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**CONTINENTAL  
ACRYLICS INC.**

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2225 East Del Amo Boulevard  
Compton, California 90220-6303  
(310) 637-2103  
(800) 562-8883  
FAX: (310) 637-2450

Date: 10-5-95

Interstate Commerce Commission  
United States of America

VERIFIED STATEMENT  
OF  
WILLIAM TOPOR  
on behalf of  
CONTINENTAL ACRYLICS INC.

I, William Topor, production and traffic manager for Continental Acrylics, Inc. am responding in support of 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.

Continental Acrylics is a manufacturer of thermoplastic acrylic pellets, producing 30 million pounds yearly. We receive privately owned tank cars of Methyl Methacrylate Monomer and Ethyl Acrylate Monomer into our Southern Pacific served facility in Compton, California. Our raw material originates in Avondale, LA. Taft, LA. Woodstock, TN. and Southern Pacific has the benefit of this haul, and in some cases the complete movement of this hazardous material into our facility. Occasionally we ship hopper cars of acrylic pellets to Osceola, AR. Linden, NJ. North Brothen NJ, and Elizabethport, NJ. Again, Southern Pacific is the primary carrier.

While our manufacturing facility is served solely by Southern Pacific we feel we will benefit from the synergies created by the merger of the UP and SP. Continental Acrylics expects to see improvements in service by virtue of more locomotive power, reduction in transit times resulting in improved cash flow, and greater equipment utilization by avoiding delays in switching yards.

Continental Acrylics approves and welcomes this proposed merger of the Union Pacific and the Southern Pacific. We believe that the proposed merger would be in our company's best interest as well as the best interests of our suppliers.



VERIFICATION

I, William Topor, 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 10-5-95.

William Topor  
William Topor

WITNESSED BY Carol Topor  
(Name)



FAX (212) 988-7970

PHONE (212) 988-7800

**CONTINENTAL PAPER GRADING CO.**  
7 EAST 85TH STREET - SUITE B  
NEW YORK, NY 10028

**VERIFIED STATEMENT  
of  
MARIAN J. KEILSON  
on behalf of  
CONTINENTAL PAPER GRADING COMPANY**

My name is Marian J. Keilson, and I am the Traffic Manager for the New York office of Continental Paper Grading Company, 7 East 85th Street, Suite B, New York, NY 10028. I am responsible for negotiating freight rates and expediting shipments of waste/scrap paper for Continental Paper Grading. I have been in the business for 10 years.

Continental Paper is a broker of waste/scrap paper. We are headquartered in Chicago where we also have a plant/warehouse facility (on Conrail). We have an office in New York where I am stationed and an office with a plant/warehouse facility in Brampton, Ontario, Canada (on CN). We store tonnage, sometimes sort and bale at our two plant/warehouse facilities. We sell waste/scrap paper to mills located throughout the continental United States, Canada, Mexico, Europe, the Far East and Pacific Rim. We ship by rail, truck and container. Our shipments, as a company, excluding Canada, amounts to an average of approximately 500 vehicles per month. The New York Office moves approximately 125 railcars per month. Some of our most common destinations in the US are Wisconsin, Michigan, Louisiana, California, Washington, Virginia, and Massachusetts. We also ship to Ontario, Canada; and Monterrey, Mexico City, and Orizaba, Mexico. We use a number of rail carriers in the West, including the Union Pacific and Southern Pacific.

The merger of the UP and the SP should improve our transit times for shipments. In some cases, the combination of UP and SP routes will create shorter routes to our destinations. In other cases, alternate routes to our destinations will exist, which will help reduce congestion, competitors wanting their share when routes are mixed and shorter transits.

The merger should increase Continental Paper's supplier's access to equipment. More efficient repositioning of equipment, using opportunities for triangulation and backhaul, will increase equipment supply. Faster transit times resulting from new single-line



service and other service improvements should also make more equipment available to Continental Paper and/or its suppliers.

Continental Paper will get improved access to all Mexican border crossings as a result of the merger. The combined railroad will have increased opportunities to pre-block trains destined for Mexico, which should speed traffic between the US and Mexico. In addition, the adoption of UP's efficient border crossing procedures at all SP points will permit expedited traffic through customs.

The merger will also assure high quality service for movements to SP served points. Because some of our customers are served exclusively by SP, we use SP for some of our movements. However, we have encountered delays and other service problems with these shipments such as long lag time, long waits for weighing cars in transit and lack of instructions being followed.

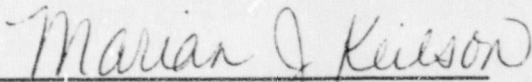
A merger with the UP should give the SP the resources to upgrade its facilities and its service levels, resulting in more reliable and timely service to SP served points. This will ensure that we have good rail service to all of our existing and potential customers over the long term.

The combined UP/SP will create a railroad which has the ability to compete with BN/Sante Fe. The BN/Sante Fe has routing options and operating efficiencies which give it great advantages over its competitors. A combined UP/SP would have similar advantages, and would give shippers a choice between two strong railroads. This should result in stronger competition than exists today where BN/Santa Fe competes with two smaller railroads, one of which is not a very effective competitor.

We endorse the UP/SP merger and urge the ICC to approve the merger.

#### VERIFICATION

I, Marian J. Keilson, 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 20, 1995.

  
MARIAN J. KEILSON  
CONTINENTAL PAPER GRADING CO.

VERIFIED STATEMENT

OF

MARK J. WOLFF

on behalf of

CONTINENTAL RESOURCES INC.

Continental Resources Inc., is a marketer of industrial raw materials to the metallurgical and fertilizer industries, on a world-wide basis. Some of the products we handle include Sulphur, High Phosphorus Iron, Coke, Zircon Sand, Mica, Fluorspar, and Ferro Alloys. The company is headquartered at 641 Lexington Avenue, in New York City. My name is Mark J. Wolff, and my responsibilities as product manager include making decisions relating to transportation alternatives, such as rail, barge, and vessel.

It is our understanding that the Union Pacific Railroad (UP) and Southern Pacific Railroad (SP) are requesting permission to merge to create one carrier. We would like to express our firm support for such a merger, as we believe that the newly-formed carrier will improve the quality of rail service in the following ways:

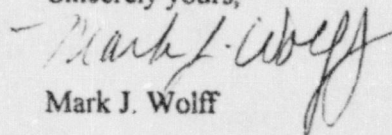
- 1) increase equipment availability
- 2) provide greater routing efficiencies

As our company has relied on the Union Pacific Railroad to move commodities from our suppliers located in interior portions of the U.S., to export ports located predominantly on the west coast, the merger will allow us to consider using other port facilities in other geographic locations which will potentially create cost savings for us, and the newly-created routing efficiencies will also enable us to save both time and money.

Another important issue, as far as we are concerned, is the maintenance of a strong competitive climate when it comes to transportation. In view of the Burlington Northern/Santa Fe merger, we believe that the UP/SP merger will foster competition, rather than limit it. Furthermore, the recent agreement between Burlington Northern/Santa Fe and Union Pacific and Southern Pacific allowing the sharing of track rights and line sales, illustrates the commitment that both railroads have to maintaining a competitive environment.

We believe that the merger will be beneficial to shippers, and therefore we support it.

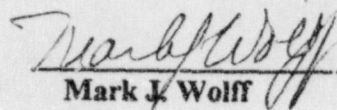
Sincerely yours,

  
Mark J. Wolff




**VERIFICATION**

I, Mark J. Wolff, 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 29, 1995.

  
Mark J. Wolff





# Cook Flour Company

2109 Frederick Street / Oakland, CA 94606 / Phone 510-534-2665 Oakland  
415-362-5711 San Francisco / Fax # 510-534-2509

VERIFIED STATEMENT  
OF  
BRENDAN J. McENTEE  
ON BEHALF OF  
COOK FLOUR CO.

To: Interstate Commerce Commission

Re: 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.

My name is Brendan J. McEntee, President of Cook Flour Co., 2109 Frederick St., Oakland, CA 94606. I am ultimately responsible for all traffic or transportation related decisions for our company.

Cook Flour Co. is a distributor of specialty flour and grain products primarily in the San Francisco Bay Area and the Pacific Northwest. We distribute specialty flour and grains for Con Agra, Cargill and our own mill in Conrad, Montana.

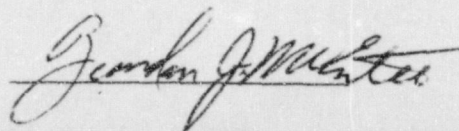
- We originate box cars of corn and oats from Aitchison, Kansas to our warehouses in Oakland, California and Kent, Washington.
- We are currently planning to originate bulk flour from our mill in Conrad, Montana to the Bay Area and the Pacific Northwest. We are also investigating the feasibility of bulk rail cars from Pendleton, Oregon.
- We currently average 70 railcars of product annually but expect to double that figure in the near term.

It is my understanding that the Union Pacific and Southern Pacific Railroads are requesting authority to merge. I believe that this proposed merger would be in the best interest of Cook Flour Co. as well as other shippers like us.

In the past we have experienced inordinate delays on the S.P. largely as a result of equipment shortages and switching delays. I believe that this merger will enhance the supply of equipment and power and provide new financial stability. It is my expectation that U.P./S.P. will be able to reposition both cars and locomotives more efficiently to the benefit of their customers.

In conclusion, it is my observation that for rail service to remain a viable option for Cook Flour Co., we need a healthy, financially, secure, high quality operator. The merger of the U.P. and S.P. railroads gives me some hope that this option is possible.

I, Brendan McEntee, 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 28, 1995.





## COOLEY FOREST PRODUCTS

P.O. BOX 20188 - PHOENIX, AZ. 85036-0188

PHONE (602) 276 2402

1930 WEST BROADWAY RD. - PHOENIX, AZ. 85041

FAX (602) 276 2864

VERIFIED STATEMENT  
OF REX WHITING  
REF: UP/SP MERGER

My name is Rex Whiting and my title here at Cooley Forest Products is Vice President - Transportation Coordinator. The majority of my responsibility lies in assuring the timely transport of all incoming freight at reasonable and competitive rates. I am responsible for all rail activity. I have been with the company for 15 years. I've handled the incoming freight responsibilities for the past six years. I was put on the Board of Directors here at Cooley Forest Products three years ago.

We supply most of the lumber dealers in Arizona as well as the home improvement centers with their needs in lumber and lumber products. Since we have the ability and equipment to manufacture specialized lumber products we also sell to companies that use lumber in manufacturing (Pallets, Furniture, Storage sheds, Doors, Crates, etc.).

Last year we received delivery of over 700 railcars. Most of these cars were flat cars and Center beams and many were boxcars. We have the ability to unload off of a private track on the SP and off of a team track on the ATSF. Our preference is always to unload at the private facility on the SP track because it is more efficient for us, but many of our deliveries originate on the UP and are routed UP - Barstow - ATSF which requires us to unload off of a team track.

For the above reason and many others we are anxious to see a merger between UP and SP. After the merger, traffic will be routed on a single line basis for delivery to the SP private track. The merger of BN and ATSF has created a carrier that has a much larger route system than UP or SP. The UP/SP merger will provide a strong and effective competitor to BN/ATSF. A large part of our lumber comes on rail out of the Northwest (Oregon, Washington, Idaho) and much of our needs come from Canada with the CN and BCOL as originating carriers with connections to the BN and UP. Within the past two years we have also seen a significant increase in the amount and availability of Lumber in the South (Texas, Arkansas, Mississippi, etc.). The UP/SP merger will give us single line rail access to these domestic originations and single line access to a Canadian gateway. Again we look forward to the new possibilities that will occur if UP and SP merge.

We believe that the proposed merger would be in our company's best interests. We definitely support the UP/SP merger application.

I REX L. WHITING declare under penalty of perjury that the foregoing is true and correct. Further I certify I am qualified and authorized to file this verified statement. Executed on 10/26/95

Rex L. Whiting

Rex L. Whiting

Vice President Transportation Coordinator



VERIFIED STATEMENT  
OF  
DONALD KUELBS  
on behalf of  
CROSS CON TERMINALS

My name is Donald Kuelbs. I am Vice-President of Cross Con Terminals, located at P.O. Box 1922, South Bend, IN 46634. I am writing to express my company's strong support for the proposed merger of the Union Pacific and the Southern Pacific, and to encourage the ICC to approve the merger.

Cross Con Terminals is a transportation company that sells intermodal and truckload shipping services. Cross Con has annual revenues of over \$50 million. We have important ramps at Chicago with access to ConRail, CSX, ATSF, BN, NS, UP and SP, from which we serve the East Coast, Florida, Texas, California, and the Pacific Northwest. We have additional facilities at Toronto, Los Angeles, Indianapolis, Atlanta, and Detroit.

I have been in the transportation field for 25 years. As Vice-President for Cross Con, I am in charge of sales for Western Michigan and Northern Indiana. Prior to coming to Cross Con I was Vice-President at CSI. Before that, I worked in Whirlpool's Corporate Transportation Department for 9 years. I have also been a terminal manager for common carriers.

We expect the merger of the UP and the SP to result in shorter routes and improved intermodal service on many of the routes used by Cross Con. A number of improvements will affect our Chicago-Texas traffic, including traffic destined for Mexico.

- The coordination of intermodal terminals in Chicago will reduce drayage and improve the handling of intermodal traffic.
- Greater traffic volumes will enable the UP/SP to pre-block and construct run-through trains to destinations in Texas and Mexico, which will avoid terminal congestion and improve transit times.
- The availability of alternate routes will allow trains to bypass congestion, improving transit time and reliability of service.
- Improved access to Mexican gateways at Laredo, El Paso, Eagle Pass, and Brownsville should attract new customers for Cross Con's intermodal service, particularly after UP extends its efficient border-crossing procedures to all UP/SP shipments.

Cross Con will also benefit from improved Chicago-California service. UP/SP will be concentrating its intermodal service along SP's Tucumcari and Southern Corridor routes, and will concentrate slower manifest traffic on UP's Overland route. This route specialization will enable UP/SP to offer more reliable third-morning intermodal service between Chicago and Los Angeles, and introduce new third-morning intermodal service between Chicago and Los Angeles, and introduce new third-morning service between Chicago and Oakland. Therefore, following the merger, UP/SP will offer intermodal service which is as good or better than that now available from BN/Santa Fe, the rail industry's current leader in intermodal service. Improvements of terminal operations and facilities in Los Angeles and Oakland will be additional benefits of this merger.

New single-line intermodal service along the West Coast from Los Angeles to Seattle will create new opportunities for Cross Con. This new service should reduce highway congestion on the I-5 highway and make intermodal transportation along this route more competitive with trucking.

Cross Con also welcomes improved service between Texas and California/Pacific Northwest, which will benefit our current intermodal customers and attract new business. For example, Alcoa ships over 150 truckloads per year from Dallas to the Pacific Northwest, which might be shipped intermodally following the merger. This traffic would move along the UP line from Dallas to El Paso, along SP's Southern Corridor route from El Paso to California, and then up the I-5 Corridor route to the Pacific Northwest. This would represent a mileage savings over current possibilities, which along with the route specialization and planned upgrades to some of the tracks along those routes, should greatly improve transit time.

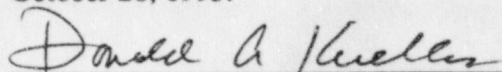
A further benefit of the merger for intermodal shippers will be improved access to equipment. Equipment availability is particularly important to intermodal shippers, because of the time sensitive nature of their business. The UP/SP will be able to reposition cars more efficiently, by taking advantage of backhaul and triangulation. Together with shorter routes and reduced terminal delay, this should give intermodal shippers more reliable access to more equipment.

These service improvements will make UP/SP a strong competitor in the intermodal business with BN/Santa Fe, currently the clear leader in intermodal shipments. Cross Con expects competition among the railroads for intermodal business to be even more intense than it is today. The existence of two strong, evenly matched railroads competing for intermodal traffic should create more competitive pressures than exist in today's market.

Cross Con requires fast and reliable rail service so that its intermodal operations remain competitive with trucking. The merger of the UP and the SP will create routing and service advantages that should allow UP/SP to offer a level of intermodal service unattainable by either company alone and that will generate vigorous competition with the BN/Santa Fe for intermodal customers. We strongly support the UP/SP merger.

#### VERIFICATION

I, Donald Kuelbs, 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 26, 1995.



Donald A. Kuelbs



Witness



CROSSET COMPANY  
205 CENTRAL AVENUE  
CINCINNATI, OHIO 45202

(513) 421-5511

**Verified Statement  
Of  
Dave Schadler  
On Behalf Of  
Crosset Company**

My name is Dave P. Schadler, Buyer/Account Manager of Crosset Company, 205 Central Avenue, Cincinnati, Ohio 45202. I have been employed with Crosset Company for 18 years and have held the above position for 7 years. My responsibilities include procurement and rail negotiations. Prior to this, I was Operations Supervisor in the Shipping Department.

Crosset Company is a full service produce wholesaler providing a wide range of fruits and vegetables to customers in the Midwest from its 3 Divisional locations at Cincinnati, Ohio (CSX open), Saline, Michigan (AA open), and Akron, Ohio (CSX closed).

All of our Divisional locations are rail serviced and approximately 10% of our inbound produce is brought in by rail, balance by truck. Even with this breakdown, rail is very important to our business.

We understand that the UP and the SP are requesting authority to merge. As a rail user, we strongly support this merger as a means of being able to source and ship carrots and other vegetables from the San Joaquin, CA, valley area. We currently now use truck exclusively on this business due to lack of rail equipment and proper service schedules. Following the merger, UP/SP will be able to offer faster and more reliable service for perishables between Southern California and Chicago. In addition, the combination of the UP and SP reefers, along with the greater flexibility UP/SP will have to reposition equipment, should result in better equipment supply.

