an obvious advantage to our customer, and will mitigate the advantage that trucks have over us in so many areas.

It is important to increase the routes available over the SP to compensate for the dramatic increase in the network created by the ATSF-BN combination.

3. Stronger Service Performance

Our customer's only real interest is throughput. How quickly can it get its loads to its customer is critical in its evaluation of rail vs. trucking. The SP has had a long history of slow performance, which has hurt rail as a good method of making timely shipments. We look forward to seeing a significant improvement in the SP physical plant and service once the UP/SP merger is completed.

For these reasons, as well as the need for the SP/UP to maintain competitive parity with the ATSF-BN, I strongly support the combination of UP and SP, and urge the ICC to approve the application as quickly as possible.

Sincerely,

Michael G. Hart President

Verification

I, Michael G. Hart, declare under the penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on 10, 13, 95

Signature:_____ Witness:____

VERIFIED STATEMENT OF RICHARD B. WEBB ON BEHALF OF SOUTH KANSAS & OKLAHOMA RAILROAD TITAN RAIL SERVICES INC. WATCO INC. INMAN SERVICE COMPANY INC.

My names is Richard B. Webb. 1 am President and co-owner, along with my sister Susan K. Lundy, of South Kansas & Oklahoma Railroad ("SKOL") and Titan Rail Services Inc. ("Titan"). 1 am also Executive Vice President of Watco Inc. ("WATCO") and Inman Service Company Inc. ("ISC")

I have been in the railroad business since 1983 as both a customer, and held various executive positions of the above mentioned companies.

I am submitting this verified statement on behalf of SKOL, Watco, Titan and ISC to express these companies' strong support for the proposed merger of Union Pacific Railroad Company ("UP") and the railroads which comprise the Southern Pacific family ("SP").

SKOL is a regional railroad operating over approximately 287 miles of trackage and serving approximately 40 customers in the Southern and Central parts of Kansas and south to Tulsa, Oklahoma. The principal commodities transported by SKOL are agricultural products, crushed stone and refinery products. SKOL connects with UP and Southeast Kansas Railroad ("SEKR") at Coffeyville, Kansas; UP, ORR, BN/SF at Tulsa, Oklahoma; UP, BN/SF and SP at Winfield, Kansas; and BN/SF at Fredonia, Kansas. TITAN is a full-service car repair and locomotive repair shop, and is served by BN/SF. The Titan shop is located at 2150 East Cargo Street, Pasco, Washington, and provides a full gamut of repair from light running repairs up to wreck rebuilding for the railroad industry.

WATCO's home office is located at 315 West Third Street, Pittsburg, Kansas. WATCO operates a full-service railroad car repair and locomotive repair shop in Coffeyville, Kansas. The Watco shop is served by UP and SEKR. The shop does everything from light running repairs to wreck rebuilding for railroads and private car companies, with a large amount of work being done on utility companies' coal car fleets. The WATCO shop also performs locomotive repair and rebuilding. WATCO also provides industrial switching for chemical and forest products industries in the States of Washington, Oregon, Montana, Texas, Missouri, Alabama and Louisiana. WATCO connects with UP or SP in four of these locations.

ISC is a full-service locomotive repair shop, and is served by SP. The shop performs all types of locomotive repair work, from light running repairs up to and including wreck rebuilding for both railroad and private locomotive owners. ISC also performs industrial switching operations in the States of Texas, Louisiana, Arkansas and Florida, and serves the chemical and forest products industries at these locations. ISC connects with UP or SP in eight of their nine switching locations.

The Interstate Commerce Commission's approval of the merger of UP and SP will result in a substantial benefit for the car repair/locomotive repair and industrial switching operations of WATCO, Titan and ISC. Our car and locomotive repair

2

facilities must be assured of good service with competitive rates for equipment which moves for repair to the shops in Coffeyville, Baytown and Pasco. The merger will give SP customers direct access to the WATCO repair facility in Coffeyville, and will give UP customers direct access to ISC's service in Baytown. Several of Titan's customers have cars assigned to SP and the UP-SP merger will allow more competitive rates to the Titan Shop.

Consolidation of UP and SP also will benefit the industrial switching operations performed by WATCO and by ISC in that more competitive rates, car supply, and service will be afforded to the shippers they serve, which in turn should increase the rail traffic used by our customers.

For the reasons discussed above, South Kansas and Oklahoma Railroad, WATCO, ISC and Titan strongly support consolidation of UP and SP, and request that the Interstate Commerce Commission approve the merger. The consolidation will permit SP to benefit from UP's financial strength, and will result in the ability of the consolidated system to compete effectively with the recently merged BN/SF system.

STATE OF KANSAS COUNTY OF Crawford) ss:

> MOTARY PUBLIC -- State of Kanses

RICHARD B. WEBB, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated.

Richard B. Deft

SUBSCRIBED and sworn to before me this 27th day of ______, 1995.

Notary Public

VERIFIED STATEMENT OF CHARLES R. WEBB ON BEHALF OF SOUTHEAST KANSAS RAILROAD COMPANY BLUE MOUNTAIN RAILROAD COMPANY EASTERN IDAHO RAILROAD COMPANY OSAGE RAILROAD PALOUSE RIVER RAILROAD

My name is Charles R. Webb. 1 am the President and founder of WATCO, INC. ("WATCO") with a business address of 315 West Third Street, Pittsburg, Kansas 66762. I began my railroad career in 1957 with the Kansas City Southern Railroad. In 1984, I founded WATCO in Coffeyville, Kansas and I became active in the regional railroad business in 1987 when I started the Southeast Kansas Railroad Company ("SEKR"). Since that time I have also started Osage Railroad ("ORR"), Palouse River Railroad ("PRR"), Blue Mountain Railroad Company ("BMRR"), and Eastern Idaho Railroad Company ("EIRR"). I am submitting this statement in support of the proposed merger of Union Pacific Railroad Company ("UP") and the Southern Pacific Railroads ("SP") on behalf of SEKR, ORR, BMRR, PRR and EIRR.¹

Following is a brief summary of the operations performed by those five regional railroads.

¹ WATCO operates a full-service railroad car repair and locomotive repair shop in Coffeyville, Kansas, which is served by SEKR and UP. WATCO also owns ISC, INC. which operates a full-service locomotive repair service in Baytown, Texas and which performs industrial switching operations for the chemical and forest product industries.

SOUTHEAST KANSAS RAILROAD COMPANY

SEKR is a regional railroad serving approximately 20 customers in the southeast part of Kansas and western Missouri from Coffeyville, Kansas to Nevada, Missouri over approximately 104 miles of track. SEKR connects with UP and SKOL at Coffeyville, Kansas, BN/SF at Cherokee, Kansas and Kansas City Southern Railway Company at Pittsburg, Kansas. The principal commodities transported by SEKR are grains and flour, plastic products and paper.

OSAGE RAILROAD COMPANY

ORR is a regional railroad operating over approximately 34 miles of trackage and serves 2 major customers in the Tulsa, Oklahoma area. The principal commodities transported by ORR are refinery products and steel. ORR connects with UP, SKOL and BN/SF at Tulsa, Oklahoma.

EASTERN IDAHO RAILROAD COMPANY

EIRR is a regional railroad based in Twin Falls, Idaho, operating over approximately 267 miles of track and serving approximately 125 shippers in southeastern, south central and east central Idaho. The principal commodities handled by EIRR are frozen foods, grain products, forest products, coal and agricultural commodities. EIRR connects with UP at Minidoka and Idaho Falls, Idaho.

BLUE MOUNTAIN RAILROAD COMPANY

BMRR is a regional railroad serving the southern and east central parts of the State of Washington and provides service to approximately 25 shippers over approximately 100 miles of trackage. BMRR connects with UP and BN/SF at Wallula,

Washington. The principal commodities handled by BMRR are grain, forest products, frozen foods and farm products.

PALOUSE RIVER RAILROAD COMPANY

PRR is a regional railroad serving the northeastern parts of the State of Washington and provides service to approximately 10 shippers over approximately 100 miles of trackage. PRR connects with UP at Hooper Junction, Washington and BN/SF at Pullman, Washington and Moscow, Idaho. The principal commodities handled by PRR are agricultural, coal and forest products.

These railroads strongly support the proposed merger of UP and SP. All of them connect with the UP. Merger of UP and SP into one system will provide these five railroads and the customers now being served by those railroads with the substantial benefits of single line service, more efficient routing of traffic and improved transit times for movement of the numerous and diverse commodities which are originated and terminated by the railroads. The merger will permit the railroads to offer to their shippers direct access to many new SP-served origins and destinations such as Southern California, Arizona, New Mexico, and Oregon.

The merger will permit UP/SP to better compete with the merged BN/SF system. UP's financial strength will be a real asset to the weaker SP.

The above mentioned railroads are small businesses and must have the strongest possible partners to work with to provide low-cost, quality transportation services. I ask the Interstate Commerce Commission to approve the proposed merger of UP and SP in the interest of providing these railroads with that strong partner.

STATE OF KANSAS COUNTY OF Crawford) ss:

CHARLES R. WEBB, being first duly sworn, deposes and states that he has read the above document, knows the facts asserted therein, and that the same are true as stated.

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	My Appl. Exp. 11-12-96

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CHARLES	R.	WEBB	An other a second data of the second s

day of <u>Citoles</u>, 1995.

Notary Public

Stockton Terminal & Eastern Railroad 1330 N. Broadway Ave. Stockton, CA 95205 Phone 209 466-7001 Fax 209 466-1862

September 15, 1995

Verified Statement Of Thomas K. Beard On Behalf Of Stockton Terminal and Eastern Railroad

My name is Thomas K. Beard, President and Chief Executive Officer of the Stockton Terminal and Eastern Railroad with offices located at 800 North Shaw Rd., Stockton, CA 95205.

I have owned and actively managed the operation of the ST&E since 1958.

The ST&E is a Short Line railroad connecting with the ATSF, CCT, SP, and UP at Stockton, CA. We are a revenue linehaul carrier.

We serve approximately 4 million square feet of warehouse space used as distribution facilities by major national firms.

We serve major canned foods producers requiring specialized rail equipment to move their goods to markets throughout the United States and Canada. We serve various manufacturing and packaging operations. Also rail car to truck transfer of bulk commodities such as chemicals, fertilizers and cement for local delivery.

We understand the Union Pacific and Southern Pacific are requesting authority to merge. We strongly endorse and support this merger in order to improve and maintain service to and from SP served points.

We interchange an appreciable percentage of our total business with UP and SP and welcome this merger as a way of ensuring that we continue to receive top quality service from a financially sound connecting carrier in the face of strong competition from the newly merged BN-ATSF.

We believe the proposed merger would be in our company's best interests as well as the interests of other Short Line carriers and shippers. We heartily endorse the UP-SP application.

The ST&E will benefit from the UP-SP merger by reducing the interchange with two carriers to one carrier. This will reduce the amount of work required by our crews and greatly improve service for shippers we serve.

The ST&E owns a fleet of specialized rail cars used mainly for the canned foods industry. The new single line service and more efficient routes will result in much improved turn around time and improved utilization of our equipment. The combination of UP-SP fleet of equipment, along with new single-line service and more efficient routes will result in more equipment available from the combined carriers to supplement our fleet when needed.

The ST&E interchanges with the ATSF-SP and UP. With the BN-ATSF merger approved we believe it is crucial to approve the UP-SP merger in order to maintain and improve strong competitive service to and from our company and for the benefit of shippers we serve. The ST&E strongly supports the UP-SP merger application.

I, Thomas K. Beard, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on September 15, 1995

THOMAS K. BEARD

President, C.E.O.

Witness: ROBERT R. JENKINS

Vice President

SWKR OPERATING CO., INC.

8687 E. Via de Ventura, Suite 310 Scottsdale, Arizona 85258 602-443-3919 Fax 602-443-4184

Verified Statement of Rick Cecil on behalf of SWKR Operating Co., Inc. dba Sau Pedro & Southwestern Railroad Company

My name is Rick Cecil. I am the Executive Vice President of the SWKR Operating Co., Inc., dba San Pedro & Southwestern Railroad Company, with its principle office located in Benson, Arizona. I have extensive experience in the transportation and railroad industry, having held management positions in the railroad industry for over twenty years. I am familiar with the transportation needs of the shippers located on our railroad.