With the merger, UPFE and SPFE rail reefer fleet and the new expected routes, we would be willing to utilize a reliable rail service to carry perishables from California to our facilities in the Midwest.

With this in mind, we believe this merger would be in our Company's best interest and we fully support the UP/SP merger application.



**VERIFICATION**

STATE OF KENTUCKY )

) ss.

COUNTY OF CAMPBELL )

DAVE SCHADLER, 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.

Dave Schadler

Dave Schadler

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

Mary E. Kramer

Notary Public

Ky. State at Large

My Commission Expires:

Sept. 14, 1998

VERIFIED STATEMENT  
OF  
W.G. STEWART  
ON BEHALF OF  
CRYSTAL FOREST INDUSTRIES LTD.

My name is W.G. Stewart. I am Director of Crystal Forest Industries, Ltd., headquartered in Prince George, British Columbia, Canada.

Crystal Forest Industries is a lumber wholesaler in the forestry products industry. At the present time, we ship the bulk of our products by truck to the Los Angeles, California area, the Midwestern United States and Texas.

We support the proposed merger of Union Pacific and Southern Pacific. The efficiencies inherent in the consolidation of the two systems coupled with rights granted in the settlement between UP/SP and BNSF provide important benefits to us. For the first time we will have available direct rail access to all our markets via two strong consolidated rail systems. UPSP will be able to serve us by means of its pricing authority and its single routes in the I-5 corridor and its consolidated and direct routes to our markets in the Midwest and Texas. As a result of its settlement agreement with UP/SP, BNSF will have a direct single line route through the I-5 corridor in addition to its single line routes throughout the West. This enhanced rail competition for our traffic will allow us to consider rail as a real option for the movement of our traffic.

It is important to our business to reduce our logistics costs and be able to respond to our customers as quickly as possible. The ability to deal with one company for rate requests and rail service to destination is of enormous value to our business. In addition, market development is easier and more effective.

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

I, W.G. Stewart, 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 23RD day of October, 1995.

  
W.G. Stewart



VERIFIED STATEMENT  
OF  
M. MC NEIL PORTER  
on behalf of  
CSX INTERMODAL, INC.

My name is M. McNeil Porter. I am President and Chief Executive Officer of CSX Intermodal, Inc. ("CSXI") which is headquartered at 200 International Circle, Hunt Valley, Maryland. I have held this position since CSXI's formation in September 1987.

CSXI is a wholly-owned subsidiary of CSX Corporation which also owns CSX Transportation Inc., Sea-Land Service Inc. and American Commercial Lines Inc. CSXI is the nation's only full-service, coast-to-coast intermodal transportation company. We operate a network of over thirty dedicated intermodal terminals across North America serving New York, Philadelphia, Baltimore, Jacksonville, Atlanta, New Orleans, Chicago, Tacoma, Oakland, Long Beach and many other cities. Our company also offers comprehensive trucking and chassis management and leasing services.

In 1994 CSXI attained a record by handling 1.3 million loads. This continued CSXI's eight-year record of improved results, with operating income rising 15% to \$61 million. In 1994 CSXI completed improvements to many of its terminals, initiated direct trailer service between Chicago and New York City and continued to forge partnerships with ocean container carriers, motor carriers, railroads and intermodal marketing companies.

CSXI purchases rail intermodal service from most of the railroads in North America. All of our terminals are served by both rail and motor carrier. CSXI purchases rail intermodal service in the western United States principally from Burlington Northern/Santa Fe and Southern Pacific Transportation Company ("SP") and to a lesser extent from Union Pacific Railroad Company ("UP").

CSXI submits this statement to express support for the proposed merger between UP and SP. We believe that the merger will benefit CSXI and its customers by enabling

the combined UP/SP to provide more efficient rail transportation service than either of them alone can provide today. In addition, the proposed merged railroad will enhance intermodal rail competition in the western United States.

The UP/SP merger will produce significant service improvements that will benefit all shippers, especially intermodal shippers. Among these are new shorter routes, faster schedules, alternative route availability, opportunities for terminal coordination and consolidation, and increased ability to reposition equipment.

The proposed merger will enable UP/SP to challenge BN/Santa Fe's dominance of California-Chicago intermodal service for the first time. Mileage savings and operating efficiencies will allow UP/SP to offer third-morning intermodal service, which neither UP nor SP can do today. This service should be able to rival the service now offered by BN/Santa Fe between Northern California and Chicago. Between Los Angeles and Chicago, route specialization, plus linking SP's excellent L.A. Basin intermodal terminals with UP's Chicago-area terminals, will allow UP/SP to improve service. The merged system will be able to provide more reliable third-morning service to and from Southern California.

CSXI understands that UP/SP plan to concentrate service-sensitive Southern California intermodal traffic on SP's Tucumcari route, and slower traffic will be concentrated on UP's overland route. This is the route specialization that will reduce delay and increase reliability of the UP/SP service.

The combination of UP and SP lines will also make possible single-line north-south intermodal service on the West Coast, between Seattle/Tacoma and Southern California/Arizona. There is not such single-line rail service available today in the so-called "I-5" corridor. This will also improve equipment supply for intermodal movements to and from the West Coast. The UP/SP will be able to reposition cars, containers and trailers more efficiently, and take advantage of back haul and triangulation opportunities to more effectively position railcars and containers.



We understand that UP/SP and BN/Santa Fe have agreed, as a condition of the merger, that BN/Santa Fe will be provided with a connection between BN's lines in the Pacific Northwest and Santa Fe's lines in California. Consequently, there will be competitive intermodal rail service available up and down the West Coast.

CSXI handles a significant amount of traffic moving between the West Coast and Mexico, as well. As a result of their merger, we expect UP/SP to offer faster, more reliable service between Southern California and Texas, through use of a combination of UP and SP rail lines. This should enable UP/SP to provide new intermodal service between Los Angeles and Laredo, the premier Mexican gateway.

UP's acquisition of SP is essential if there is to be healthy rail competition with meaningful alternatives available to intermodal transportation companies such as CSXI. SP has experienced significant problems with service and reliability. SP also has serious capital constraints. Since the BN/Santa Fe merger, SP is becoming a weaker, increasingly disadvantaged competitor. Even now, SP faces serious obstacles to compete for much of our intermodal business. The merger will provide SP-served shippers with a higher level of service from a financially sound carrier.

The UP/SP merger will result in one less Class I railroad. Nevertheless, there will be stronger competition than can be expected and is experienced today among the Western railroads.


The newly merged BN/Santa Fe has great competitive strengths, in terms of efficiencies and its extensive route system. These strengths are particularly significant in the area of intermodal service, where BN/Santa Fe today is unequalled. Neither UP nor SP separately is able to provide effective competition to BN/Santa Fe intermodal service. The UP/SP merger would create vigorous competition for intermodal traffic, to the benefit of intermodal shippers.



These reasons convince me that the merger of UP and SP is in the best interests of CSXI and those of our customers. Therefore we recommend that it be approved promptly.

VERIFICATION

I, M. McNeil Porter, 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 13th day of November, 1995.

  
\_\_\_\_\_  
M. McNeil Porter

# CUMMINGS-MOORE GRAPHITE CO.



*Miners, Refiners, Importers & Exporters of* Graphite

PHONE: (313) 841-1615  
FAX: (313) 841-4880

1646 N. GREEN AVE. DETROIT, MICHIGAN 48209

FOR ALL REQUIREMENTS  
AND PURPOSES SINCE 1916

**Verified Statement  
of  
N.E. Mares  
on behalf of  
Cummings-Moore Graphite Company  
Division Asbury Carbons  
Finance Docket No. 32760  
Union Pacific/Southern Pacific Merger**

I, N.E. Mares, am President of Cummings-Moore Graphite Company. We are involved in the mining, refining, importing, and exporting of graphite, to and from, all over the world. I have been employed by my company for over 35 years, and have responsibility for our Mexican Operations, where most of our material is moved by rail into the United States. Cummings-Moore Graphite imports approximately 80% of the Mexican Amorphous Graphite from Mexico to its plants, distribution centers, and customers in the United States and Canada.

Our point of entry into the United States from Mexico is at Nogales, AZ, serviced by the SP, with movements to California, Louisiana, Alabama, Missouri, Illinois, Indiana, Michigan, and Pennsylvania.

As a shipper dependent of SP service, we welcome this merger as a means of ensuring that we receive top-quality rail service from a financially sound carrier. The proposed merger should significantly increase the available supply of locomotives. As a result, shipments should move on time and transit should improve so we can better control our inventories.

With approval of the application, UP and SP will be able to combine the strengths of their rail systems. As a result, shippers and receivers on both systems will enjoy improved service, including a number of entirely new services.

UP/SP will be able to provide single-line service to all major Mexican border crossings via shorter, more efficient routings. The combined railroad will offer more expedited, pre-blocked, and pre-cleared trains to and from interior points in Mexico. SP customers will be able to utilize UP's superior, automated "Despacho Previo" for expedited border crossings.

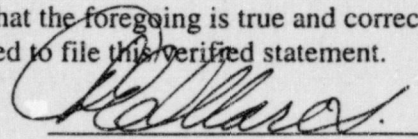
**AFFILIATED COMPANIES -**

THE ASBURY GRAPHITE MILLS, INC. ASBURY, WARREN COUNTY, N.J.  
GRAFITERA DE SONORA, S.A. DE C.V. GUAYMAS, SONORA, MEXICO  
GRAFITOS INDUSTRIALIZADOS MEXICANOS, S.A. DE C.V. HERMOSILLO, SONORA, MEXICO



We can see many benefits to our company by having the ICC grant the merger of the UP and SP. Our company supports the application.

I, N.E. Mares, 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.

A handwritten signature in dark ink, appearing to read "N.E. Mares", is written over a horizontal line.

N.E. Mares

# CYPRESS CHEMICAL COMPANY

---

Jock R. Willers

5110 Lake In The Woods Blvd.  
Lakeland, FL 33813

Telephone (813) 648-4166  
Fax (813) 648-4003

## VERIFIED STATEMENT

OF

**JOCK R. WILLERS**  
on behalf of  
**CYPRESS CHEMICAL**

My name is Jock R. Willers. I am Vice President of Supply and Distribution for Cypress Chemical. I have been with the company since November of 1993. Prior to joining Cypress Chemical, I was Senior Vice President of Distribution of Beker Industries and Senior Vice President of Supply and Distribution at Royster Company. I am responsible for both inbound and outbound shipments at Cypress's major facility in Helena, AR. We ship approximately 400 carloads annually on the Union Pacific railroad. Cypress Chemical manufactures ammonia sulfate fertilizer at its Helena, AR facility. We have a production capacity of 220,000 tons annually and currently ship 90,000-100,000 tons of ammonia sulfate fertilizer outbound. Cypress markets and distributes products primarily in the Midwest, Texas and Louisiana. The majority of our outbound traffic is presently handled by barge and truck. Our rail shipments move from Helena on the AKMD to Helena Junction where they are handled by the UP to Kansas City, Memphis, Omaha, Chicago and St. Louis for shipment to various destinations, including Stockton, CA, Denver, Iowa, Wisconsin, Michigan and Fort Worth.



We also receive inbound shipments of raw materials including 25,000 net tons of ammonia, 75,000 net tons of sulfuric acid, and 8-10,000 net tons of liquid material each year. Approximately 1/3 of the sulfuric acid is transported by truck, less than 1/3 moves by barge, and the rest is handled by rail. Safety is a primary concern in transporting sulfuric acid.

Cypress Chemical heartily endorses the proposed merger of the Union Pacific and Southern Pacific railroads. The merged system will enhance efficiencies for both our inbound and outbound shipments and provide new single-line access to markets for raw materials.

The merger will enhance our ability to receive raw materials. We anticipate that the merger will give us vital new single-line access to crystallized acid producers in California. In particular, the merger will allow us to utilize SP's route out of El Paso, TX to Southern California. The merger will also facilitate the reach of other potential sulfuric acid producers on a single line basis. We believe that with new single-line service, shorter and more efficient routes, and terminal efficiencies, the merged system will greatly improve our access to various galvanizers and refineries throughout the country.

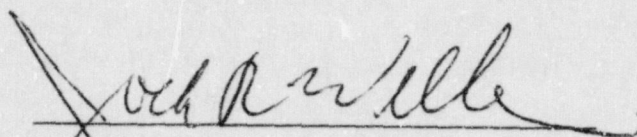
The merger will also provide access to potential new markets for our finished products. In particular, the merger will provide better service to Texas and Louisiana which should allow us to establish a more significant customer base in Texas and Louisiana. Finally, we anticipate that the combined system will have the capital resources to enhance rail service and effectively compete with the BN/ATSF in the Western United States. For all of the above described reasons, we urge the ICC to grant authority for the proposed merger.



## VERIFICATION

I, Jock R. Willers, 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 10/26, 1995.



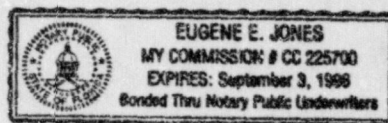
Jock R. Willers

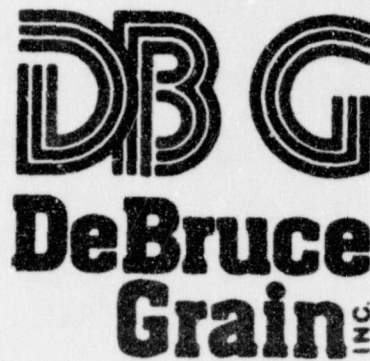
STATE: FLORIDA

COUNTY: POLK

NOTARY: Eugene E. Jones

ON THIS 26<sup>th</sup> DAY OF OCTOBER, 1995  
JOCK R. WILLERS PERSONALLY APPEARED  
BEFORE ME, WHOSE IDENTITY I PROVED  
WITH FL DRIVER'S LICENSE, TO BE  
THE SIGNER OF THE ABOVE INSTRUMENT.





Interstate Commerce Commission  
12th Street & Constitution Avenue, N.W.  
Washington, D.C. 20423

November 6, 1995

Re: 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.

DeBruce Grain, Inc. supports the UP/SP merger application as a means of service improvement and strengthening competition.

I am Paul DeBruce, CEO of DeBruce Grain, Inc., a \$500,000,000 regional grain company based in Kansas City, Missouri. I have been CEO for the life of the company, almost 18 years.

DeBruce Grain, Inc. (DBG) owns and operates eight grain and fertilizer facilities in Missouri, Kansas, Nebraska and Texas. One is on the UP only, three are on the UP and the BNSF and two are on the BNSF only. The remaining two are truck only. Six of the facilities are high speed/high volume grain train loading facilities. Total annual company volume is in the range of 30,000 to 40,000 cars. Shipments are generally from the midwest to Gulf ports for export, Mexico, California, the Pacific Northwest for export and various domestic destinations for both food grains and feed grains.

Approval of the UP/SP merger will benefit DBG as shipper, the consumer and, ultimately, the public in several ways.

1. Open new single-line destination markets for the farmer customers of our various facilities. In particular, we would gain single-line capabilities from our UP-served Kansas and Nebraska facilities to SP-served customers in California, particularly feeder markets in the San Joaquin and Imperial Valleys, and western Mexico. UP/SP's plan to upgrade SP's lines between Kansas City and Southern California on the Southern Corridor also will provide greater capacity and faster service for these movements.



2. Strengthen competition for movements into west Texas and California by merging UP origins with SP destinations, thus providing an effective alternative to BN/SF service.
3. Increasing railroad railcar utilization through abilities to focus railroad assets in seasonal demand areas. The merged system will be able to take advantage of different seasonal demand of UP and SP shippers to reposition covered hopper cars more efficiently, and take advantage of increased backhaul and triangulation opportunities (for example, moving feed grains from the midwest to the southwest then wheat from the southwest to the Gulf and midwest).
4. Increase leased car efficiencies through single-line service on moves from our UP Nebraska facilities (and other companies' UP Nebraska Facilities) into SP feeder markets in the San Joaquin and Imperial Valleys.
5. Single-line service to all major Mexican border crossings via shorter, more efficient routings. This will give us more flexibility in our Mexican export business. In addition, delays at the border will be reduced, due to increased use of UP's efficient border-crossing procedures.
6. Provide an equal competitor to the BN/SF. UP/SP will provide important competition for the BN/SF. In addition, UP, SP, and BN/SF have entered into an agreement that will give BN/SF access to important points in various states, including Texas and California, as well as access to the Mexican gateways of Eagle Pass, Brownsville, and Laredo (via interchange with the Texas Mexican Railway at Corpus Christi). These trackage rights will increase our ability to reach customers and ports on a single-line basis from our facilities located on BN/SF lines.
7. Coordination of traffic, routes and facilities of the two railroads will permit greater use of run-through trains and reduction in delays at terminals. This will improve transit times and reduce car cycle times on our routes from the midwest to the south and west.

We believe the proposed UP/SP merger will be beneficial to shippers. DBG supports the application.

Sincerely,

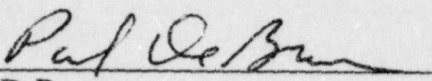


Paul DeBruce  
Chief Exec. Officer

PD/pp



I, Paul DeBruce, 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 20, 1995.

  
Paul DeBruce

**DEMLER ENTERPRISES**

**P.O. BOX 207  
WASCO, CA 93280  
(805) 758-4577**

VERIFIED STATEMENT  
of  
EDMUND N. DEMLER  
on behalf of  
DEMLER ENTERPRISES

My name is Edmund N. Demler, I am the owner of Demler Enterprises. My company's address is P. O. Box 207, Wasco CA 93280. I am currently in the process of constructing a modern, high-tech egg ranch here in California. My six sons also operate five large egg ranches in the southern California counties of San Diego and Riverside, and as a family we rank among the state's five largest egg producers. Our ranches annually consume over 150,000 tons of chicken feed, which is shipped from the Midwest by rail for delivery by Burlington Northern Santa Fe ("BNSF").