The San Pedro & Southwestern Railroad Company is a shortline railroad consisting of approximately 78 miles of mainline and serving the Benson-Douglas areas in southeastern Arizona. We interchange our traffic to the Southern Pacific. The principle commodities which we handle for our shippers are inbound ammonia, prill, and urea from Kansas and California, coke and coal from California and Colorado, and outbound fertilizer destined primarily for points in Arizona and California.

We understand that Southern Pacific and Union Pacific are requesting authority from the ICC to merge. We strongly support their application.

Single line service beyond our railroad is important to our shippers. Transit times will be reduced and schedules will be more reliable. The reduced handling involved in single line service results in less damage. We feel that the combination of the two route structures together with the operational improvements will open new markets for our shippers which would not be feasible without the merger. The ability to reach by single line service all UP points throughout the West is of particular benefit to our shippers. Additional sources in the Midwest of ammonia, prill, and urea become available. Additional sources of coal will be accessible. We believe that the market area for fertilizer origins available to our railroad will be expanded. The market area for limestone originated by a shipper on our line will be extended.

It is clear that our company, along with it shippers and the general public will benefit by this merger. The proposed merger will result in shorter, more efficient routing of traffic and cost reductions due to single line service. Combining the locomotive and car fleets of the two railroads will result in their more efficient utilization and improve the availability to shippers of railroad owned equipment. The merger will also result in a financially strong company capable of making the capital investments necessary for quality rail service.

Our company heartily endorses the application for merger of Southern Pacific and Union Pacific.

I, Rick Cecil, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement. Executed this 18th day of October, 1995.

12 Rick Cecil

Texas South-Eastern Railroad Company P. O. BOX 366 / DIBOLL, TEXAS 75941 / 409-829-5613 / FAX 409-829-4814

September 14, 1995 Verified Statement of: Gary Mike Smith Manager of Operations Texas South-Eastern Railroad

My name is Gary Mike Smith and I represent Texas South-Eastern Railroad as Manager of Operations. I have held this position since 1989. I am responsible for overseeing the day to day operations of TSE Railroad. Our address is P.O. Box 366, Diboll, Texas.

Texas South-Eastern R.R. is a switching railroad servicing industries in Lufkin and Diboll, Texas. We ship and receive approximately 2500 railcars each year. Our customers handle a variety of products including forest products, chemicals, crushed stone, scrap metal and food products. Southern Pacific is our only connecting carrier. Most of our outbound loads have destinations in the midwest and western United States.

As a railroad whose only connecting carrier is Southern Pacific, we are dependent on them for all of our revenue. We feel that a merger between Southern Pacific and Union Pacific would enhance our position with our customers because of the assurance of a stronger line haul carrier. We believe that a merger would create better opportunities for our customers to ship their goods to existing and new markets. We see potential benefits as being single line service, more efficient routes, route specialization and better equipment utilization. Hopefully this merger will enable us to better compete with truck traffic which is our main competition.

Our position is that we need the merger between SP and UP almost as badly as they do. As a small shortline railroad we see more and more of our business being lost to trucks everyday. With this merger we feel that we can regain some of what we have lost. Texas South-Eastern Railroad wants to go on record as being in support of this application.

Gary Mike Smith

Day Mike For

Manager of Operations Texas South-Eastern Railroad I, Gary Mike Smith, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on September 14, 1995.

Han mit to

Gary Mike Smith

STATE OF TEXAS

COUNTY OF ANGELINA

Gary Mike Smith , being duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Hay Miche Mouth

Garv Mike

Subscribed and sworn to before me this 277H day

of SEPTEMBER , 1995.

Lanuel Vant Tucker Notary Public

SAMUEL PAUL TUCKER NOTARY PUBLIC STATE OF TEXAS My Commission Expires 3-27-99

My Commission Expires:

3-27-99

TEXAS, GONZALES & NORTHERN RAILWAY COMPANY



Route 1, Box 9 Sunray, Texas 79086 (806) 935-7474 (806) 935-8152 Fax

VERIFIED STATEMENT

OF

RICHARD W. JANY on behalf of TEXAS, GONZALES & NORTHERN RAILWAY COMPANY

My name is Richard W. Jany. I am Executive Vice President and Chief Operating Officer of the Texas, Gonzales & Northern Railway Company (TXGN), with offices at HCR I, Box 9, Sunray, TX 79086.

Texas, Gonzales & Northern Railway Company (TXGN) is a short line railroad located in the Southeastern part of Texas, about 60 miles South of Austin and 70 miles East of San Antonio. The TXGN interchanges traffic with the Southern Pacific (SP) at Harwood, TX. We currently operate 12 miles of railroad and serve 5 customers on a regular basis.

The TXGN Railway has been in operation since November of 1992, and it handled 976 carloads in 1993, and 1062 carloads in 1994. So far, through September of 1995 we have handled 1001 cars. Our customers ship grain and grain products, clay and clay p.oducts, crude oil, boilers and boiler parts, and a variety of other commodities. Major origins and destinations are Louisiana. Mississippi, Washington, Wisconsin, Wyoming, Canada, and the entire Midwest region.

I am providing this statement in support of the Union Pacific Railroad application to acquire Southern Pacific, F. D. No. 32760

The combination of the Union Pacific and Southern Pacific will complete a round of railroad consolidations which started over 20 years ago. With ICC approval, the remaining two major Western rail systems will provide strong competition for each other and for motor carriers. This is good news for shippers and short lines. and in particular, for Texas, Gonzales & Northern Railway Company.

The following are the major reasons for my support of this application:

- * UP/SP better Central Corridor service
- * UP/SP better car supply and equipment utilization
- * UP/SP stronger financial capability
- * UP/SP broader route network bigger system
- * UP/SP more efficient, competitive partner for TXGN Railway Company
- * UP/SP stronger service performance
- * UP/SP greater technical support

The combinations of carriers in the West during the last 20 years have occurred against a backdrop of ever increasing rate and service benefits for shippers. The combinations themselves created many of these efficiencies, which have been passed on to shippers. I anticipate that the efficiencies generated from UP/SP will also accrue to the benefit of short lines and in turn to short line customers.

Better Central Corridor Service:

Combining UP and SP routes between Northern California and Midwest substantially reduces both the route miles and the mountainous grades that must be traversed on the Central Corridor. Fewer route miles and lesser grades translate into shorter transit times, which can be much more reliably achieved. With these benefits, our customers can in turn be more competitive in their respective markets.

Better Car Supply and Equipment Utilization:

As a short line, Texas, Gonzales & Northern Railway Company is dependent upon Southern Pacific for the major portion of freight cars required by our customers. The much larger UP System has a bigger inventory of equipment from which these requirements can be met. Additionally, because of the routing efficiencies inherent in the combination, UP/SP should be able to achieve better utilization of its equipment -- a benefit which should translate into more equipment availability for Texas. Gonzales & Northern Railway Company customers.

Stronger Financial Capability:

UP has had an extensive record of profitable operations over a long period of time. Profit streams that support the capital investment requirements of railroad operations, including replacement and new technology investments, are required in order to keep transportation costs in line and services competitive. SP has been hamstrung by low profit margins in its efforts to put in place the capital improvements required for competitive service. The combination with UP will provide the capital resources for these needed improvements.

Broader Route Network:

The UP/SP System will involve a much broader route network, capable of providing single-line rail service for Texas, Gonzales & Northern Railway Company customers in geographic areas that SP has not served. That is, Minneapolis, Seattle, Spokane, Omaha, Des Moines and other major markets will be more accessible to our customers. Furthermore, our customers increasingly will depend on such a broad network as UP/SP will provide to remain competitive with firms served by the newly fashioned BN/SF system.

A More Competitive Partner for Texas, Gonzales & Northern Railway Company:

A much more efficient, competitive UP/SP will substantially increase the markets that Texas, Gonzales & Northern Railway Company customers regularly serve. That is, the combination will extend our customers' reach, and enable them to ship more products via Texas, Gonzales & Northern Railway Company to these new markets. The Texas, Gonzales & Northern Railway Company to these new markets. The Texas, Gonzales & Northern Railway Company to these new markets. The Texas, Gonzales & Northern Railway Company is particularly interested in grain shipments from the Midwest that will be able to move on a single line system. Similarly, they will be able to obtain materials at sources which SP has not served.

Stronger Service Performance:

In a very real sense, Texas, Gorzales & Northern Railway Company's service is no better than that of its main line connection. During a decade of cash losses, SP has not had the capability to invest in its plant as UP has done. The result has been major service shortfalls in transit time and transit time consistency versus not only UP, but BN and Santa Fe as well. Both of these measures will improve with SP's combination with UP.

Better Technical Support:

A strong plus for SP served short lines and their customers arising from the combination will be the enhanced technical capability which UP makes available to its short line partners. SP's information systems lag far behind UP's in terms of capability and customer utility. Texas, Gonzales & Northern Railway Company expects that services such as car tracing will be greatly improved. Such a development has great merit in an age when Just-In-Time delivery commitments are fast becoming standard business practice.

For these reasons, I strongly support the combination of UP and SP, and urge the ICC to approve the application.

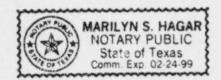
VERIFICATION

STATE OF TEXAS)) SS COUNTY OF MOORE)

Richard W. Jany, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Richard W. Jany

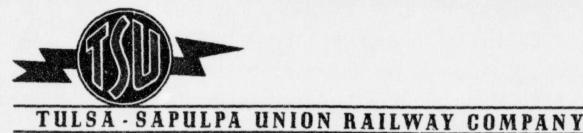
Subscribed and sworn to before me this 9th day of October, 1995.



Notary Public Hogan

My Commission Expires:

02-24-99



701 EAST DEWEY • SAPULPA, OKLAHOMA 74066 VERIFIED STATEMENT

PHONE 918/224-1515 FAX 918/224-3049

OF

RUSSELL CROSBY

ON BEHALF OF TULSA-SAPULPA UNION RAILWAY

My name is Russell Crosby. I work for the Tulsa-Sapulpa Union Railway Company as its Vice-President and General Manager. My address is 701 East Dewey. Sapulpa, Oklahoma 74066 I have worked for the Railway for (21) twenty one years in varying capacities. As Vice-Fresident and General Manager I am responsible for the day to day activities of the railway in operations and administration. Operations include supervision of train crew. track work, signal work, and repair and maintenance functions regarding rail equipment and track. The administrative functions include accounting, marketing, and traffic functions. I have been charged with management of all of these areas for approximately 12 years, and some of them for the entire 21 years.

The Tulsa-Sapulpa Union Railway Company is a shortline railroad located between the cities of Tulsa and Sapulpa, Oklahoma. It is (10) miles long with an additional mile of sidings and spurs. The railway serves an industrial district which it developed mid-way between Tulsa and Sapulpa. The railway connects with the Union Pacific Railroad in Tulsa and the Burlington Northern Railroad in Sapulpa. The railroad serves (7) customers, with the principal customer being a glass manufacturer. The railroad traffic is primarily received unflic with connochties arriving from various states in the United States and Canada for delivery to our customers on our line.

The most often used origin points are Texas, Missouri, Louisiana, Wyoming, Wisconsin, Indiana, and Elinois. Outbound traffic generally is destined for ports in Texas, Florida, and California.

We understand that Union Pacific and Southern Pacific are requesting authority to merge. We strongly support this as a means of improving service and believe it would be in the best interest of the customers who we serve.

Customers on the TSU will be able to receive improved service through more efficient routes. They will also have access to two of the largest rail carriers in The TSU will be dealing with less railroads enroute, which will simplify our the nation. administrative burden. This will speed up the information flow between rail carriers. and to our customers regarding their freight shipments. It will simplify the administrative burden in marketing for the TSU. It will simplify the clearance procedure for outbound specialized shipments to the West Coast. It should provide more competitive freight rates and freight savings to our customers. This savings should divert some freight that is currently moving by truck to Western points over to rail.

We believe that the proposed merger will provide significant benefits to shippers. The Tulsa-Sapulpa Union Railway supports the application.

Signed: ________ Manager

I, Russell Crosby, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I qualified and authorized to file this verified statement. Executed on September 14, 1995

Tussel In

VERIFICATION

STATE OF OKIGHOMG) SS. COUNTY OF TUISA) being first duly sworn, deposes and Busself Cray, being first duly sworn, deposes and

says that he has read the foregoing document, knows the facts asserted therein,

and that the same are true as stated.