We support the proposed merger of Union Pacific and Southern Pacific. Rail transportation is important to the California area, and this merger will help to maintain healthy competition between the large Western rail carriers, to the ultimate benefit of California shippers.

In this case, not only will the combination of Union Pacific and Southern Pacific result in new single-line efficiencies, but those carriers have entered into a settlement agreement with BNSF that will significantly increase competition and routing options in the West. As a shipper located on BNSF, we stand to gain from the new rights granted BNSF over the central corridor from Denver to Oakland. These rights open up new BNSF single-line service options to California from various origins throughout the Midwest. This will expand the geographic regions that are available for us as sources of the feed ingredients for our ranches. More options mean better quality control and a greater ability to control costs.

Please approve the merger of Union Pacific and Southern Pacific railroads and the settlement agreement they have entered into with BNSF.

I, Edmund N. Demler, 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 31 October 1995

  
EDMUND N. DEMLER



## DISTRIBUTION SERVICES OF AMERICA

208 NORTH STREET  
FOXBORO, MA 02035  
(508) 543-3313

10/10/95

### Verified Statement Of:

Peter K. Murley  
Distribution Services Of America  
Vice President / Boxcar Connection

The DSA Boxcar Connection Program consists of a nationwide network of public distribution centers similar to and including DSA. The program is a joint effort between the warehouse network and participating railroads to provide efficient distribution of food and grocery products throughout North America.

Simply put, the Program facilitates shipments by boxcar into the local distribution center which in turn provides the off-loading, palletization, handling in and out, one month of storage, and local truck delivery of the product - all invoiced on a single through rate basis.

The Boxcar Connection Program has answered the need for competitive freight rates, efficient handling, outside storage, and local inventory control of products which require long distance transportation and distribution.

There are currently over fifty manufacturers and one hundred buying customers participating in the Program.

|                             |   |             |
|-----------------------------|---|-------------|
| Member Distribution Centers | - | 29          |
| Total Railcars Shipped      | - | 15,688      |
| 1994 Sales                  | - | 9.5 Million |

DSA rail volume percentages from California origins within the San Joaquin Valley to the New England and Middle Atlantic markets:

|      |   |     |
|------|---|-----|
| ATSF | - | 21% |
| SP   | - | 40% |
| UP   | - | 39% |

**DISTRIBUTION SERVICES OF AMERICA**

208 NORTH STREET  
FOXBORO, MA 02035  
(508) 543-3313

10/10/95

**Statement of Position on the UP/SP Merger**

We support the merger of the Union Pacific and Southern Pacific railroads as a means of improving service to DSA/s customers.

The above percentages indicate that a large portion of DSA shipments originate from "local" SP points in California. Over the past two years service problems within the SP system have resulted in lost business to DSA due to unacceptable transit times. It is our belief that a UP/SP merger will provide the capital which is needed to take corrective measures, such as additional locomotives. Also, it is our understanding that inter-modal and boxcar traffic could each run on separate lines which would further improve service.

DSA has a wide range of customer types. They all are striving to operate more efficiently by cutting back inventories and relying on "Just in Time" deliveries. There is no room for inconsistent transit times and late deliveries within this atmosphere. The service issue is key to maintaining our customer base and for future growth. We feel strongly that service from local SP origins in California will not improve without the UP/SP merger.

I, Peter K. Murley, 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

Signed: Peter K. Murley

Witnessed: [Signature]





**DONOHUE**  
INC.

801, chemin St-Louis  
Québec (Québec)  
Canada G1S 4W3  
Phone: (418) 684-7700  
Fax: (418) 684-7707



**VERIFIED STATEMENT  
OF  
JOHN R. WOODS  
on behalf of  
DONOHUE INCORPORATED**

My name is John R. Woods. I am Assistant Director of Transportation and Distribution for Donohue Incorporated headquartered at 801, Chemin St-Louis, Quebec, province of Quebec.

I have almost than 23 years experience in the field of transportation and distribution logistics. I am responsible for all matters regarding the rail transportation, distribution and warehousing of Donohue Incorporated products.

Donohue Incorporated is a major Canadian integrated forest products company engaged in forest management to ensure its fibre supply and the production and sale of newsprint paper, market pulp and lumber. To help ensure our future fibre sources, we have recently acquired all shares of Scieries St.Felicien Inc. of St-Felicien in the Lac St.Jean, region of Quebec. This acquisition will guarantee our fibre supply for our St.Felicien kraft mill and provide for higher kraft pulp production. A major market for our increased pulp production is expected to be consumed in the United States and Mexico. Our major mills are located within the province of Quebec, i.e. Clermont, Amos, St.Felicien, Matane, Normandin, Frigon, La Dore, St.Thomas.Didyme, Girardville, Quevillon, Senneterre and Champneuf.

Our major rail movements are from Clermont to Los Angeles, California, Houston, Texas and from Normandin to Shilo, California. Donohue Incorporated rail shipments originate on the CN Rail System, move to Chicago thence SP Lines. Donohue Incorporated ships more than 400 carloads annually to the above points.

We support the proposed merger of UP and SP. Efficient, reliable rail service is crucial to the success of our business. We believe that the combination of the financially strong and service oriented UP with the route structure and market access of the SP will produce efficiencies which will accrue to the benefit of shippers and customers receiving our products. The rerouting of traffic over the most efficient line segments, the elimination of congestion at terminals such as at Chicago, Kansas City, Houston and Los Angeles through planned improvements and the better use of the facilities will result in reduced transit times, better schedules and more reliable and consistent service.

With the expanded single line service that would be offered by UP/SP, we will have access to new markets that cannot be accessed economically today. Donohue Incorporated views Mexico as an important potential market for our newsprint and woodpulp production. The UP/SP will be able to provide single-line service to all major mexican border crossing via shorter, more efficient routings. The combined railroad will offer more expedited, pre-blocked and pre-cleared trains to and from interior points in Mexico.

DONOHUE  
MALBAIE  
INC.

DONOHUE  
MATANE  
INC.

DONOHUE  
NORMICK  
INC.

DONOHUE  
ST-FELICIEN  
INC.



**DONOHUE**  
INC.

801, chemin St-Louis  
Québec (Québec)  
Canada G1S 4W3  
Phone: (418) 684-7700  
Fax: (418) 684-7707



In addition, we have been concerned about the ability of SP to remain competitive in the present transportation market. This concern is of particular importance in light of the recently approved BNSF merger and the subsequent pressures applied on SP by this huge competitor. The UP/SP merger assures long term quality SP service. The combination of the financially strong and service oriented UP with the route structure and market access of the SP will result in a strong competitor to the BNSF. The competition for transportation services should be enhanced with two strong carriers able to compete with not only each other but also with other modes.

I, John R. Woods, 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 sixteenth day of October, 1995

John R. Woods

DONOHUE  
MALBAIE  
INC.

DONOHUE  
MATANE  
INC.

DONOHUE  
NORMICK  
INC.

DONOHUE  
ST-FELICIEN  
INC.





CORPORATE OFFICES  
DAVIES AND OAK STREETS  
P.O. BOX 16250  
LUDLOW, KY 41016-0250  
PHONE: 606/581-8200  
WATTS: 800/879-3876  
FAX: 606/581-1829

**VERIFIED STATEMENT  
OF**

**WALTER KRAMER  
on behalf of  
DURO BAG MANUFACTURING COMPANY**

My name is Walter Kramer. I am Director of Purchasing for Duro Bag Manufacturing Company, Ludlow, Kentucky. I have 35 years of experience with transportation, including fleet operations, intermodal, and railroad negotiations. At Duro Bag, I am responsible for purchasing both inbound and outbound transportation for all of our facilities. I am writing this statement on behalf of Duro Bag to urge the ICC to approve the Union Pacific/Southern Pacific Railroad merger.

Duro Bag Manufacturing produces all types of paper and plastic bags. We buy paper from mills and receive it at our facilities by rail. Finished bags are transported locally by truck. Our total transportation budget is approximately \$9 million. We have seven facilities throughout the United States and in Mexico. Our inbound carload shipments of paper annually amount to approximately 600 at Covington, Kentucky, 300 in Richwood, Kentucky, 250 at Brownsville, Texas, 250 at Hudson, Wisconsin, 200 at Tampa, Florida, 400 at Richmond, VA and smaller volumes at Rio Bravo, Mexico. Our Brownsville facility is served by both UP and SP, and our Hudson facility is served by UP/CNW. Most of our inbound shipments originate at West Coast paper mills located at SP points. Our Brownsville and Hudson facilities also receive paper from Simpson Paper in Tacoma, Washington which is served by UP and BN/SF. The Hudson shipments are routed through Chicago. We also draw on mills in Canada and Michigan. Some of these Canadian shipments move on the SP's Cotton belt line to Brownsville. The Brownsville facility also receives inbound shipments from Arkansas points on SP and from Portland, Oregon on UP. We also receive shipments from Arkansas points on SP and from Portland, OR on UP. We also receive shipments through most of the major gateways to the east, including Kansas City, Memphis, and St. Louis.

The merged UP/SP system will be able to offer improved service from West Coast paper mills into many of our facilities and important single-single-line service to our Brownsville, Texas plant. First we will be able to take advantage of single-line service from SP-served paper mills to our UP-served facilities, such as our facility in Hudson. This will substantially reduce transit times and allow us to use our suppliers more efficiently.

MANUFACTURING PLANTS  
LUDLOW//RICHWOOD/COVINGTON, KY • BROWNSVILLE, TX • HUDSON, WI  
TAMPA, FL • BRISTOL, PA • RIO BRAVO, MEXICO

We anticipate that we will have more efficient service for shipments from our supplier paper mills because of single-line service into Brownsville. Our Brownsville facility is served both by UP and SP via the Rio Grande short line railroad. We receive shipments from paper producers in Oregon on UP and Arkansas suppliers on SP. It will simplify our business and be more efficient to interact with only one railroad. More reliable service into this key facility will allow us to expand the markets for our bags. Some shipments into our facility are joint hauls by both UP and SP. For example, some inbound paper products movements interchange between SP and UP in Harlingen Texas. These shipments all will be single-line after the merger. In addition, the merged system will be able to offer shorter routes to Brownsville. For example, SP's lines to Brownsville from some origins involve a longer route than movements on UP through San Antonio. Use of a combination of SP and UP lines should reduce transit times to Brownsville.

Shipments from West Coast paper suppliers into our Brownsville facility will be substantially expedited because of the merger. Some of our paper supply originates in Roseville, California on SP. This time-sensitive intermodal traffic, trailers on flat cars, is handled by SP to San Antonio and then by UP to Brownsville. We will reap substantial benefits when this route becomes single-line. In addition, the merged system plans to upgrade SP's lines between El Paso and Colton, California. These improvements will contribute substantially reduced transit times. UP/SP also plans to concentrate faster intermodal traffic on the Southern Corridor and slower manifest shipments on the Central Corridor. This route specialization should reduce congestion on SP's lines, speeding intermodal movements into Texas. Similarly, UP/SF will offer the first viable single-line service along the West Coast I-5 corridor line linked with the former SP line to El Paso. This new route will provide more direct and efficient service to Brownsville.

Our Brownsville facility will benefit from the merger because of service improvements from Canadian origins. paper supplies from Canada have been interchanged with SP and transported on the Cotton Belt route out of Chicago. We have experienced numerous problems with SP service along these lines. The UP/SP system will have the financial resources to ensure more efficient service on this route.

UP/SP's capital improvements will improve transit times from paper mills to our facilities. For example, Kansas City terminals are often congested, slowing service through this gateway. The coordination of UP and SP terminals will address this problem, reducing transit times.

The UP/SP merger will also increase rail competition at our Brownsville facility. As a result of the merger, we will lose SP as an independent competitor at Brownsville. However, UP, SP and BN/SF have reached a settlement agreement giving BN/SF trackage rights between Alcoa, Texas and Brownsville.



These trackage rights mean that the UP/SP merged system will compete with a second strong railroad serving Brownsville. BN/SF is a financially sound railroad with an exceptional route structure. Our Brownsville facility will consequently be connected on a single line basis to a number of new points in the Western United States. In particular, the merger will give us additional single-line option from our Tacoma, Washington paper supplier to Brownsville. We expect that competition between two strong railroads will produce advantages that far exceed those services we receive today from competition between one strong and one weak railroad.

Our experience with CSX makes us particularly enthusiastic about the UP/SP merger. CSX serves three of our facilities and we have experienced a better working relationship as a result. We expect to be able to develop the same type of relationship with UP/SP, once they merge into one, and more of our business is concentrated with one carrier.

#### VERIFICATION

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

Executed on November 6, 1995.

Walter L. Kramer

Walter L. Kramer

October 23, 1995

**Verified Statement  
of  
John J. McMahon  
on behalf of  
Eagle Carriers Corporation/  
TLC Enterprises, Inc.**

My name is John J. McMahon, Vice President and Chief Operating Officer for Eagle Carriers Corporation/TLC Enterprises, Inc., 566 Haddon Avenue, Collingswood, NJ 08108. I administer and direct the over all operations of our Intermodal and Truck Brokerage business. I have held this position for over six (6) years and prior to that I worked for ITOFCA as a Traffic/Sales & Rate Officer and have been in transportation for over eighteen (18) years.

The company acts as a Shipper's Agent in procuring box car and intermodal transportation for various vendors and their products representing major retail merchandise and other general cargo (non-hazardous).

Our company ships general cargo from California and the Pacific Northwest via SP or UP to New Jersey, New York, Philadelphia, Boston and also Southeastern points. Also, we ship cargo via the reverse of above routes and also to UP or SP points in Texas for movement into Mexico.

The UP/SP merger should result in improved intermodal service and more reliable scheduled handling which will benefit shippers through new single-line routings and shorter mileage savings. The majority of our traffic is subject to shipment by truck which provides strong competition for railroads in the handling of our cargo from California and Pacific Northwest Region to the Midwest as well as Northeastern Region.

Improved service and cost savings resulting from the UP/SP merger will attract traffic from over-the-road trucks to intermodal.

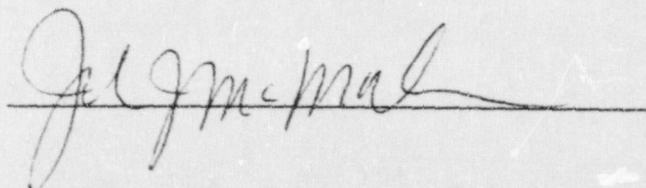
The combining of the UP/SP will create a reliable competitor that will be fully equal to the BN/SFe in all major Western markets and match or better BN/SFe service time and reliability in the California to the Chicago gateway.

A financially strong system to be created by the UP/SP merger will allow for better equipment utilization reducing or eliminating shortage of cars and trailers.

We strongly believe that the proposed merger will provide significant operating and scheduling benefits as well as cost savings to shippers. Our company supports the application.

I John J. McMahon, 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 23, 1995

A handwritten signature in dark ink, appearing to read 'J J McMahon', is written over a horizontal line.



BEFORE THE  
INTERSTATE COMMERCE COMMISSION  
FINANCE DOCKET NO. 32760 (8/4/95)

Union Pacific Railroad Company - Control and Merger  
Southern Pacific Lines

Verified Statement of  
Exxon Chemical Americas, a division  
of Exxon Company, a division of  
Exxon Corporation

Submitted by:

B. Kenneth Townsend  
Purchasing and Emergency  
Preparedness Manager  
Exxon Chemical Americas  
13501 Katy Freeway  
Houston, TX 77079

November 14, 1995

**VERIFIED STATEMENT  
OF  
B. KENNETH TOWNSEND, JR.**

Qualification of Witness

My name is B. Kenneth Townsend, Jr. I am the Purchasing and Emergency Preparedness Manager for Exxon Chemical Americas (ECA), a division of Exxon Chemical Company, a division of Exxon Corporation (Exxon), located at 13501 Katy Freeway, Houston, Texas, 77079-1398.

My department purchases and manages U.S. truck and rail transportation services, U.S. and international marine transportation services, and manages ECA's leased and owned rail equipment. The department serves all of the many business units within ECA. Members of my department and I interact routinely with the railroads and other carriers who provide these services.

Prior to holding my current position I held sales, marketing, and business management positions in several ECA business areas. I have been employed with ECA for over 29 years, having graduated from Georgia Tech with a B.S. in Mechanical Engineering and from The Wharton Graduate School, University of Pennsylvania, with an MBA.

I have participated in many discussions with the Missouri Pacific/Union Pacific (UP) and Southern Pacific (SP) about the proposed merger's impact on Exxon's rail transportation service and rates. I have also talked to the Burlington Northern (BN) about their proposed access to UP/SP lines and to other railroads about their



proposed alternatives to the UP/BN access arrangement. Therefore, I am fully cognizant of the issues regarding this merger and the manner in which the UP has addressed them.

#### Exxon's Rail Transportation Needs

ECA and Exxon Company, U.S.A. (EUSA), (a division of Exxon Corporation), (ECA and EUSA will be collectively referred to herein as Exxon), have 7 plants in Texas, Louisiana and California that are served today by either the UP or the SP. Exxon is a major rail shipper of chemical and petroleum products with over 80% of our 54000 railcars per year handled by one of these two railroads. The UP and SP handle nearly 100% of ECA's plastic traffic in Texas. Further, ECA has a contract with the UP to build a new rail line into our Mont Belvieu Plastics Plant to compete with the SP. The intention was that once that line was constructed, all of the Exxon facilities in Texas would have competition between the UP and SP. Clearly, this merger will have a dramatic and unique impact on the competitive environment for Exxon's rail traffic.