Russell Crosby

Subscribed and sworn to before me this 5 day of Sapt , 1995

Broele S. Jugg Notary Public 89

My Commission Expires:

5.9.98

Utah Central Railway Company Union Station, Room 205, Ogden, UT 84401

Verified Statement

Prepared by B.A. Blansett President

for the

INTERSTATE COMMERCE COMMISSION

UP/SP MERGER

Finance Docket 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, et al.

VERIFIED STATEMENT OF B.A. BLANSETT on behalf of UTAH CENTRAL RAILWAY

My name is B.A. Blansett, President and Executive General Agent of the Utah Central Railway Company whose Business address is Union Station, Room 205, Ogden, Utah 84401. My duties encompass the daily and overall operations and business interests of the Railroad.

The Utah Central Railway, a Utah Corporation, was organized in 1991 to serve the needs of local businesses and shippers in the city of Ogden and Weber County consisting of manufacturing plants, warehouses, feedlots, grain elevators, lumber businesses and chemical plants. Our primary operations is moving freight cars to/from the Southern Pacific and Union Pacific Railroads between the Ogden Utah Rail Terminals and the business entities located on our line:

Infiltrator Systems	Pioneer Door & Lumber Company
Amalgamated Sugar	Westinghouse Electric Commercial-
Larkin Cattle Company	Nuclear Fuel Division
Ice Technologies, Inc.	Trinity Industries
Round Butte Products	Cache Commodities

We believe that the proposed merger would be in our company's best interests as well as the interests of our shippers. We heartily endorse the UP/SP application. UP and SP will be able to combine the strengths of their rail systems. As a result, our shippers will enjoy more efficient service, enhanced reliability, and greater market reach.

<u>First</u>, improvements in car and equipment supply will benefit our company as well as our shippers. UP/SP will be able to reposition both cars and locomotives more efficiently. We anticipate that cycle times will improve significantly and that this will effectively increase car supply. In addition, use of shorter routes, reduced terminal congestion, and sharing of the UP and SP car fleets all will have the effect of increasing availability of cars. As a result of these and other merger efficiencies, equipment supply will improve.

<u>Second</u>, the Utah Central Railway will enjoy the benefits of collecting and delivering cars at the Ogden Utah yards for the new merged system. This will reduce handling and costs and result in better, more reliable service.

<u>Third</u>, shippers will benefit from the shorter and more efficient routes that will result from the merged system's ability to use both UP and SP lines. This will result in more reliable and consistent service, faster transit time, and reduced loss and damage, all to the ultimate benefit of our shippers and their customers. <u>Fourth</u>, we and our shippers have been concerned about the competitive situation following the BNSF merger. BNSF will be nearly twice the size of UP or SP. Even prior to the merger we had been concerned about SP's service, long term viability, and its proposed abandonments. Combining UP and SP will create a competitor that is fully equal to BNSF in all major Western Markets. UPSP will be able to match BNSF service time and reliability in markets critical to our shippers. Thus, with the combination of the financially robust and service conscious UP and the route structure and market reach of the SP, our shippers will have the assurance of long-term, top quality service from a financially strong system capable of making the necessary capital investment to maintain rail competition.

<u>Finally</u>, we support the settlement reached by UPSP and BNSF. For our shippers, not only is two railroad competition required, their market reach is expanded to include the entire BNSF system. Upon approval, they will have access to single line service over the two major rail systems in the West. This settlement assures long term vigorous rail competition throughout the Western United States.

We believe that the proposed merger will provide significant benefits to our shippers. We strongly support the application and urge that the proposed merger together with the UPSF-BNSF settlement be approved as soon as possible.

I, B.A. Blansett, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on October 12, 1995.

B. A. Blansett

B.A. Blansett

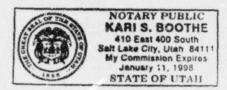
VERIFICATION

STATE OF	UTAH)
)ss
COUNTY OF	WEBER)

B. A. Blansett, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted herein, and that the same are true as stated.

BA. Blansett B. A. Blansett

Subscribed and sworn to and before me this 12th day of October, 1995.



Notary Public

My Commission Expires:

VISION

TRANSPORTATION TECHNOLOGIES, LLC.

"Seeing and creating the future"

D. J. Roberts Founder and President

October 12, 1995

Subj: Proposed merger of Union Pacific Railroad and Southern Pacific Lines, Finance Docket No. 32760.

Verified statement of D. J. Roberts on behalf of Vision Transportation Technologies, LLC.

Gentlemen:

I am Founder and President of the company with overall and final decision making responsibility for all railroad matters. I have over 31 years of experience in the rail industry and have worked in virtually every operating and non-operating position on several class III terminal and switching railroads and was a locomotive engineer on one class I railroad.

Our firm acts as a holding company for class III terminal and switching railroads, primarily military, government, municipal and industrial lines in various parts of the country we will either own or operate. Two lines in Kansas City, Missouri and one in southeastern Iowa are in negotiation. We intend to close on both properties by the end of 1995 at the very latest. We will own one property and operate the other two under 25 year renewable contracts. One Missouri line can directly both ship and receive freight from all major railroads with the exception of the Norfolk Southern (NS) and the Kansas City Southern (KCS) wherein the Gateway Western (GWWR) will act as the switching carrier. The other site is virtually the same but is lacking a connection with the Norfolk Southern and, again, at present, the GWWR will act as the intermediate carrier.

> RR #2, Box 173 La Cygne, KS USA 66040 (913) 757-2674

The Iowa facility is served exclusively by the Burlington Northern and Santa Fe Railway Company (BNSF). Even after the proposed merger, the nearest connection with the UP/SP will be over 23 miles to the south at Ft. Madison over which the UP/SP will have trackage rights.

Our traffic mix on these lines will consist of steel in various forms, plastic resins, chemicals, construction materials, forest products, agricultural products, coal, tires, class A explosives, animal waste and non-hazardous wastewater.