#### Exxon Supports Merger and BN Access Arrangements

After extensive study and review and discussion with the involved railroads, Exxon has taken a position of support for the proposed UP/SP merger and the proposed UP/BN access arrangements. We do not believe this merger increases actual concentration in Class I railroads versus what we believe would occur in its absence. After many discussions with SP and assessments by our advisors, we do not believe the SP would survive as an independent railroad if this merger were not to occur. Its financial strength and level of service have been on the decline and we are concerned that this trend will continue. Without this merger, existing SP lines will likely be sold piecemeal, resulting in further declines in service levels. Further, piecemeal sales would not be expected to assure long term competition as effectively as providing access to BN, a

strong viable railroad. Ownership by UP will result in significantly improved levels of service and operations of the current SP routes by a carrier with the resources to maintain and operate them in an appropriate manner.

Access by the BN to all our sites currently served by both UP and SP helps alleviate Exxon's concerns about the competitive impacts of this merger on our facilities. Based on our discussions with these railroads, we expect that we will be able to receive satisfactory commercial terms, as well as improved levels of service at many of our facilities and enhanced competition for our traffic at our sites in the Baytown, Texas area.

#### Future Concerns

While Exxon supports this merger because of special circumstances with the weak condition of SP, we continue to be concerned about the decreasing number of Class I railroads. We believe that the marketplace and consumers are generally best served by head-to-head competition between viable rail transportation providers. In our experience, typically rates are lower and service better where more than one carrier has the actual, practical ability to compete for our business.

Since 1980, consolidation in the rail industry has been very rapid. We are concerned that efficiencies provided by future mergers of Class I railroads may be less significant than the adverse competitive impact of further concentration.

We believe that any further consolidation of Class I rail carriers beyond the UP/SP merger should be carefully and critically examined with particular attention paid to competitive impacts.



VERIFICATION

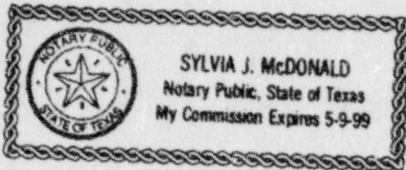
STATE OF TEXAS       )  
                                  ) ss.  
COUNTY OF HARRIS    )

B. Kenneth Townsend, Jr., being first duly sworn, deposes and says that he has read the foregoing statement, knows the facts asserted therein, and that the same are true as stated.

B. Kenneth Townsend, Jr.

B. Kenneth Townsend, Jr.

Subscribed and sworn to before me this 14<sup>th</sup> day of November, 1995.



Sylvia J. McDonald

Notary Public

# FARMERS COOP ELEVATOR

P.O. BOX 220  
Kanawha, Iowa 50447  
(515) 762-3251

VERIFIED STATEMENT  
OF  
Marshall Simmerman  
on behalf of  
Farmers Cooperative Elevator Co.  
Kanawha, Iowa

My name is Marshall Simmerman. I am the General Manager of the Farmers Cooperative Elevator Co. located in Kanawha, Iowa. I have been General Manager at Kanawha for nearly four years. I have been in the grain and feed business in different capacities for seventeen years.

Farmers Cooperative Elevator is a farmer owned company located in North-Central Iowa. Products we handle are; corn, soybeans, oats, livestock feed, plant food, and crop protection products. We have sales of 12 to 15 million dollars annually. Corn and soybeans contribute to 51% of the total sales, with corn the largest in volume.

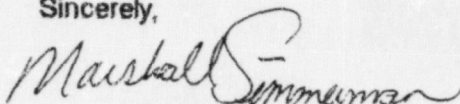
We are serviced by the Union Pacific Railroad. We load 75 car unit trains. We ship approximately 2.5 million bushels of corn per year on this rail line. The destinations are corn processing plants located in Iowa, the Mississippi River to be loaded for barge shipment, and to the Texas Gulf for export.

The merger of the Union Pacific and Southern Pacific Railroads would provide expanded markets for our grain into Mexico, and to the West Coast. This would add value to our member-owners grain, and in turn add dollars back to them in higher grain prices.

The merger of the UP/SP should improve cycle times of grain trains, increase car and power supply, utilize shorter destination routes, reduce congestion at terminals, and increase availability of cars. This would add to the efficiencies of the combined companies. By achieving these efficiencies, we as a grain shipper would be able to market grain on a more consistent, economical basis. This would help reduce the peak shipping periods currently experienced by the grain industry.

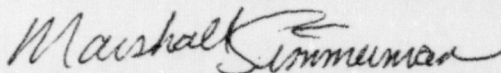
We believe that the proposed merger will provide significant benefits to our company. Our company supports the merger of the two companies.

Sincerely,



Marshall Simmerman  
General Manager  
Farmers Cooperative Elevator Co.  
Kanawha, Iowa

I Marshall Simmerman, 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 10-9-95





**VERIFIED STATEMENT  
of  
CLARK I. SMITH  
on behalf of  
FISHER-PRICE TOYS**

My name is Clark Smith, and I am the Distribution Operations Manager for Fisher-Price Toys. My company's address is 636 Girard Avenue, East Aurora, NY 14052. I have been involved in the transportation and distribution area for the past 30 years. I am currently responsible for the warehousing, distribution and transportation operations at Fisher-Price Toys.

Fisher-Price is involved in the manufacture of an extensive line of children's toys. Our company ships toys from our plants in Ontario, California and City of Industry, California, to major markets throughout the United States. Both plants are served by the Southern Pacific.

We are aware that Union Pacific and Southern Pacific have requested authority to merge their companies. Our company supports such a merger.

We currently suffer from SP service that is so poor that we have been forced instead to rely on trucks, even though the cost is somewhat higher. SP is so financially weak that we believe they cannot solve our service problems or effectively compete over the long run with UP or the newly merged BN/Santa Fe. With the merger, we are confident that Union Pacific will be able to expend its resources to improve service on the SP lines, resulting in better rates and allowing our company to make greater use of rail for our shipments. We understand that Union Pacific intends to improve the congestion problems currently experienced at major terminals, including those at Salt Lake City, St. Louis, Kansas City, and Chicago, as well as the West Colton and Roseville yards in California. These improvements, along with the ability to pre-block more trains, will result in faster transit times and more efficient rail service.

With the combination of the UP and SP systems, there will also be many more opportunities for direct single line routes to our various destinations throughout the United States. Single line service is important to our company because it eliminates the delays caused by intermediate handling by multiple carriers and results in quicker transit times.

As a result of the proposed merger, UP/SP would become a financially viable and effective competitor to the BN/Santa Fe. Strong rail competition in the Western United States will benefit us with improved rates for our shipments, and will allow us to divert more of our traffic from truck back to rail.

For these various reasons, our company supports the merger of Union Pacific and Southern Pacific.

I, Clark I. 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 10-17-95

  
Clark I. Smith

Sworn to me this 17<sup>th</sup> day of October 1995

  
INGRID D. MAYER  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires August 31, 1997

Fisher-Price, Inc., 636 Girard Ave., East Aurora, New York 14052 (716) 687-3000

VERIFIED STATEMENT

OF

JOHN L. ABBOTT

ON BEHALF OF FMC CORPORATION

INTRODUCTION AND WITNESS:

On behalf of FMC Corporation, I strongly support the merger of the Union Pacific and Southern Pacific railroads as presented to you in 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. I support this merger as a means of improving the high quality of service at the lowest rates possible for commodities FMC ships. It is our understanding that current rail competition will be preserved for FMC and FMC's customers.

My name and position is John L. Abbott, Manager of Transportation for the Chemical Products Group of FMC Corporation, which is located at 1735 Market Street, Philadelphia, PA 19103. I am responsible for managing all domestic and international common carriage transportation, including the largest private covered hopper car fleet in the soda ash industry. My department manages a private rail car fleet comprised of both covered hoppers and tank cars having a new market value in excess of \$100 million. We are in the process of upgrading the quality of our cars to ensure the reliability of supply to our customers. Financial



freight responsibilities of my department exceed \$100 million/year.

DESCRIPTION OF FMC:

FMC, which is headquartered in Chicago, Ill., is one of the world's leading producers of chemicals and machinery for industry, agriculture and government, and participates on a worldwide basis in selected segments of five broad markets: Industrial Chemicals, Performance Chemicals, Precious Metals, Defense Systems, and Machinery and Equipment. FMC operates 97 manufacturing facilities and mines in 21 countries.

We estimate FMC is the largest industrial chemical customer of the UP and SP combined. FMC's Chemical Products Group major manufacturing plants and mining facilities where inbound raw materials and outbound rail shipments involve the UP, are located at Dry Valley and Pocatello, Id., Kemmerer and Green River, Wyo., Lawrence, KS, and Battle Mountain, NV. FMC's Chemical Products Group is also a Southern Pacific customer at FMC's facility at Bayport, Tex.

FMC's Pocatello facility produces elemental phosphorus, which is a raw material used to make sodium phosphates at its Green River, Wyo., and Lawrence, KS, facilities and to make other related products at its Carteret, NJ and Nitro, WV plants. All phosphorus currently originates on the UP and moves via the

Overland Route to Green River and the Chicago interchange for movement beyond via Conrail to Carteret and Nitro. The UP also carries all of the inbound phosphate rock and terminates all of the inbound coke to the Pocatello plant.

FMC is the world's largest manufacturer of natural sodium carbonate (e.g., soda ash). FMC's plant, which is located at Green River, Wyo., on the UP, is also the largest sodium phosphate production facility in the Western hemisphere. We are in the process of expanding the Green River facility, ultimately increasing our annual soda ash production capacity by 700,000 tons. A growing percentage of our soda ash is destined for customers in the Southeast, and we currently ship over 80% of our controlled eastbound soda ash shipments over the Chicago interchange via the UP (Fremont, Ne.) route (the Overland Route). Most of FMC's phosphate shipments in this traffic lane also move via this same UP route. Soda ash also moves to West Coast ports in trainload quantities to reach the export markets. The Union Pacific Railroad is the only railroad directly serving Green River, although the BN-SF and SP reach railheads within 210 miles of the plant and offer transload services at these points.

FMC manufactures hydrogen peroxide at Bayport, Tex., served exclusively by the SP. We will be expanding this plant's annual production capacity by approximately 140 million pounds by the end of 1996. All of this rail volume is originated by the SP and



moves to California, Arizona, Nevada, north to the Midwest, and to the South. FMC has other hydrogen peroxide facilities located in British Columbia and Springhill, WV.

STATEMENT OF POSITION:

I believe the proposed merger is in the best interest of FMC and FMC's customers. FMC heartily endorses the UP/SP application, and the basic reasons for our support are:

- new capacity - combining UP and SP, and taking advantage of the route specialization and flexibility opportunities afforded by their combined network, will effectively add substantial new capacity, which neither carrier could add through new construction. Combining the two systems will allow UP/SP to develop a more effective train management plan which would greatly reduce the interference of intermodal trains with manifest trains. More specifically, FMC's eastbound soda ash and phosphate loads originating at Green River are routed via the UP's Overland Route, which is the trackage from Cheyenne to Chicago via North Platte/Fremont, NE. Intermodal trains also move along this corridor. Under the merger, the plan is to route more of the intermodal trains between Chicago and the West Coast via the SP's "Tucumcari" route, which runs from Chicago to El Paso via Kansas City and Hutchinson. Subsequently, rail service via the Overland Route to FMC customers in the east and south will improve.
- improved service on the Overland Route - As indicated above, a large and growing amount of FMC traffic originating in Wyoming moves over the UP (Fremont, Ne.) line to Chicago, also referred to as the Overland Route. As discussed above, UP has indicated that if the merger is approved UP/SP will use SP's Tucumcari route as an alternative for transcontinental traffic and will make an effort to concentrate intermodal traffic on that route. This should improve efficiency of FMC's manifest movements on the Overland Route. In addition, availability of both UP and SP lines in the Salt Lake City/Ogden area should lead to greater efficiency of movements to and from Western points in what is now a very congested area. Mileage savings

from using the combination of UP and SP lines will also improve efficiency of movements on the Overland Route to the west of Salt Lake City. The reduction in congestion should improve the service of our movements of certain hazardous materials (e.g., sodium cyanide) to Nevada distribution facilities.

- improved service from the Gulf Coast to points north - The UP also plans to more efficiently build manifest chemical trains to improve service from the Gulf Coast via the St Louis/New Orleans interchanges. This should improve service for FMC's customers for hydrogen peroxide shipments originating at Bayport, TX.
- improved service on the Southern Corridor - the Bayport plant ships a substantial amount of product over the SP's Southern Corridor route. UP and SP have announced that they will undertake capital investments to upgrade the capacity of that corridor, relieving the severe congestion that currently exists. This, along with the improvements to relieve congestion in the Houston and El Paso areas, discussed below, should produce much faster transit times.
- more direct single-line routes - the merger could provide FMC with more serviceable direct routes for movements of soda ash from Wyoming to export points in Mexico. It would also provide FMC with single-line service between its facility at Bayport, Tex., and its Battle Mountain, NV, location. In addition, FMC's hydrogen peroxide plant in British Columbia might benefit from the new single-line service in the I-5 corridor.
- improved car utilization - FMC manages a fleet of more than 2400 cars, and therefore car utilization is very critical for us. Our current program to upgrade our fleet makes it even more important that we achieve the best possible utilization. Improvements in efficiency in movements on the Southern Corridor and on the Overland Route should decrease cycle times for our equipment. Increased efficiencies all across the UP/SP system resulting from the merger should also have the effect of improving cycle times for our cars. These improvements will help us keep our capital equipment costs down by minimizing loaded and empty rail transit times, which equates to having the need for fewer cars to move the same or higher volumes.



- UP management responsiveness - UP management has been very responsive to FMC's competitive needs. For example, UP has worked with us to implement statistical process control approaches to measuring service. Export service has dramatically improved. UP has responded in a timely way to our requests for rate negotiations. We expect this responsiveness to continue and believe it will help our Bayport and Green River facilities to keep competitive with other producers in the same area.
- improvements to relieve congestion at SP facilities - we have experienced significant delays in shipment from our Bayport facility, due to the shortage of SP power, congested yards, and switching inefficiencies. SP's yards in the Houston area and St. Louis have been bottlenecks for our loads and empty tank cars returning back to the plant. For example, one car which was destined for Chicago was lost in the St. Louis switching district for 4 days. This caused FMC to truck peroxide from its Springhill plant on an emergency basis. In addition, El Paso has been choked, slowing movements to the west. These problems have slowed our deliveries significantly and increased the turn times for our equipment. Due to our frustration with SP service levels, in the past year or so we have discussed with UP the possibility of establishing a transload operation in the Houston area, so that we could avoid the need to use SP for Bayport traffic. A UP/SP merger will produce significant improvements in the service for Bayport. With the UP's financial resources, UP/SP will be in a position to make capital improvements that will eliminate congestion at these SP facilities. In addition, additional locomotive power will become available.
- preservation of SP's viability - in view of the financial and service problems SP has suffered in recent years, FMC has been concerned with SP's long-term viability. The merger of SP with UP would ensure survival and improvement of service on the SP lines, thus ensuring reliability of service to and from our Bayport facility and access to existing and new customers on SP lines. Our expansion of our Bayport facility makes it even more important that we have a viable long-term source of rail transportation for that facility.
- maintenance of competitive options for transport of soda ash - competitive options will be preserved for

FMC's soda ash customers. We understand that another railroad will gain the ability to run soda ash transload sites at Ogden/Salt Lake City in place of SP. In addition, we anticipate that the BN transload at Bonneville, Wyoming, will be unaffected by the merger. These transload operations will serve as competitive checks on UP/SP rates and services. Access by UP/SP to the Trona Railway at Searles Lake should not create a problem for competition on moves of soda ash from the west coast since there is also a truck to rail transload site on the Santa Fe nearby at Barstow. Because these current competitive alternatives will stay intact, we believe inherent market factors will keep soda ash freight rates at competitive and reasonable levels for FMC and its customers.

- stronger competition - we see the merger as strengthening competition in chemicals transportation overall, not reducing it. The new BN/Santa Fe has a very large route system and should achieve greatly increased efficiencies. The SP, with its smaller route system, financial difficulties, and service problems, is clearly not in a position to challenge BN/Santa Fe. While UP does not suffer from the financial and service problems of SP, it also has a more limited route system than BN/Santa Fe -- lacking, for example, a Southern Corridor route. The benefits from the merger will enhance UP/SP's competitiveness, producing a railroad that will be the equal of BN/Santa Fe. Competition between two strong railroads should be more effective than competition among BN/Santa Fe and UP and SP separately.

CONCLUSION:

In summary, the proposed UP/SP merger will result in numerous service benefits for FMC's chemicals business, including more efficient routes and improved service on SP lines.

Particularly in light of the BN/Santa Fe merger, the UP/SP



combination will result in more effective competition in chemicals transportation, which should benefit FMC and its customers in the long run. FMC strongly supports the proposed merger.

---

John L. Abbott

VERIFICATION

STATE OF PENNSYLVANIA

SS:

COUNTY OF PHILADELPHIA

John L. Abbott, 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.