At the Kansas City facilities, 95% of the inbound traffic to our customers is by rail with outbound traffic being 20% rail. At the Iowa site, 75% of the inbound and outbound traffic is by rail, with most of these being government shipments. Traffic patterns are very dispersed at all locations, both receiving and shipping products all over the country. Intermodal service, consisting of both trailers and containers, is expected to be operational at the Iowa site in early 1996. Combined revenues at all three properties is anticipated to be over \$3,000,000 in the first years operations with revenues expected to double in less than two years.

It is our understanding that UP and SP intend to merge, and we are in very strong support of the merger, as are our customers on two of the three properties. The proposed merger would have little effect on the Iowa operation because of the distance to a direct connection with the UP/SP. We and our coming customers believe service levels will increase, transit times will be decreased, rates will become more competitive and we may have the opportunity to handle the interchange of traffic via through trains versus using local switching. Especially in the plastic resin, forest products and construction materials markets, the merger will give our customers transportation options they now lack. It will also open up new markets for outbound rail shipments that are now unavailable.

As an example, one customer who is in the forest products and construction materials reload business will now have direct access to markets in Washington, Oregon and northern California of which they lack at present. In addition, as we have discussed with Mr. James L. Syverson, an SP National Account Director, the feasibility of establishing reload/transload centers in Kansas City is enhanced because of the longer "reach" of the combined two railroads, especially into the west coast and the southern mid-western states. Single-line service will be of definite benefit to our only Kansas City reload customer who has been wanting to do business with the UP and SP. With our purchase of the line serving him and it being converted to an open switch, we will have direct access and switching to the new merged railroad.

On both of our coming Kansas City lines, the BNSF currently has a near monopoly on the forest products markets. The reload firm believes that some additional competition is needed in the corridors from Vancouver and Canada to Kansas City. Two other customers who use roll paper believe that transit times will be better in addition to us having a direct connection with the UP/SP combination.

In establishing service at a new industrial park in Kansas City, our direct connection with the UP/SP will finally break the total stranglehold that the KCS has on inbound plastic resins and chemicals originating in the south (Louisiana and Texas) and terminating in Kansas City. It is our intention to open a reload facility specifically for plastic resins and interest has been strong relative thereto. KCS's revenue division when interchanging movements with other class I's is, we believe, unproportionately high and the merger would "even the playing field" at last and allow us to compete head to head with the KCS for this traffic.

In summary, we believe the proposed merger of the two railroads to be in the best interest of not only our firm, but also that of our coming customers. It will certainly give us more options and overall better service. We support the merger and believe it will be mutually rewarding for our firm and the new railroad entity.

Yours very truly,

VERIFICATION

State of Kansas)) ss. County of Linn)

D. J. Roberts, having first being duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

There -Signed:

Subscribed and sworn to before me this 12th day of October, 1995.

1935	Inio
Notary Public	
My commission expires:	JOYCELENE R. COFIELD
8.9.97	JOYCELENE R. COFIELD Notary Public - State of Kansa My Appt. Expires 3997

Verified Statement of Nicholas B. Temple on behalf of Washington Central Railroad Company, Inc.

- 1. Nicholas B. Temple is the founder, majority stockholder and president of the Washington central Railroad (WCRC). The company was founded in 1986 when it purchased about 350 miles of railroad from the Burlington Northern. The company is headquartered at 6 E. Arlington, Yakima, WA 98901.
- The WCRC is now a 325 mile rail system located in central Washington State. WCRC employs about 75 people, operates 13 locomotives, and will interchange approximately 30,000 carloads of conventional merchandise rail traffic in 1995. WCRC interchanges with BN (Pasco and Connell, WA) and UP (Kennewick, WA).
- We are aware that the Union Pacific and Southern Pacific railroads are requesting authority to merge. The Washington Central Railroad strongly supports the proposed merger.

4. Supporting Reasons

This proposed merger is highly beneficial to the agricultural community of central Washington because:

- (4.1) It provides new single-line rail service between central Washington and California. Rail service has never been competitive in a north-south direction since the construction of Interstate Highway 5 along the west coast of the United States. This merger will, for the first time, permit single-line rail service in that highly competitive transportation corridor. By way of example, the single largest market for Washington State apples is California; it represents 17% of the entire market. No fresh apples move by rail to California from the major growing area of Yakima County, WA. Rail service in terms of transit times and volumes per rail car have precluded that potential movement. This merger would induce the creation of refrigerated intermodal service between these markets, lower our customer's transportation costs, and reduce road damage and air pollution along the interstate system. California should be particularly sensitive to this issue.
- (4.2) The merger also provides single line service to all major Mexican border crossings. One of the fastest growing markets for Washington State agricultural products is Mexico. Easy and efficient access to that market is essential to the regions' continued growth.
- (4.3) Competition is good for all of us. The UP-SP merger will insure that the two major western railroads are fairly balanced and offer real competitive service to our regional markets. It will also assure a more competitive posture for railroads as opposed to truck transportation, particularly in the I-5 corridor.

5. Conclusions

The Washington Central Railroad strongly endorses the approval of a merger between the Union Pacific and Southern Pacific Railroads. In summary, the merger is of great benefit to the central Washington region because;

- 1. It opens more efficient routes to our major, existing markets; and
- 2. opens new routes to our future markets in Mexico;
- 3. improves the competitive posture of the two major, western railroads;
- 4. improves rail competition vs. trucks throughout the region and in particular in the I-5 corridor;
- 5. reduces road damage and air pollution per ton mile of product transported; and
- 6. should result in improved intermodal service to the region.

I, Nicholas B. Temple, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on <u>Apptender 19,1995</u>

Nicholas B. Temple, President

VERIFIED STATEMENT

OF

ROBERT I. MELBO on behalf of WILLAMETTE & PACIFIC RAILROAD, INC.

My name is Robert I. Melbo. I am president and general manager of Willamette & Pacific Railroad, Inc., a short line railroad, with offices at 110 W. Tenth Avenue, Albany, Oregon 97321.

Willamette & Pacific Railroad is located in the northwestern corner of Oregon. It serves the western side of the Willamette Valley, with an east-west line over the Coast Range to the community of Toledo, near the coast. W&P connects and interchanges with Southern Pacific Lines at Eugene and Brooklyn (Portland), Oregon. It currently operates 185 route miles of former Southern Pacific branches, and enjoys trackage rights over 40 miles of SP's main line between Albany and Eugene. W&P serves more than 60 customers on a regular basis.