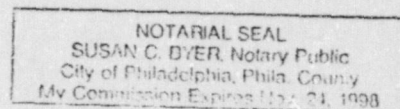
John L. Abbott  
John L. Abbott

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

Susan C. Dyer  
Notary Public

My Commission Expires:

Nov 24, 1998







# FOREST PRODUCTS SUPPLY CO.

October 10, 1995

VERIFIED STATEMENT  
OF  
PATRICK O. SINCLAIR  
ON BEHALF OF  
FOREST PRODUCTS SUPPLY COMPANY

Patrick O. Sinclair is the general manager of Forest Products Supply Company located at 9264 Manchester, St. Louis, Missouri, 63144. His responsibilities include administration, purchasing, sales management, and traffic management.

Forest Products Supply Company is a wholesale distributor of building materials. The building materials are primarily lumber, plywood, particleboard, and waferboard. Forest Products sells these products in bulk to retail building materials dealers within a two hundred mile radius of St. Louis, Missouri.

Forest Products is supplied by many building materials manufacturers from California, the Pacific Northwest, Canada, Idaho, Montana, Minnesota, Wisconsin, and most of the southern states from Texas east. Most of the building materials are delivered to Forest Products via rail and our final delivering carrier is the Missouri-Pacific.

As a shipper dependent on SP and UP service, we welcome this merger as a means of ensuring that we receive top quality rail service from a financially sound carrier. We heartily endorse the UP/SP application.

9264 MANCHESTER ROAD ST. LOUIS, MISSOURI 63144

(314) 961-6195  
(800) 522-8905  
FAX 961-3509  
FAX (800) 992-3509



# FOREST PRODUCTS SUPPLY CO.

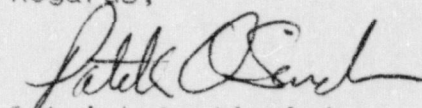
Page 2

The approval of the UP/SP merger will benefit Forest Products with more efficient routes, improved intermodal service, and better equipment utilization. This is particularly true for shipments from the Pacific Northwest to St. Louis. SP has experienced many service and delay problems that have caused many problems for its customers. The merger should make them more financially strong and competitive.

Forest Products has diverted business away from the SP because of poor service.

We at Forest Products believe the proposed merger will provide significant benefits to shippers. Our company supports the application.


Regards,



Patrick O. Sinclair  
General Manager  
Forest Products Supply Co.

179

9264 MANCHESTER ROAD ST. LOUIS, MISSOURI 63144



(314) 961-6195  
(800) 522-8905  
FAX 961-3509  
FAX (800) 992-3509



**VERIFICATION**

STATE OF MISSOURI )  
COUNTY OF ST. LOUIS ) ss.

Patrick O. Sinclair, 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.

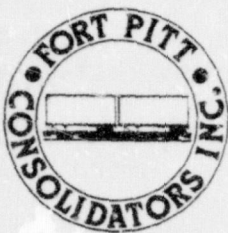
Patrick O. Sinclair  
Patrick O. Sinclair

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

Thomas J. Harrigan  
Notary Public

My Commission Expires:  
\_\_\_\_\_

THOMAS J HARRIGAN  
NOTARY PUBLIC STATE OF MISSOURI  
ST. LOUIS COUNTY  
MY COMMISSION EXP. OCT. 5, 1998



200 JONES STREET • P.O. BOX 377 • VERONA, PENNSYLVANIA 15147-0377  
(412) 826-1111 • 800-472-2769 (PA Only) • (412) 826-1122 FAX

VERIFIED STATEMENT  
OF  
BARRY I. SHEER

on behalf of  
FORT PITT CONSOLIDATORS, INC.

My name is Barry I. Sheer. I am President of Fort Pitt Consolidators, Inc., P. O. Box 377, 200 Jones Street, Verona, PA 15147. I am writing to voice Fort Pitt's strong support of the Union Pacific/Southern Pacific merger application. We will see many benefits from improvements in intermodal service as a result of the merger.

Fort Pitt Consolidators is an Intermodal Shipping Company based in western Pennsylvania. we also have offices in Camp Hill, Pennsylvania, Mount Laurel, New Jersey and Los Angeles, California. I am ultimately responsible for coordinating all of our transportation.

Our traffic moves on a number of railroads, including UP, SP and BN/SF. The majority of our rail traffic is westbound or eastbound. A considerable portion of this traffic is handled by UP. We generally interchange traffic in Chicago for movements to and from the East. On the West Coast, we rely on intermodal terminals in both Oakland and Los Angeles. We route our traffic over SP lanes from Los Angeles to the Gulf and to Texas points, including Houston and Dallas. BN/SP handles some of our shipments out of Los Angeles and some of our Pacific Northwest shipments.

The UP/SP merger will allow us to offer our customers more efficient transportation options as we will have access to enhanced intermodal services. We are particularly enthusiastic about improved service between Chicago and the West Coast. We understand that UP/SP plans to concentrate intermodal and carload traffic on separate routes, thereby speeding the transport of intermodal shipments. Coordination of UP's and SP's intermodal terminals in Chicago and Los Angeles should help to reduce congestion and allow traffic to move through points more efficiently.

We are also looking forward to new and improved third morning intermodal service between Chicago and the West Coast from UP/SP. We will be able to take advantage of both new third morning service between Chicago and Oakland and improved service between Chicago and Los Angeles.

We expect that the merger will address the problems we have encountered with SP service in the Southern Corridor on our shipments to Texas. Specifically, the merged system will have a larger equipment supply, particularly flat cars, and should be able to alleviate power problems. Moreover, UP/SP has announced that it will upgrade SP'S line between El Paso, Texas and Colton, California. This change should speed shipments in this lane.





200 JONES STREET • P.O. BOX 377 • VERONA, PENNSYLVANIA 15147-0377  
(412) 826-1111 • 800-472-2769 (PA Only) • (412) 826-1122 FAX

The merger will also give us a reliable, single-line route between Los Angeles and Washington State. Today there is no truck-competitive rail option along the I-5 corridor. After the merger, UP/SP will offer direct single-line intermodal service in this lane. In addition, BN/SF has entered into an agreement with UP/SP to purchase a portion of UP's line in California. This will allow BN/SF to offer single-line service along the West Coast.

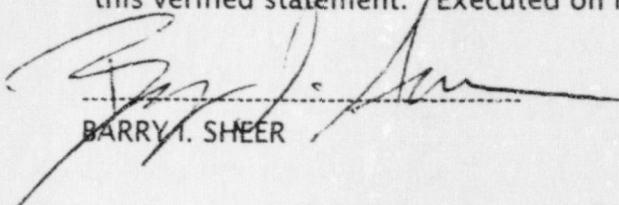
We believe that the merger of UP and SP will enhance competition in the western United States. Combining UP and SP will create a robust rail carrier in the West. We have worked with SP, and we have found that it has too many service problems to be a strong competitor. Linking UP's financial resources with SP's route structure will create a strong, financially stable railroad, capable of competing in the long-term. Most importantly, UP/SP will be able to compete with BN/SF, also formed from a recent merger. It is particularly important to have a strong second competitor in the intermodal service area, where BN/SF has long been the leader,

Although we currently can choose from three rail carriers in Los Angeles, we have not been able to take full advantage of competition among three railroads because the carriers are not competing on an equal footing. As noted, SP is not an effective competitor. UP has lacked some key routes for intermodal service. BN/SF now has more routes and is much stronger than either UP or SP. We endorse the UP/SP merger because creating a second, strong railroad will enhance competition in Los Angeles, and in the other markets we ship from and to, such as Dallas and Houston. In the circumstances, competition between two strong railroads will be more effective than competition among the existing three railroads.

Effective rail service is a cornerstone of our transportation business. We view the planned merger as a significant step forward in allowing us to serve our customer's transportation needs.

#### VERIFICATION

I, Barry I. Sheer, 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 November 10, 1995.

  
BARRY I. SHEER



# *Fought & Company Inc.*

STEEL FABRICATOR



***Verified Statement of  
Alan Humbard  
on behalf of  
Fought & Company, Inc.***

Interstate Commerce Commission  
Union Pacific-Southern Pacific Merger Proceedings  
Finance Docket No. 32760

My name is Alan Humbard. I am the Purchasing Manager for Fought & Company, Inc. My business address is 14255 SW 72nd Avenue, Tigard, Oregon 97224. My telephone number is (503) 639-3141. My fax number is (503) 620-3279. I have been the Purchasing Manager for Fought & Co. for the past seven years. I am responsible for purchasing all raw steel products and supervising all other purchases. My responsibilities include transportation of steel to and from our facility in Tigard, Oregon. I have been employed in the steel industry as a Purchasing Manager for twenty-one years. I worked at Gilmore Steel, Atlas Iron Works and Universal Structural, Inc. prior to joining Fought & Co.

Fought & Co. is in the business of structural steel fabrication and erection. We employ approximately 150 workers. Tied heavily to the construction business, Fought & Co. bids for jobs that require a steel base or skeleton, such as bridges and buildings. Fought & Co. does custom work for steel pieces that must be sized and shaped precisely for the particular project. Fought & Co. employees cut and fabricate huge steel shapes and plates into pieces used to construct extremely strong structural frames for buildings and bridges. Custom order prep work is done in the 200,000 square foot Tigard facility. Only a small amount of steel inventory is stored in the plant, and steel is obtained according to the requirements of the specific jobs on which Fought & Co. is working at the time. Steel is brought into the Tigard plant for prep work, then shipped to location for final installation. Fought & Co. relies primarily upon rail for steel shipments.

14255 S.W. 72nd AVENUE 97224-8042  
P.O. BOX 23759 TIGARD, OREGON 97281-3724  
503/639-3141 FAX: 503/620-3279



Fought & Co.'s Tigard plant is rail served by Southern Pacific. During the first nine months of 1995, we obtained raw material from Nucor Yamato Steel at Blythville, Arkansas, which is served by Burlington Northern and the shipment was routed BN-Portland-SP. We also obtained steel from Chaparral Steel in Midlothia, Texas and Northwestern Steel and Wire in Houston, Texas, both of which are served by Southern Pacific. We obtained raw materials from Bethlehem Steel in Bethlehem, Pennsylvania, which is served by Conrail. Fought & Co. inbounds approximately 100 to 150 rail cars per year.

We strongly support the merger of Union Pacific and Southern Pacific. The merger will provide many benefits to shippers, such as more efficient routes, reduced transit times, and improved carload service. I have worked at other companies that were rail served by the Burlington Northern and the Union Pacific. I can say without hesitation that Southern Pacific does not compare to the competition in terms of delivery time and rail car availability. In fact, at the present time, between one-third and one-half of our inbound steel is shipped to other points, transloaded onto trucks and then trucked into our Tigard facility. This is due to the inability of Southern Pacific to service our facility in a timely manner. I expect that the merger of Union Pacific and Southern Pacific will result in improved service, timely deliveries and the higher level of reliability I have experienced from Union Pacific.

Improved service for shippers served by Southern Pacific is one of the major reasons that we support approval of the merger. Since our company does not maintain substantial inventories, and is required to meet construction schedules, it is critical that we receive quality service from our rail partners. The merger of Union Pacific and Southern Pacific will provide assurance that Fought & Co. will receive the high level of service we require in the long term. Particularly in view of the financial difficulties that Southern Pacific has experienced during the past several years, which impeded its ability to improve facilities and purchase new equipment, the

merger with financially healthy Union Pacific will help assure that quality rail service will be available to us in Tigard in the future. The fact that we transload to trucks to avoid Southern Pacific shows that its prospects alone are not positive, and that the merger is necessary so it can improve operations and compete effectively for our business.

The merger of Southern Pacific and Union Pacific should also provide opportunities for better utilization of both private and railroad-owned equipment. It is important that the railroad providing service to Fought & Co. have available sufficient rail cars to meet our demands for service, otherwise we may be unable to meet our construction schedules. The merger of Union Pacific and Southern Pacific will create a larger fleet of cars available to UP-SP customers. In addition, efficiencies in the system, as well as better cycling of equipment, will allow us to better utilize our private fleet. This will effectively increase the size of our private fleet and help us achieve a more efficient operation.

I have also learned of the settlement between Union Pacific, Southern Pacific and Burlington Northern-Santa Fe. I am encouraged by the efforts by these companies to increase competition in the I-5 Corridor. A substantial amount of our work is for projects located in California and we ship outbound down the I-5 Corridor. The improvement in service that we expect as a result of the merger should be beneficial to our business. I applaud the settlement between the three railroads because it ensured viable competition between two strong rail systems. This is a much better situation for shippers than a situation where a weak railroad is competing against a strong railroad. In the latter situation, the weak railroad inevitably suffers and, in the long run, becomes noncompetitive. To some extent, this has been Southern Pacific's situation. The merger will remedy that situation, and permit and preserve vigorous competition between two strong, integrated, financially sound rail systems.

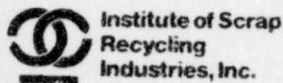


We support the merger between Union Pacific and Southern Pacific. I urge speedy approval of the proposed merger so that shippers will begin to enjoy the benefits of the combined system.

I, Alan Humbard, 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 6, 1995.

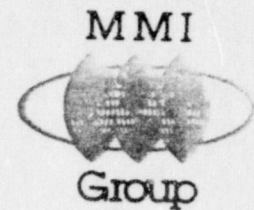
Alan Humbard

Alan Humbard



# GENERAL METALS OF TACOMA, INC.

1902 Marine View Drive  
Tacoma, Washington 98422  
Phone (206) 572-4000



October 12, 1995

Interstate Commerce Commission  
UP-SP Merger Case  
Docket No. 32760

My name is Dennis Griffith, General Manager of General Metals of Tacoma, Inc. Our address is 1902 Marine View Drive, Tacoma, Washington 98422. I have been in this position since March 1995, and previously worked as Operations Manager and Purchasing Manager since March 1980.

Our scrap processing facility is located on the Tacoma Harbor, and is primarily served by UP through a shortline, TMBL, but is open to other railroads as well. We are one of the Pacific Northwest's leading recyclers of ferrous and non-ferrous scrap. We are a subsidiary of Schnitzer Steel Industries, which is one of the largest steel scrap recycling operations in the United States with a network of scrap recycling and processing facilities in nine locations throughout Oregon, California and Washington. We were acquired by Schnitzer in January of 1995. We presently contribute 500,000 tons of ferrous scrap to the Schnitzer group's capacity. General Metals brings approximately 100 carloads of steel scrap into the plant per month from the states of Washington, Idaho, Montana, and Utah. In addition, we ship 30 to 40 carloads outbound per month, with the principle receivers being Birmingham Steel in Seattle and Oregon Steel Mills in Portland Oregon. In addition, we are a leading exporter of scrap metal.

I understand that Union Pacific and Southern Pacific railroads propose to merge their two rail systems. My company strongly supports that merger. We believe that the union of these two railroads will create a necessary counter-balance to the effect of the recent Burlington Northern and Santa Fe merger. In addition, the merger will bring specific benefits to our company.

One benefit is an improved supply of high cube gondolas which will inevitably result from a combination of the UP and SP gondola fleet. This and single line service will encourage us to ship more of our product and material by rail.

We are currently trucking 3,000 tons of scrap from our facility in Tacoma to a Schnitzer subsidiary in Oregon, Cascade Steel Rolling Mills (mini mill) in McMinnville, Oregon. The reason that we're trucking at this time is that the joint line rail transportation currently available to us cannot compete with our truck rates. However, with new single line services between Tacoma and the mini mill in Oregon, along with improved gondola supply. It will become economically



feasible for us to ship by rail. In fact, we expect increased opportunities for us to provide backhauls in gondolas on that route. Using rail rather than trucks, we believe there is a potential for an increase in shipments to Cascade Steel of up to 6,000 tons per month. We also expect that single line service into California along the I-5 corridor will provide new business opportunities for us.

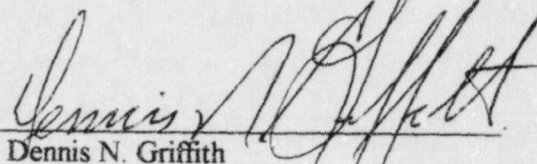
Another benefit which goes hand in hand with single line service is improved transit time. In our business, time means money, and this can't help but bring greater efficiencies to our business.

In summary, we feel it is absolutely imperative that a competitive balance be brought to the rail industry on the heels of approval of the BN/Santa Fe merger. Such competitive balance can only be realized by creation of a railroad that can effectively compete with the Burlington Northern/Santa Fe. For these reasons, we feel that a merger of the Union Pacific and Southern Pacific is in the shippers best interest, and certainly in the best interest of General Metals of Tacoma. We support the merger.

I, Dennis Griffith, 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

10/12/95

A handwritten signature in dark ink, appearing to read "Dennis N. Griffith", is written over a horizontal line.

Dennis N. Griffith

General Manager / General Metals of Tacoma Inc.

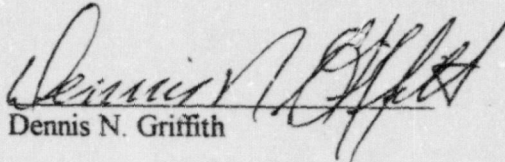
VERIFICATION

STATE OF WASHINGTON )

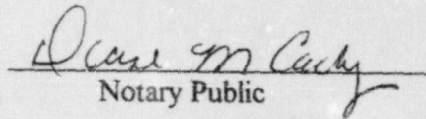
COUNTY OF PIERCE )

s.s.

Dennis N. Griffith, being first duly sworn, deposes and says that he has read the forgoing document, knows the facts asserted therein, and that the same are true as stated.

  
Dennis N. Griffith

Subscribed and sworn to before me this 12<sup>th</sup> day of October, 1995.

  
Notary Public

My Commission Expires:

7-9-99



**VERIFIED STATEMENT  
OF JAMES E. ZAMJAHN  
GENERAL MOTORS CORPORATION**

Financial Docket No. 32760

My name is James E. Zamjahn. I am the Executive Director, Logistics, GM North American Operations (NAO), General Motors Corporation. My office address is 3044 W. Grand Boulevard, Annex 436, Detroit, MI 48202. The NAO Logistics Operations of General Motors directs and coordinates the worldwide transportation-related activities of all divisions of General Motors Corporation for the purpose of achieving the most efficient utilization of transportation services and facilities.

As Executive Director, NAO Logistics, my responsibilities include overseeing the handling of governmental regulatory matters impacting the transportation requirements of the Corporation. Such things as the preparation of statements in support of various carrier petitions, the analysis and interpretation of rules and regulations and the development of contractual commitments, fall within my jurisdiction.

The primary business of General Motors Corporation is the manufacture and sale of new passenger automobiles, commercial motor vehicles and vehicle components. Vehicles are produced in 30 assembly plants in Canada, Mexico and the United States and marketed through the Buick, Cadillac, Chevrolet, GMC Truck, Oldsmobile, Pontiac and Saturn franchised dealerships of General Motors.

Rail Service is vital to the operation of General Motors Corporation. We operate 134 facilities located throughout Canada, Mexico and the United States. Those facilities are served by 9 railroads. We use the UP at assembly plants and at vehicle distribution centers located in the states of California, Colorado, Illinois, Kansas, Louisiana, Nevada, Oregon, Texas, Utah, Washington and Wisconsin. GM uses both the SP and UP to and from Mexico via the Eagle Pass and Laredo gateways, respectively.

Our concern over the future of railroads and the need for continuing competitive rail service throughout North America has prompted us on a number of occasions to express our views on the subject of financial arrangements between carriers.

GM believes that the proposed merger of the Union Pacific Railroad and the Southern Pacific Lines is in the public interest and GM urges the Commission to approve the merger.

As a major domestic motor vehicle manufacturer, GM has a critical need for low-cost, efficient, reliable and high-quality rail transportation service. Among our major transportation requirements are the movement of service sensitive auto parts and shipping containers to and from our 30 assembly plants and the movement of new motor vehicles from our assembly plants to vehicle distribution centers throughout the North American continent. Over long distances, vehicles and parts are moved most efficiently in rail service. To keep all of our plants operating while maintaining minimum levels of inventory, rail service must be consistently reliable.

From GM's perspective the merger of the Union Pacific and Southern Pacific will have an overall positive effect and will provide meaningful benefits to rail users in North America. Based on GM's experience with the two individual railroads, we believe the combination of their rail networks under a single proprietary control will result in significant improvements in the scope of service and its reliability.

Through the merger, the system's ability to make important capital improvements will be enhanced. UP is financially strong, but lacks the most efficient routes to many markets. SP has many excellent routes but has lacked the capital to take advantage of those routes to the maximum extent possible. The merged system will be able to apply capital dollars wherever they will accomplish the greatest benefit.

The availability of new single-line routes which contribute to lower operating costs and reduced transit times will be a particular advantage.

In addition, we believe that the trackage rights that are to be granted to BN/SF as a result of the merger will enable the BN/SF to become competitive on traffic through western Colorado, Nevada and Utah to and from the West Coast and from midwestern and western points to and from Mexico via the Eagle Pass gateway.

Three examples of specific cases illustrate how GM will benefit from the combination of UP and SP lines. First, the combined route between Chicago and Milpitas, CA will be 180 miles shorter than either the UP or SP route. These shorter mileages will reduce transit times, improve service reliability and reduce the cost of transporting approximately 14,000 railcars in GM service annually. Second, we anticipate major benefits as a result of new single-line service for GM NUMMI vehicles originating at Fremont, CA to the Seattle, WA and Portland, OR vehicle distribution centers. This traffic will move via SP's direct route to Portland, instead of UP's circuitous route through Salt Lake City, and beyond Portland on UP's lines. Today this traffic moves over the highway and the merger would afford GM a competitive option. Third, the trackage rights being granted to BN/SF to serve our Fremont plant coupled with the sale of UP's Bieber line will even further enhance our California to Washington and Oregon competitive options.

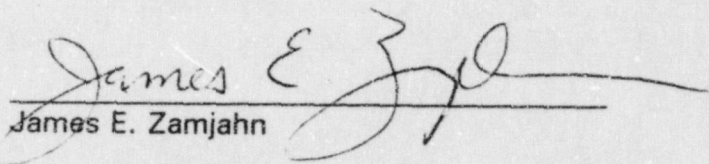


In conclusion, General Motors endorses the proposed merger of UP and SP and looks forward to utilizing several new and improved rail service options. GM depends on reliable rail service in producing and distributing motor vehicles and components and views the UP/SP merger as an opportunity to improve the reliability and quality of rail service in the Western Regions of the United States. The merged railroad's new single-line service offerings will benefit General Motors by reducing transit times, inventory cost and exposure to damage. Customer satisfaction in the regions served by the merged system will be greatly improved, thereby enhancing GM's position in the marketplace. These benefits will be important to General Motors Corporation in meeting ever-increasing competition in the marketplace.

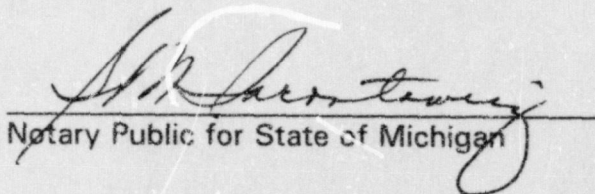
STATE OF MICHIGAN

*OAKLAND*  
COUNTY OF ~~WAYNE~~

I, James E. Zamjahn, being duly sworn, depose and say that I have read the foregoing statement, know the contents thereof, and that the same are true as stated.

  
James E. Zamjahn

Sworn to and subscribed before me, this 7<sup>th</sup> day of November, 1995,

  
Notary Public for State of Michigan

My commission expires: 3-25-96

STB

FD

32760

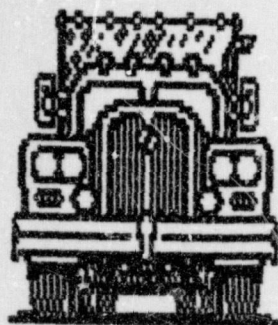
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A

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5/6





# GIST FARMS INC.

4375 N WEST STREET, TULARE CA 93274

(209)686-3062

BUTCH

MOBILE PH. 738-6816

RES.PHONE 686-6123

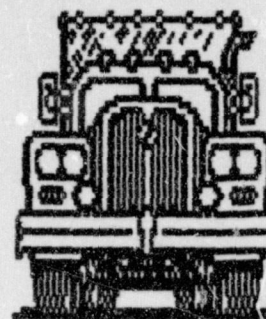
HARVESTING

MARVIN

MOBILE PH. 738-6817

RES.PHONE 688-6229

HAULING



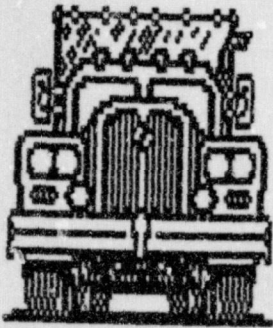
VERIFIED STATEMENT  
OF  
MARVIN DAVIS  
ON BEHALF OF  
GIST FARMS, INC.

My name is Marvin Davis, Dispatcher-Rail Controller for Gist Farms Inc. We are located at 4375 North West Street, Tulare, California 93274. I have been in the transportation business for over twenty years, performing such diverse jobs as driver, dispatcher, and controller of off-loading rail cars with bulk commodities. Gist Farms is primarily a farming and trucking company, transporting commodities dairy-direct and transloading rail cars. We are exclusively Southern Pacific served by the Tagus Rail Siding. It is estimated that we ship/transload approximately 1,200 rail cars per year. This includes intermodal, as well as bulk cars.

We understand that the Union Pacific and Southern Pacific are seeking authority to merge in the near future. We would like to offer our support for this merger, because we feel it will reduce our transportation costs and improve our transportation services.

Our shipments are primarily within central California. We believe that the merger of these two railroads will make more single-line service available to us to new points in California that are presently UP-served. This, in turn, opens up new market opportunities to us. Our California shipments sometimes move through the Roseville or West Colton yards, additional single line service will increase the efficiency with which our traffic moves through the yards, and in turn, reduce transit times for our shipments. Furthermore, regarding our intermodal shipments, increased volumes may permit greater shipping frequency and reduced unit costs.

In summary, we believe that this merger will result in a reduction in transit times, and an increase in overall efficiency of our transportation service. Very simply, we like the assurance of enhanced quality of service which we expect from this new merger. We enthusiastically support this merger, and wish to be counted as a supporter.



# GIST FARMS INC.

4375 N WEST STREET, TULARE CA 93274

(209)686-3062

BUTCH

MOBILE PH. 738-6816

RES.PHONE 686-6123

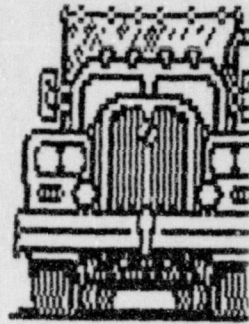
HARVESTING

MARVIN

MOBILE PH. 738-6817

RES.PHONE 688-6229

HAULING



I, Marvin Davis, 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 NOV 7 1995

Marvin Davis  
Marvin Davis



**VERIFIED STATEMENT  
OF  
JAMES F. WUESTE JR.  
on behalf of  
GOLDEN PEANUT COMPANY  
September 19, 1995**

I have worked in Logistics for the past 20 years, the past two (2) years with Golden Peanut Company. Golden Peanut is located at 1100 Johnson Ferry Road, Suite 900, Atlanta, Georgia 30342. In my position as Director of Logistics, I direct the inbound and outbound movement of material to/fr our suppliers to processing plants and on to our customer, both domestic and international. This will amount to approximately 950 million pounds of processed peanuts. We use truck, rail, and ocean containers and any combination thereof for our moves.

Golden Peanut Company is the largest peanut sheller in the world with six (6) shelling plants and three (3) blanching plants in the U.S. As a point of information, Golden Peanut Company is a partnership whose ownership consists of Gold Kist, Atlanta, Ga., Archer Daniels Midland (ADM), Decatur, Il. , and Alimenta, Geneva, Switzerland. Of the nine (9) plants referenced above, three (3) are in Georgia, two (2) in Alabama, one (1) in North Carolina, two (2) in Texas, and one (1) in Oklahoma. We also direct cold storage of approximately 1.0 million sq. ft., both company owned and third party.

All of our plants are rail served with the breakdown as follows:

| LOCATION       | RAIL ROAD |
|----------------|-----------|
| Aulander, N.C. | NCVA      |
| Headland, Al.  | Bay Line  |
| Ashburn, Ga.   | NS        |
| Camilla, Ga.   | AGLF      |
| Blakely, Ga.   | NS        |
| Ozark, Al.     | WGCR      |
| Comyn, TX.     | Cen Tex   |
| Anadarko, Ok.  | UP        |
| Mt. Airy, TX.  | Cen Tex   |

Most of the outbound traffic operates in customer owned covered hopper cars with the balance being rail road owned box cars. The majority of the total pounds shipped domestically will move in the customer owned hopper cars. We also have a small fleet of tank cars operating in a closed loop on the NS for inbound traffic. Currently we move some containers with SP via intermodal to the Port of Houston.

I understand that Union Pacific and Southern Pacific are requesting authority to merge. I strongly support this merger as I believe it will improve west coast service and possibly decrease cost. Currently this west coast service via SP is poor. Since my Grandfather, Leo M. Wueste, worked for the SP many years ago, I would like to see their service return to that which he worked so hard to achieve.

In the past our shipments to the west coast were slow and cars were often lost once they arrived in Colton, Ca. yard. Often I had to support customers with truck shipments since the

cars were so slow. In fact one customer calculated transit time for the round trip (east to west coast and back) to 56 days from a low of 29 days three (3) years ago. I believe that with the support of UP, this will improve so that I will not be forced to truck product to customers as an emergency back up supply.

This service should also be faster, thereby minimizing inventory for my customer. In the past I tried to go around the SP due to service issues, but that built extra transit days into my routing. Now I can route with a more direct route.

With UP's management support, I can ship my intermodal shipments to the correct dock in Houston using UP/SP . . . without worry. Recently one container ended up in San Antonio, but should have been in Houston. I believe it will be better with UP. I also believe that since I will have more traffic with UP, I probably can leverage our position for lower prices.

As you can see, I believe this merger will provide significant benefits for our Company. From improved service on SP routes, reduced fees due to no interchange charges, to leveraged position with UP to lower rates . . . I think this is a plus for industry. Lastly, it will reduce the people I have to see as I will concentrate more with UP.

I, James F. Wueste Jr., 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 26, 1995.

VERIFICATION

STATE OF Georgia )  
COUNTY OF Gwinnett ) SS.

James Wueste Jr., 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.

James F. Wueste Jr.  
James F. Wueste

Subscribed and sworn to before me this 26 day of September, 1995.

Anna C. Armstrong  
Notary Public

My Commission Expires:

Notary Public, Gwinnett County, Georgia  
My Commission Expires July 6, 1996





**gordon food service**

October 19, 1995

333 Fiftieth St., S.W.  
P.O. Box 1787  
Grand Rapids, MI 49501-1787  
616-530-7000  
FAX 616-249-4165

**VERIFIED STATEMENT**

**OF**

**THEODORE WIERDA**

**ON BEHALF OF**

**GORDON FOOD SERVICE, INC.**

My name is Theodore Wierda and I am the Traffic Manager for Gordon Food Service of Grand Rapids, Michigan. I have over 30 years of experience in the Transportation field and am familiar with Truck, Air, Ocean, and Rail transportation. I have been with my present employer for over 9 years. I was admitted to practice before the Interstate Commerce Commission in 1974. I hold a degree in Transportation and Distribution Management from Davenport College in Grand Rapids, Michigan. I have direct responsibility for controlling over 50,000 truckloads per year, 300 plus container moves, and 350 to 400 boxcars, as well as utilization of public warehousing. I have held this position since beginning my employment with Gordon Food Service.

Gordon Food Service is a full line food service distributor operating in a four-state area with distribution centers in Grand Rapids and Brighton, Michigan. We also utilize public warehouses in Hudsonville, Michigan; Grand Rapids, Michigan; and Elk Grove Village, Illinois. The Elk Grove Village warehouse is utilized for the receipt and unloading of boxcars of dry product from the West Coast, and the Grand Rapids public warehouse is used to receive refrigerated boxcars of produce. To a limited extent, we also move product by intermodal piggyback, both domestic and imported traffic. Our utilization of rail has grown dramatically over the past four years from almost nothing to an estimated total of 500 cars for 1996. The majority of our dry boxcar traffic moves to us from the northern California area and origin rail lines are required to move this traffic to the U.P. in many cases. This two-line switch causes delays in transit time. The produce coming in from the Idaho area is time sensitive and, whenever possible, single-line movement is preferable from two-line.

We understand that the Union Pacific and Southern Pacific Railroads are requesting authority to merge. We strongly support this as a means of improving service and strengthening competition. Due to the time sensitivity of our product, especially the produce, we have in most cases stayed away from traffic requiring two-line movement, except for the short line moves in California. With other mergers taking place within the rail industry, we view this merger as a means of ensuring that we continue to receive the top quality rail service from a financially sound carrier with single-line access to numerous points.

We believe that the proposed merger would be in our company's best interest as well as the interests of other shippers. We heartily endorse the UP/SP application.




**VERIFICATION**

STATE OF Michigan

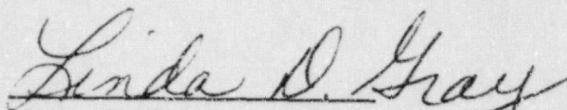
)ss.

COUNTY OF Kent

Theodore Wierda 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.

  
Theodore Wierda

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

  
Notary Public

My commission expires:

4/6/97

LINDA D. GRAY  
NOTARY PUBLIC - KENT COUNTY, MICH  
MY COMMISSION EXPIRES 04-06-97

# Mc GEORGE CONTRACTING COMPANY, INC.

*General Contractors*



*Pine Bluff, Arkansas*

P. O. Box 7008

VERIFIED STATEMENT

71611-7008

OF

HASKELL DICKINSON  
on behalf of  
GRANITE MOUNTAIN QUARRIES

I am a corporate Vice President for McGeorge Contracting Co., Inc. and a member of the Executive Committee, which manages crushed stone aggregate production and sales at Granite Mountain Quarries.

We are located five miles south of Little Rock, Arkansas at Sweet Home, on Drury Spur.

Granite Mountain transports its aggregates to market by truck and rail, with specialty orders by barge. Our rail service is handled by the Union Pacific Railroad. Our market area is south Arkansas, north Louisiana and east Texas.

These aggregates are used for rail ballast, concrete, asphalt, road base and bank stabilization (riprap). While cyclical, our annual sales, by rail transport normally exceed one million ton to 10,000 car loads.

We are looking forward to the merger of the Up and the SP. It will afford us the opportunity to sell rail ballast to the SP roadbeds in our market area and a variety of aggregates to the new, market areas served by the merged company from Memphis to Houston, new areas in north Louisiana and hopefully, Mexico.

We also believe that the merger into a single line will give us a bigger pool of gondolas and hoppers to serve our market more dependably.

Finally, we hope that the economy of the merger and the shorter routes into our market area, will mean more competitive freight rates with other facilities, which compete with us but are served by other carriers. Into Memphis for instance, or Houston.



The bottom line is that this UP/SP merger will give our company new opportunities for growth and prosperity and we support their efforts to build a better railroad.

VERIFICATION

I, HASKELL L DICKINSON, 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 04/20/1995.