Willamette & Pacific has been in operation since February, 1993, and the traffic base upon initiation of operation was 28,900 carloads annually. In its first year, traffic grew to 33,500 carloads; by end of its second year, W&P handled 35,170 carloads. The growth trend continues. W&P customers ship a variety of commodities, including newsprint, linerboard, scrap paper, wood chips, rebar, scrap iron and steel, grair, fertilizers, lumber, plywood, logs, grass seed, cotton seed and anthracite coal. Major origins and destinations principally are between the Pacific Northwest and California and Arizona.

I am providing this statement in support of the Union Pacific Railroad application to acquire Southern Pacific, F.D. No. 32760.

The combination of the Union Pacific and Southern Pacific will complete a round of railroad consolidations which started over 20 years ago. With ICC approval, the remaining two major Western rail systems will provide strong competition for each other and for motor carriers. This is good news for shippers and short lines, and in particular, for Willamette & Pacific. We see nothing but positive things coming out of this merger for our customers and ourselves.

The following are the major reasons for my support of this application:

- UP/SP better Central Corridor service

- UP/SP better car supply and equipment utilization
- UP/SP stronger financial capability
- UP/SP broader route network bigger system

- UP/SP more efficient, competitive partner for Willamette & Pacific

- UP/SP stronger service performance

- UP/SP greater technical support

The combinations of carriers in the West during the last 20 years have occurred against a backdrop of ever increasing rate and service benefits for shippers. The combinations themselves created many of these efficiencies, which have been passed on to shippers. I anticipate that the efficiencies generated from UP/SP also will accrue to the benefit of short lines and in turn to short line customers.

Better Central Corridor Service:

Combining UP and SP routes between Northern California and the Midwest substantially reduces both the route miles and the mountainous grades that must be traversed on the Central Corridor. Fewer route miles and lesser grades translate into shorter transit times, which can be much more reliably achieved. With these benefits, our customers can in turn be more competitive in their respective markets.

Better Car Supply and Equipment Utilization:

As a short line, Willamette & Pacific is dependent upon Southern Pacific for the preponderance of freight cars required by our customers for interstate shipments. SP provides much of the equipment for intrastate shipments, as well. The much larger UP System has a bigger inventory of equipment from which these requirements can be met. Additionally, because of routing efficiencies inherent in the combination, UP/SP should be able to achieve better utilization of its equipment--a benefit which should translate into more equipment availability for W&P customers.

Stronger Financial Capability:

UP has had an extensive record of profitable operations over a long period of time. Profit streams that support the capital investment requirements of railroad operations, including replacement and new technology investments, are required in order to keep transportation costs in line and services competitive. SP has been hamstrung by low profit margins in its efforts to put in place the capital improvements required for competitive service. The combination with UP will provide the capital resources for these needed improvements.

Broader Route Network:

The UP/SP System will involve a much broader route network, capable of providing single-line rail service for Willamette & Pacific customers in geographic areas that SP has not served. The difference will be significant. Instead of Oregon singleline service to 13 other states, UP/SP will allow W&P to offer its customers single-line service between Oregon and 24 other states. Minneapolis, Seattle, Spokane, Omaha, Des Moines and many other major markets will be much more accessible to our customers.

Furthermore, our customers increasingly will depend on such a broad network as UP/SP will provide to remain competitive with firms served by the newly fashioned BNSF system.

A More Competitive Partner for Willamette & Pacific:

A much more efficient, competitive UP/SP will substantially increase the markets that Willamette & Pacific customers regularly serve. That is, the combination will extend our customers' reach, and enable them to ship more products via W&P to these new markets. Similarly, they will be able to obtain materials at sources which SP has not served.

Stronger Service Performance:

In a very real sense, Willamette & Pacific's service is no better than that of its main line connection. During a decade of cash losses, SP has not had the capability to invest in its plant as UP has done. The result has been major service shortfalls in transit time and transit time consistency versus not only UP, but BN and Santa Fe as well. Both of these measures will improve with SP's combination with UP.

Better Technical Support:

A strong plus for SP served short lines and their customers arising from the combination will be the enhanced technical capability which UP makes available to its short line partners. SP's information systems lag far behind UP's in terms of capability and customer utility. Willamette & Pacific expects that services such as car tracing will be greatly improved. Such a development has great merit in an age when Just-In-Time delivery commitments are fast becoming standard business practice.

For these reasons, I strongly support the combination of UP and SP, and urge the ICC to approve the application.

I, Robert I. Melbo, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on October 25, 1995.

Robert I Wfile

VERIFICATION

STATE OF OREGON)) \$\$ COUNTY OF LINN)

Robert I. Melbo, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Robert J. Melbo ROBERT I. MELBO

Subscribed and sworn before me this 25th day of

5

OCTOBER , 1995.

CERTER CONTRACTOR CONTRACTOR OFFICIAL SEAL MARY ALICE BARRON NOTARY PUBLIC - OREGON COMMISSION NO 027213 MY COMMISSION EXPIRES AUG 22, 1997

Mary Mie Danon NOTARY PUBLIC

My Commission Expires:

AUG. 22, 1997

WINCHESTER AND WESTERN RAILROAD COMPANY

Virginia Division 126 E. PICCADILLY STREET P.O. BOX 264 WINCHESTER, VIRGINIA 22601 703-662-2600

Corporate Office 258 ELM STREET NEW CANAAN, CONNECTICUT 06840 BRIDGETON, NEW JERSEY 08302

New Jersey Division P.O. BOX 1024

203-966-8880

609-451-6400

Verified Statement of William P. Light on behalf of The Winchester & Western Railroad Company

My name is William P. Light. I am a graduate of Georgia Tech University. I am President of the Winchester & Western Railroad Company (WW), headquartered in Winchester, Virginia. I have been employed in the railroad industry for twenty-five years. I spent nine years with the Norfolk & Western and the last sixteen years with the Winchester & Western. I am familiar with shipping needs of the customers located on our shortline railroads.