Haskell Dickinson  
Haskell Dickinson

VERIFICATION

State of Arkansas )

County of Pulaski )

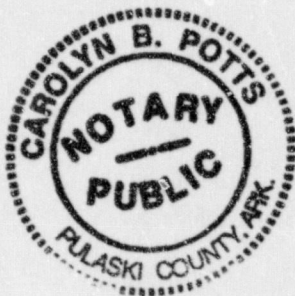
Haskell Dickinson II, being first duly sworn, deposes and says he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Haskell L. Dickinson  
Haskell L. Dickinson

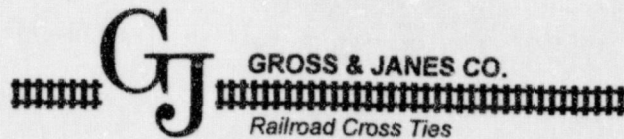
Subscribed and sworn to before me this 20<sup>th</sup> day  
of October, 1995.

My commission expires:

Oct. 12, 2001







511 Rudder Road • P.O. Box 26113 • Fenton, MO 63026-2010  
(314) 343-8484 • FAX (314) 343-9793

Verified Statement  
of  
John. C. Sexton  
on behalf of  
Gross & Janes Co.

I am John C. Sexton, President of Gross & Janes Co., with offices in Fenton, Missouri. I am responsible for the operations of the company including coordination of production and shipments.

Gross & Janes Co. is a supplier of untreated hardwood and softwood crossties, switchties, bridge material, crossing panels and other related ancillary products to U.S. and Canadian railroads. We ship from eight UP served points and one SP served point in the central Gulf and lower Midwest areas to points throughout North America.

Our company supports the proposed merger of Union Pacific and Southern Pacific. We would be able to enjoy single line service from our UP origins to SP served points and from our SP origin to UP served points. The efficiencies of single line service are to the benefit of the carriers and shippers alike. Routes are improved and rationalized. For example, the route through the central corridor will use the best segments of both railroads. Grades are reduced and the route is shortened between most points served through this corridor. Likewise, improvements in SP's Tucumcari line that UP is expected to make given its stronger financial position, would benefit our traffic. The reduction in terminal handling and delay through consolidation and improvement in facilities throughout the system, but particularly at Kansas City and Houston, would reduce congestion and, together with routing and operating improvements, would result in reduced transit time and more frequent and dependable service for our traffic. The combined equipment pool would be utilized more efficiently, which creates greater equipment availability. This enhanced single line service would enable us to compete more effectively with BNSF served shippers.

More generally, we believe that the combination of the financial and technological strength of UP with the route structure of SP would create a carrier that is capable of competing head-to-head with BNSF. Given the broad reach of both of these systems, this would assure vigorous competition for rail transportation throughout the western United States.

We ask the Commission to approve this merger.

I, John C. Sexton, 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 thirty-first day of October, 1995.

John C. Sexton  
John C. Sexton





**Grupo Cydsa, S. A. de C.V.**

Ave. Ricardo Margáin Zozaya No. 325  
Garza García, N. L., México  
Apartado Postal 642  
Tel. 335-90-90 Telex: 038-3034 y 038-3035  
Fax (5) 335-33-30 y 335-56-01

September 29, 1995

**VERIFIED STATEMENT  
OF  
ADRIAN H. MARTINEZ  
ON BEHALF OF  
GRUPO CYDSA S.A. de C.V.**

My name is Adrián H. Martínez, Director of Corporate Logistics for Grupo CYDSA S.A. de C.V. (headquarters in Garza García, N.L. México).

As Director of Logistics, I am responsible for planning, implementing and controlling the efficient, cost effective flow and storage of raw materials, finished products, and related information along our entire supply chain.

CYDSA S.A. is a Mexican corporation that controls a group of companies (one of them Grupo CYDSA S.A. de C.V.) whose business units provide a range of products and services to several industries :

**Chemicals**

|                                |                             |
|--------------------------------|-----------------------------|
| PVC resins                     | Caustic soda                |
| PVC pipe and fittings          | Edible salt                 |
| Pressurized irrigation systems | Toluene di-isocyanate (TDI) |
| Chlorine                       | Refrigerant gases           |

**Textiles**

|                |                               |
|----------------|-------------------------------|
| Acrylic fiber  | Blankets, quilts, bedspreads, |
| Knitting yarn  | rugs and other home textile   |
| Rayon filament | products                      |
| Sewing Threads | Sweaters                      |

**Packaging**

|                                |                    |
|--------------------------------|--------------------|
| Plain film (cellophane & BOPP) | Flexible packaging |
| Toothpaste tubes               | Folding cardboard  |

**Environment**

Design, construction and operation of water and waste water treatment facilities

The companies of CYDSA S.A. export their products to more than fifty different countries including The United States and Canada. Imports of raw materials basically come from The United States.

Since most of our plants are rail served by the FNM (Mexican rail company), many of our import and export operations are done via railroad transportation.

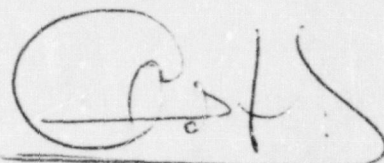
We understand that the Union Pacific and Southern Pacific are requesting authority to merge. In our opinion, this proposed merger would be in our company's best interest as well as the interest of other shippers, because we, and other shippers, could enjoy the benefits of the best combined UP/SP routes and coordinated facilities. In addition, the combined UP/SP could better be able to make capital investments and become a stronger company to better face the competitive challenge presented by the BN/SF merger.

The merger could provide improved service with benefits such as single-line access to all international border crossings into Mexico that will allow for expedited, pre-blocked and pre-cleared trains to and from interior points in Mexico, greatly improving service reliability and transit times. In addition, because of the UP's more reliable, consistent service, after the merger SP's customers will be able to take better advantage of the "Despacho Previo" for pre-clearing Mexican customs at border crossings.

Additionally, we have been informed by SP representatives of the settlement agreement that UP/SP has made with BN/SF in which UP/SP would grant trackage rights to BN/SF, meaning that there would be two strong competitors for the traffic crossing through Eagle Pass, Texas as well as other border crossing points. We and other shippers expect to benefit from strong competition, and that two strong companies competing against each other could be more advantageous for current customers than a weaker UP or SP trying to compete against a strong BN/SF. Furthermore, due to the efficiency improvements expected with the merger, we and other shippers should enjoy the benefits of receiving more competitive railroad rates, therefore, making our products more competitive in the international markets.

Because of the above, I believe that the proposed UP/SP merger should provide significant benefits to shippers in both sides of the border. Our company supports the application.

I, Adrián H. Martínez, declare that the comments expressed above are true and correct.



Adrián H. Martínez  
Director, Corporate Logistics

September 29, 1995



VERIFIED STATEMENT  
OF LANNY S. VAUGHN  
ON BEHALF OF GST CORPORATION

Interstate Commerce Commission  
Washington, D.C.

SUBJECT - Finance Docket No. 32760, Union Pacific Company, and Missouri Pacific Railroad Company - Control and Merger - Southern Pacific Railroad Corporation, Southern Pacific Transportation Company, et al.

My name is Lanny S. Vaughn, President and CEO of GST CORPORATION, headquartered at 2620 Thousand Oaks Blvd., Suite 3420, Memphis, Tennessee 38118. I completed my undergraduate work in 1965 at Memphis State University (BBA, with honors), and my MBA from Arizona State University, as well as the two year program from the College of Advanced Traffic. I was in the employ of the Southern Pacific Railroad for 21 years, and my last assignment was that of Assistant Vice President - Southeast Region.

I assumed my employment with GST Corporation in January, 1986, as Senior V.P. of National Accounts. Part of my responsibilities, then and now, included understanding the efficient utilization of all major railroads, as well as the optimization of competitive factors in the best interest of GST and the shipping public. While in the employ of the Southern Pacific, I had tours of duty in the Operating Department, Train Service, Marketing, Sales, and Pricing, and am very familiar with the past and current opinions of the Southern Pacific Railroad Company. My duties at GST have also required that I be very knowledgeable of the operations of the Union Pacific, as well as the manner in which both railroads have served the shipping public.

GST CORPORATION is a major Intermodal Marketing Company, with 30 offices throughout the United States and Canada. We have a customer base in excess of 2,500; we ship the full spectrum of commodities with the major groups consisting of consumer products, electronics, paper products, chemicals, lubricants, tires and steel. In 1995, we are on a pace that will see GST handle approximately 260,000 shipments, both intermodal and carload, with approximately 40,000 of these shipments moving on the Union Pacific and Southern Pacific.

Our reasons for supporting this application are the retention of the Southern Pacific system under the control of a financially sound carrier that will improve service (particularly that of intermodal), will create shorter, more efficient routes, reduce operating costs, provide capital for investment in an improved superstructure, and will create a viable competitor to the BN-SF system. After careful consideration, we are convinced that the combination of these two railroad companies is in the best interest of competitive factors and the shipping public.

We understand that Union Pacific and Southern Pacific have entered into an agreement with BN/SF which will grant BN/SF access to points that would lose rail competition if the Union Pacific and Southern Pacific merged without any conditions. Among the locations where competition is to be maintained are California, the Central Corridor, South Texas, and various U.S.-Mexico border crossings. Although the UP/SP merger will reduce the number of large Western railroads from three to two, the merger conditioned by the BN/SF agreement will actually result in strong competition between two rail systems that can provide effective intermodal service. Therefore, we support the merger and the agreement between UP/SP and BN/SF, which we believe will improve intermodal rail competition.

I, Lanny S. Vaughn, 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, 1955.

by Lanny S. Vaughn  
LANNY S. VAUGHN  
President and CEO  
GST CORPORATION



## VERIFIED STATEMENT

OF

WILLIAM P. HADLEY  
on behalf of  
HADLEY AUTO TRANSPORT

I, William P. Hadley, am president and chief executive officer overseeing the entire operation of Hadley Auto Transport, 3740 South Susan Street, Santa Ana, California. I am the third generation president and have held a position with the company since 1957 and my present position as president since 1964. I am also the majority shareholder of the corporation.

Hadley Auto Transport, founded in 1931, is a vehicle transportation company, delivering new automobiles and trucks from various rail ramps to retail dealers throughout the western United States. Its customers include Ford, Chrysler, Nissan, and a number of other import manufacturers.

Hadley Auto Transport currently maintains terminal facilities at rail ramps in Amarillo, TX; Belen, NM; Benicia, CA; Denver, CO; El Mirage, AZ; Haslet, TX; Westfield, TX; Mira Loma, CA; Montebello, CA; Oakland, CA; and Salt Lake City, UT. It also maintains import facilities at National City, CA; Oxnard, CA; Richmond, CA; and Wilmington, CA. The annual revenue generated from these facilities is approximately \$78 million and the annual volume is approximately 1,100,000 vehicles.

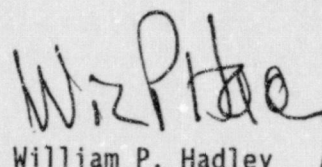
As a truck transportation company, Hadley is presently providing services in conjunction with rail services currently being provided by both the Union Pacific and Southern Pacific. We heartily endorse the application to merge in that it will enable Hadley to improve its service to automobile manufacturers, our sole source of revenue.

We believe that our mutual shippers will benefit by the merger of the Union Pacific and Southern Pacific because:

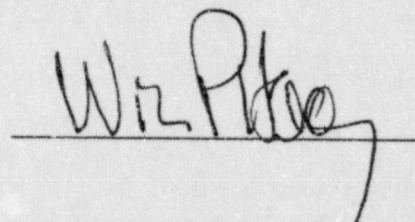
- o The combined railroad would be able to utilize more efficient routing to western terminals (principally Mira Loma, Benicia, Denver, and Salt Lake City) thus improving transit time.
- o We believe that the combined railroads will improve the reliability of rail car arrivals, thereby, eliminating slack periods which idle our trucks and drivers.
- o We believe the merged railroads would provide a smoother flow of inbound traffic with improved notification prior to arrival which will enable us to build better loads.

- o Our company currently maintains sophisticated EDI with the Union Pacific. Presumably, this level of sophistication would extend also to what are currently Southern Pacific operations. This simple fact alone would enhance driver productivity and equipment utilization.

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

  
William P. Hadley  
President

I, William P. Hadley, 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.







## hamilton materials, inc.

345 West Meats Avenue • Orange, California 92665 • (714) 637-2770 • Fax (714) 921-8974

### VERIFIED STATEMENT

OF


CHARLES L. THOMAS  
on behalf of  
HAMILTON MATERIALS, INC.

- 1) I am the General Sales Manager of Hamilton Materials. I have held this position for the past 10 years and have been employed by Hamilton for the past 20 years. I was previously employed by United States Gypsum Company in sales and marketing in the same industry. My industry experience totals 31 years.
- 2) Hamilton Materials manufactures drywall finishing products in Orange, California. The company also operates warehouse operations in Phoenix, Arizona and Beaverton, Oregon. In addition to our manufactured product lines we distribute a wide range of accessory products used in drywall construction.  
  
At present we are the largest 'reload' customer of SP in Southern California, shipping 4 to 5 rail cars per day (when available). We ship to our warehouse locations in Beaverton and Phoenix as well as to customer sidings in Oregon, Arizona and Colorado. All routings are to SP or DRGW sidings.
- 3) We have experienced, and are still experiencing, a multitude of service problems such as equipment shortages, extended delivery times, and damage in transit. In addition, the areas served by SP is not sufficient to cover markets in which we could otherwise compete.

#### Conclusion:

It is our opinion that the proposed merger between SP and UP could only serve to benefit those of us served by SP. We would look forward to expanded service areas, better and sufficient equipment, improved scheduling, less damage, and more competitive rates.

I, Charles L. Thomas, 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

  
Charles L. Thomas



**hamilton materials, inc.**

345 West Meats Avenue • Orange, California 92665 • (714) 637-2770 • Fax (714) 921-8974

VERIFICATION

STATE OF California)  
COUNTY OF Orange ) ss.  
)

Charles L. Thomas, 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.

Charles L. Thomas  
Charles L. Thomas

Subscribed and sworn to before me this 13<sup>th</sup> day of October,  
1995.

Linda S. Meza  
Notary Public

My Commission Expires:

April 18, 1996







# HANJIN INTERMODAL AMERICA, INC.

1521 PIER C STREET, LONG BEACH, CALIFORNIA 90813 • TEL: (310) 499-4600 • FAX: (310) 432-5036

## VERIFIED STATEMENT OF GORDON J. ARITA ON BEHALF OF HANJIN INTERMODAL AMERICA, INC.

MY NAME IS GORDON J. ARITA OF HANJIN INTERMODAL AMERICA, INC. IN LONG BEACH, CA. IN MY CURRENT CAPACITY, I AM HANJIN INTERMODAL AMERICA'S ASSISTANT GENERAL MANAGER WITH RESPONSIBILITY FOR INTERMODAL MOVES FOR HANJIN SHIPPING COMPANY IN NORTH AMERICA INCLUDING CANADA, MEXICO AND THE UNITED STATES. MY RESPONSIBILITIES INCLUDE TRANSPORTATION NETWORK PLANNING, SELECTION OF TRANSPORTATION CARRIERS AND ROUTINGS, PURCHASING AND MONITORING OF SERVICES.

HANJIN INTERMODAL AMERICA, INC. IS A WHOLLY OWNED AFFILIATE OF HANJIN TRANSPORTATION COMPANY BASED IN SEOUL, KOREA. HANJIN SHIPPING MOVES CONTAINERIZED FREIGHT GLOBALLY INCLUDING TRANS-PACIFIC AND TRANS-ATLANTIC WITH SHIPS CALLING AT BOTH COASTAL PORTS AND SERVING INLAND POINTS ALL OVER NORTH AMERICA. HANJIN INTERMODAL HAS EXPENDITURES OF APPROXIMATELY 170 MILLION DOLLARS ANNUALLY ON INLAND TRANSPORTATION AND TRANSPORTS APPROXIMATELY 200,000 CONTAINERS ANNUALLY ON RAILROADS IN NORTH AMERICA.

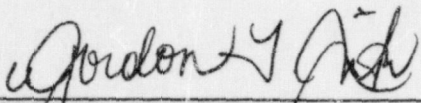
WE BELIEVE THE UNION PACIFIC/SOUTHERN PACIFIC MERGER WILL BRING SIGNIFICANT BENEFITS TO THE SHIPPING INDUSTRY AS A WHOLE PRIMARILY BECAUSE IT WILL INDUCE STRONGER COMPETITION THROUGHOUT THE WESTERN UNITED STATES, HENCE, THE COMPETITIVE ENVIRONMENT WILL BE ENHANCED AND HEALTHIER. MORE IMPORTANTLY THE MERGER SHOULD DRAMATICALLY IMPROVE THE LEVEL OF SERVICES THAT THE INDIVIDUAL CARRIERS CANNOT CURRENTLY OFFER. PARTICULARLY, I FEEL THAT THE APPROVAL OF THE MERGER WILL BENEFIT THE SHIPPERS IN THE FOLLOWING CATEGORIES:

1. THE NEW UP/SP COMBINED TRACKAGE WILL GREATLY REDUCE TRANSIT TIMES BY UTILIZING THE MOST DIRECT ROUTE AVAILABLE FOR EXPORT SHIPMENTS FROM CHICAGO AND THE MID-WEST TO OAKLAND.
2. THE MERGED SYSTEM WILL BE ABLE TO RE-ALLOCATE ITS RESOURCES FOR THE MOST OPTIMAL USE OF TRACKS AND TERMINAL FACILITIES WHICH WILL RESULT IN INCREASED CAPACITY AND THE ELIMINATION OF CONGESTION AND DELAYS.
3. THE MERGER WILL CREATE SUCH A SITUATION THAT NO SINGLE RAILROAD CAN BE DOMINANT IN ANY CORRIDOR.