The Winchester & Western Railroad Company operates two railroad divisions, one in Virginia, West Virginia, and Maryland and the other in New Jersey. Our New Jersey Division connects with Conrail at Millville, New Jersey and serves customers at and between Millville on the one hand and Haleyville, Dorchester, Seabrook, and Port of Bridgeton on the other, all in New Jersey. Our Virginia Division serves customers in Maryland, West Virginia, and Virginia between Hagerstown, Maryland and Winchester. Virginia and between Winchester and Gore, Virginia. At Hagerstown we connect with Conrail and Norfolk Southern. We connect with CSXT at Winchester and Martinsburg, West Virginia. Our traffic volume is about 15,000 carloads, 10,000 carloads to and from customers in New Jersey and 5000 carloads to and from to and from customers in New Jersey and 5000 carloads to and from customers in Virginia. SP and UP handle approximately 800 carloads annually from customer on our railroad.

We support the proposed merger of UP and SP. Dependable and efficient service is important to our shippers. The combination of the financially sound and service conscious UP and the market reach of SP will result in important service improvements. The rationalization of routings, elimination of congestion and the extension of single line service territory will enable UPSP to reduce transit time and establish and meet reliable schedules. Moreover, as a result of this improved service, equipment turnaround and placement will be improved and car supply enhanced.

We believe our customers will be attracted by the improved, more efficient service that will be offered, particularly through the central corridor. Combining UP and SP routes between Northern and Central California and Oregon on the one hand and the Midwestern gateways on the other, will restore the historic connection between these two systems and substantially reduce both the route miles and the mountainous grades that must be traversed on the central corridor. Fewer route miles and lesser grades will result in shorter transit time, more reliable service and more dependable schedules.

An additional benefit is the integrated management and operation of the system. For example, a shipper on our railroad, Mobil Corp., ships recyclable plastic wood products from Winchester, Virginia to various SP and UP points on the West Coast. SP and UP each supply center beam flat cars for movement of those products. The shipper is required to load SP equipment for SP destinations and UP equipment for UP destinations. This causes a lot of extra switching at origin when the shipper needs to change destinations or priorities are changed. Some of this traffic has been lost to trucks because the shipper could not get the right car at the right time. Not only will this situation be eliminated, the destinations are within the service of the merged carrier and the traffic will be moved in the most efficient fashion. Thus, cycle times will be reduced, equipment utilization will be enhanced and this, coupled with the combination of the two fleets, will result in an enhanced car supply.

Our railroad and its shippers will also benefit from UP's information system for car tracing, which is superior to that of SP. The UP system will be used by the merged system. The ability to obtain more timely and comprehensive information from the combined database of the merged system means our shippers can quickly and easily determine the specific location and estimated arrival time of their shipments. It also allows our railroad and customers to know the position and likely return time of our equipment.

Finally, we believe the availability of two strong rail competitors in the West is preferable to a situation where a smaller carrier such as UP and the smaller and weaker SP attempt to compete with the larger and stronger newly merged BNSF. We have been concerned about the ability of SP to survive in light of the anticipated dominance of the newly merged BNSF. The proposed combination of UP and SP creates a strong and vigorous competitor to BNSF and assures a healthy competitive environment in the western United States. A competitive balance in the rail inclustry is essential to shippers and the public. We urge the ICC to grant approval for this merger.

I, William P. Light, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed this ______ day of October, 1995.



YREKA WESTERN RAILROAD COMPANY



A Subsidiary of KYLE RAILWAYS, INC. Eastablished 1889

300 East Miner Street • P.O. Box 660 • Yreka, California 96097 Phone: (916) 842-4146 • FAX: (916) 842-4148

> Verified Statement of Larry G. Bacon in behalf of Yreka Western Railroad Company

My name is Larry G. Bacon. I am the General Manager of the Yreka Western Railroad Company, with its principal office located in Yreka, California. I have ten years of railroad experience with Southern Pacific, Kyle Railways, Inc., and Yreka Western Railroad Company. I am familiar with the transportation needs of our shippers.

The Yreka Western Railroad Company is a shortline railroad consisting of approximately eight miles of main line and serving the Yreka area in Northern California. We currently interchange with the California Oregon and Pacific which interchanges with the Southern Pacific. The principal commodities which we handle are inbound propane from Canada and California, outbound wood chips destined primarily for Oregon and outbound lumber destined for points throughout the United States.

We understand that Union Pacific and Southern Pacific are requesting authority to merge. We strongly support their application.

Our company, along with shippers and the general public will benefit by this merger. We strive to provide the best possible rail service to our shippers. As a shortline, we are dependent on our trunk line carrier for the overall service which our shippers receive. Expanded single line service by our trunk line carrier can only serve to benefit shippers. Rationalization of routes, elimination of congestion and the extension of single line service territory will enable UPSP to reduce transit time and establish and meet reliable schedules. The combination of the locomotive and car fleets of the two railroads will result in more efficient equipment utilization and improve the availability to shippers of railroad owned equipment.

We believe that expansion of single line territory and the efficiencies of single line service available to our shippers will allow them to expand their markets and enjoy more efficient transportation. For example, our outbound lumber shippers can expect transit time with less intermediate handling to an expanded market area. We expect their economics to improve as a result. Propane from vestern Canada will also move on routes with less intermediate handling and more efficient service.

SP has not been able to make the capital investments necessary to improve their service to remain fully competitive in the transportation market. The pressures created by the merger of BN and SF will not improve this situation. The addition of UP's financial strength and quality of operation to SP's system will result in a financially strong company capable of making the capital investments necessary for quality rail service.

Further, we fully support the settlement reached between UP-SP and BN-SF in this proceeding. First, the new pricing authority granted to UPSP under the settlement will provide expanded market access to additional BNSF points in the Pacific Northwest, including British Columbia via Vancouver. This will expand potential markets for our shippers. Second, the new trackage rights granted to UPSP between Chemult and Bend, Oregon, will make UPSP's I-5 service more efficient. Finally, although the new I-5 rights granted to BNSF as part of the settlement do not directly affect us, the enhanced competitive environment in the I-5 corridor will benefit all shippers in the region. The presence of two strong rail competitors throughout the corridor will result in a vigorous competitive environment.

Our company heartily endorses the Southern Pacific and Union Pacific application for merger and the settlement reached with BNSF.

I, Larry G. Bacon, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed this Twentieth day of October, 1995.

Larry G. Bacon