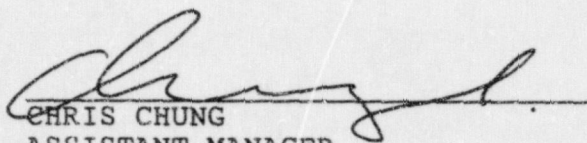
FOR THE ABOVE-STATED REASONS, HANJIN INTERMODAL AMERICA, FULLY SUPPORTS THE UNION PACIFIC/SOUTHERN PACIFIC MERGER.

I, GORDON J. ARITA, DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND I REQUEST THE AUTHORITY TO APPROVE THE APPLICATION. FURTHER I CERTIFY THAT I AM QUALIFIED AND AUTHORIZED TO FILE THIS VERIFIED STATEMENT EXECUTED ON OCTOBER 11, 1995.

BY

  
\_\_\_\_\_  
GORDON J. ARITA  
ASSISTANT GENERAL MANAGER  
HANJIN INTERMODAL AMERICA

I, CHRIS CHUNG, 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.

  
\_\_\_\_\_  
CHRIS CHUNG  
ASSISTANT MANAGER  
HANJIN INTERMODAL AMERICA



# Chemtech Distribution Inc.

424 S. Woods Mill Rd. • Ste. 325 • Chesterfield, MO 63017-3428 • (314) 205-1188

**VERIFIED STATEMENT  
OF  
ROBIN D. SMITH  
ON BEHALF OF  
HCI CHEMTECH DISTRIBUTION, INC.**

I, Robin D. Smith, am and have been employed by HCI Chemtech Distribution, Inc., 424 South Woods Mill Road, Suite 325, Chesterfield, MO 63017-3428, for 15 years. I currently hold the position of Traffic Manager which has the responsibility of coordinating all of the company's transportation needs.


HCI Chemtech is a distributor of chemicals. We also have storage and terminal capabilities. We are located in St. Louis, MO; served by the Union Pacific Railroad, Memphis, TN; served by the Illinois Central Railroad, Kansas City, MO served by the Burlington Northern and Springfield, MO served by the Missouri & Northern Arkansas Railroad. We utilize rail, barge and trucks to move products between suppliers, terminals and customers both on a regional and national scope.

HCI Chemtech is supportive of the Union Pacific (UP) and the Southern Pacific (SP) merger without qualification.

We base our support on the following factors:

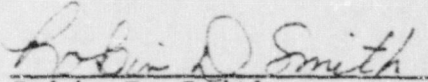
1. We are concerned about the long-term viability of the SP as a competitor. Having to compete with the new BN/ATSF and the UP, we doubt that the SP could survive on a stand-alone basis. The combined UP/SP's resources will assure a strong, effective competitor and will actually enhance competition in the chemical market.
2. The combined UP/SP will result in many new single line routes that will be shorter in distance and this should provide both improved transit times and lower costs which will help us to better meet our customer's needs.

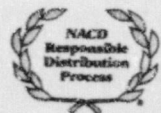
HCI Chemtech Distribution believes that the proposed merger of UP/SP will significantly benefit both ourselves and our customers. Therefore we endorse and support their merger.

  
Robin D. Smith

## VERIFICATION

I, Robin D. Smith, declare under penalty of perjury that the foregoing is true and correct. I certify that I am qualified and authorized to file this verified statement.  
Executed on October 10, 1995.

  
Robin D. Smith  
HCI Chemtech Distribution, Inc.



**VERIFIED STATEMENT OF  
Ivan Baker, on behalf of  
Hempstead County, Arkansas  
Economic Development Corporation**

**October 8, 1995**



**Economic  
Development  
Corporation**

My name is Ivan Baker. I am President of the Hempstead County Economic Development Corporation based in Hope, Arkansas... a position I have held for the past eight years. This organization represents the investor support of 125 progressive civic and business leaders, and serves a population area of 45,000 people.

I am one of only 600 certified economic developers in the country, with 16 years of development experience in Kansas, Texas, and Arkansas. For the past five years, Hope has been one of the top five manufacturing growth centers in the entire state of Arkansas. Significant success in job creation and economic development has resulted in national recognition, as our corporation was recently named one of the "Top 20 rural economic development organizations in the country," and I was honored as one of 12 Outstanding Young U.S. Economic Development Leaders.

The Hempstead County Economic Development Corporation is a non-profit, full-time, professional development agency, dedicated to expanding the employment base through planned industrial and commercial business development. As we work with existing and new businesses, the issue of rail transportation is of ever-increasing priority. More and more expanding businesses demand multi-modal transportation options, and the availability of dependable, cost-effective rail service.

**Statement of Position on the Union Pacific-Southern Pacific Merger**

We realize that Union Pacific and Southern Pacific are requesting authority to merge. The Hempstead County Economic Development Corporation strongly supports this application. We are confident that this merger will be beneficial to thousands of growing regional industries that demand high quality rail service and single-line access throughout the central and western United States. This merger will undoubtedly have a beneficial impact on the economic development efforts of our mid-south region.

Many of our existing industries, and most of our expanding companies, demand rail service that is dependable, financially-sound, and cost-effective.

**Hempstead County Economic Development Corporation  
P. O. Box 971 • Hope, Arkansas 71802-0971 • 501-777-8485**



Company executives have expressed the need for improved single-line service to the Mountain and Pacific regions. The UP-SP merger will provide significant economic development advantages for area industries by improving service between the business growth corridors of Dallas-Memphis and San Diego-San Francisco. Additionally, area industries will be better able to serve new markets in Mexico and the southwestern United States.

We are also convinced that this merger will yield competitive benefits for our area. The combined Union Pacific and Southern Pacific will create a company that is equal in size to the recently merged Burlington Northern and Santa Fe railroad. BN/Santa Fe currently have little competition serving business between California and our Dallas-Memphis corridor. The UP/SP merger will provide an efficient, single-line service that will improve competitive capabilities, and business growth opportunities. The competitive stance of this merger will be especially beneficial to businesses by combining the volume and financial strength of Union Pacific with the efficient southwest routes of Southern Pacific.

The Hempstead County Economic Development Corporation, recognized as one of the most successful economic development agencies in the country, is wholeheartedly supporting the merger of Union Pacific and Southern Pacific. We are convinced this proposed merger will improve competition and service, and have a beneficial impact on the viability and growth of regional industries. Indeed, this merger will have a positive affect on our ability to retain and create new manufacturing jobs.

For the beneficial impact this merger will have on the economic development future of our region, the Hempstead County Economic Development Corporation unequivocally supports the application.

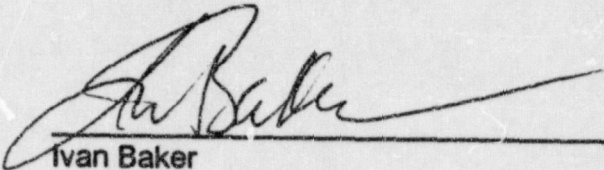
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I, Ivan Baker, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on October 8, 1995.

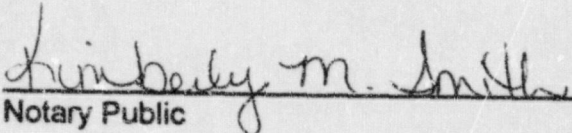
A handwritten signature in dark ink, appearing to read "Ivan Baker", with a long horizontal line extending to the right.

State of Arkansas       )  
                                  )ss  
County of Hempstead    )

Ivan Baker, 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.

  
Ivan Baker

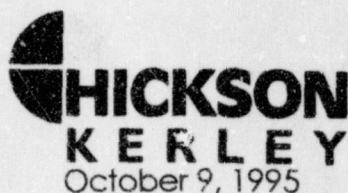
Subscribed and sworn to before me this 10<sup>th</sup> day of October, 1995.

  
Notary Public

My commission expires:

July 1, 2002





Hickson Kerley, Inc.

P.O. Box 11589

Phoenix, Arizona 85061

Telephone (602) 528-0600

Facsimile (602) 528-0683

Verified Statement  
of  
W. C. Quinton  
on behalf of  
Hickson Kerley, Inc.

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RE: 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.

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I am the manager of Raw Material Procurement for Hickson Kerley, Inc., located at 2801 W. Osborn, Phoenix, AZ 85017. I have been with Hickson Kerley for 23 years and have had responsibilities in the area of rail transportation for 12 years.

Specifically, I have managed the transportation and Distribution Dept., and had responsibility for management of the rail fleet, negotiation of rail rates and determination of the distribution patterns for the shipment of products by rail and truck.

Hickson Kerley is a manufacturer of liquid fertilizers, mining reagents, and Industrial and Electronic chemicals. We have six (6) plants serviced by rail and ship to approximately 40 terminals via rail, and to our customers that receive by rail.

Our locations serviced by the SP or UP are Antioch, CA; Michaud, ID; Sahuarita, AZ; and McPherson, KS. The locations serviced by other railroads are: Phoenix, AZ (BNSF); Finley, WA (BNSF); Billings, MT (BNSF); Pasadena, TX (PTRA); Ponca City, OK (BNSF); Eufaula, AL (NS), and Artesia, NM (BNSF).

*Page Two*  
*Merger*

Hickson Kerley has a large number of contract rates and a number of primary routes. Several of those routes are listed below.

|                  |    |  |
|------------------|----|--|
| Billings, MT     | to | Finley, WA<br>Grant, NE<br>Antioch, CA<br>Rennox, NV   |
| Artesia, NM      | to | Finley, WA<br>Sahuauta, AZ<br>Phoenix, AZ<br>Nogales, AZ   |
| Cig Spur, WY     | to | Michaud, ID  |
| McPherson, KS    | to | Delano, CA<br>Center, CO<br>Douro, TX<br>Antioch, CA<br>Rochelle, GA<br>Seaford, DE  |
| Pasadena, TX     | to | Eufaula, AL<br>Finley, WA<br>Hodgkins, IL<br>Michaud, ID<br>Antioch, CA<br>Phoenix, AZ<br>Doraville, GA                                  |
| Ponca City, OK   | to | Antioch, CA<br>Delano, CA<br>Ft. Madison, IA<br>Hurlwood, TX<br>Seagraves, TX<br>Maumee, Oh<br>Pasadena, TX<br>Pekin, IL<br>Rochelle, GA |
| Three Rivers, TX | to | Stanton, TX<br>Rochelle, GA  |
| Westlake, LA     | to | Sahuarito, AZ  |



*Page Three*  
*Merger*

All shipments are made in tank cars. Our annual rail freight costs are about \$7 million. Hickson operates a tank car fleet of 450 + cars. Rail shipments account for 30% of our tonage shipped.

We believe that this merger will improve service at facilities presently served by the SP.

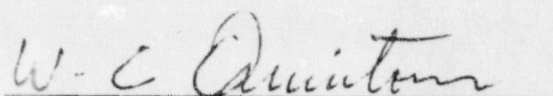
The merger of the UP & SP should provide a number of benefits. Several of the benefits we foresee are listed below.

- 1) Improved transit times due to single-line service.
- 2) The ability to use more efficient routes.
- 3) Improved competition in some cases.
- 4) Without the merger the UP & SP would have difficulty competing with the BNSF. The long term survival of at least the SP would be doubtful.
- 5) The merger should go a long way toward solving SP's equipment shortage problems.

On a number of routes where the destination is not SP only, we ship via other carriers to avoid having to use the SP. In some cases we even truck to avoid the problems encountered with SP service. We believe this merger will enable us to ship more traffic via the SP UP.

Our McPherson, KS facility is currently served only by the UP and SP. We understand that UP/SP have entered an agreement with BN/SF to give BN/SF access to all points which were currently served only by UP and SP. BN/SF access to McPherson should improve competition for that traffic. Based on that understanding, we would support the proposed merger.

I, W. C. Quinton, declare under penalty of perjury the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement, executed on October 9, 1995.



W. C. Quinton  
Manager Raw Material Procurement

WCQ/law

cc: S. Erwine, V.P. Materials & Distribution/Don Pottinaer, C.E.O



P.O. Box 527  
EUGENE, OREGON 97440



WHOLESALE  
AND  
MANUFACTURERS OF  
WESTERN FOREST  
PRODUCTS

Area 503 686-2815  
Station To Station 345-4411

Verified Statement  
of  
Kelly Ewing  
on Behalf of  
Hirt & Wood Lumber Co., Inc.

My name is Kelly Ewing, and I am writing to support the proposed merger of Union Pacific and Southern Pacific railroads. I have been employed in the lumber industry for more than 18 years, and for the past 10 years have been in traffic management. I have been with Hirt and Wood Lumber Company for almost 2 years. Our company is involved in the wholesale supply of lumber products. Our address is P.O. Box 527, Eugene, Or 97440.

The majority of our business is trucked through the I-5 corridor from Eugene, Or to Los Angeles, Ca. A portion of our business travels that same corridor by rail traffic. Our company ships approximately 100 flat cars annually of green lumber to Los Angeles, Bay area, and to the Midwest, U.S.

An important benefit of the merger to our company would be a reduction in transit times for our shipments to California and the Midwest. The current problem is that Southern Pacific transit times are slow and their delivery times are inconsistent. We are unable to take advantage of rail service for the majority of our shipments because of such problems.

On the I-5 corridor, we are certain that after the merger Union Pacific will be able to commit its resources to improving significant reduction in transit times and make the service on that route more consistent. This will allow our company to take greater advantage of rail traffic on the I-5 corridor.

Another anticipated benefit of the merger to our company will be improved customer service, specifically regarding the tracking of our shipments. Truck transit times are very predictable and truck shippers are also able to track our shipments very precisely. Southern Pacific, however, has been unable to provide us current information on the exact







P.O. Box 527  
EUGENE, OREGON 97440



WHOLESALE  
AND  
MANUFACTURERS OF  
WESTERN FOREST  
PRODUCTS

Area 503 686-2815  
Station To Station 345-4411

location of our shipments. Tracking information is important because our customers rely on this to determine inventory status and future shipping needs. We believe that Union Pacific has a superior tracking system in place, and we feel that after the merger the ability to track shipments of our products will be greatly enhanced by the addition of U.P.'S systems. This will allow us to communicate more clearly with our customers, and create greater customer satisfaction and lead to more business for our company.

Another benefit to our company will be the increase in the supply of cars available to ship lumber products. Union Pacific has a substantial number of center-beam flat cars which we could use to great advantage. We feel the combination of Southern Pacific's standard lumber cars and Union Pacific's center-beam flat cars will create a versatile car fleet which will result in greater turnaround times and allow us to plan our shipments in a more efficient manner and hopefully make greater use of rail shipments into California and the Midwest.

In short, our company is enthusiastic about the merger of Union Pacific and Southern Pacific. We believe that it will result in a strong western carrier which will be able to provide competition to the newly merged BN/Santa Fe system. While we realize this will result in a reduction of the number of carriers serving some points, we feel it is more important that there remain two strong competitive rail systems from which we can choose and receive the best rates possible. We urge you to approve the merger of the Union Pacific and Southern Pacific railroads.

I, Kelly Ewing, 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.

Sincerely,  
HIRT & WOOD LUMBER CO., INC.

*Kelly Ewing*  
Kelly Ewing  
Traffic Manager

Executed on

10/12/95



Re: 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, etal.

VERIFIED STATEMENT  
OF  
RICHARD C. SEAWRIGHT  
ON BEHALF OF  
HOECHST CELANESE CHEMICAL GROUP

My name is Richard C. Seawright. I am Manager of the Rail Management Department for Hoechst Celanese Corp. - Chemical Group; with the business address of P. O. Box 819005, Dallas, TX 75381-9005. I have held this position for 7 years and I have over 34 years service with Hoechst Celanese. The responsibilities of this position are to provide the most efficient, consistent and cost effective rail transportation for outbound products and for inbound raw materials or products used in the manufacture thereof. These responsibilities include rail transportation purchasing, rail fleet operations of approximately 2500 rail cars, contract administration and rail car tracking and rate systems.

Hoechst Celanese Corp (Chemical Group), with manufacturing facilities locations in Canada, Mexico and the United States, is a major producer of commodity and specialty chemicals. These products are distributed to multiple customers located throughout North America (Canada, Mexico and United States).

Our North American manufacturing facilities and their major products include:

- Our Pampa, TX plant manufactures Acetic Acid, and other specialty chemicals (served by BN/Santa Fe from Kings Mill, TX);
- Our Bishop, TX plant manufactures Formaldehyde and Acetates (served by UP);
- Our Bay City, TX facilities produce Vinyl Acetate, Acetic Acid, and Butyl Alcohol (served by UP and BN/SF);
- Our Bayport, TX facilities produce Acetic Acids, Ethylene Glycol, Ethylene Oxide, and Acrylates (served by SP);



- Our Mexico facilities produce PET Chip (a plastic resin) and Isopropyl Acetate (served by FNM, connecting to SP at Eagle Pass, TX) and UP at Laredo, TX.
- Our Clover Bar, Alberta plant produces Methanol (served by CN)

We move approximately 22,000 carloads by rail annually. We also ship large volumes by truck and barge. We have substantial barge movements from Mexico to U.S. Gulf Coast ports and from our Bayport, TX facility to eastern points.

Shipments from USA facilities to customers located throughout the U. S. A. could be impacted by a Union Pacific (U.P.)/Southern Pacific (S.P.) merger. Additionally, shipments originating in Mexico and Canada will be affected. Listed below is a sample of some origins and destinations that would be included.

| <u>ORIGIN</u>  | <u>DESTINATION</u>                           | <u>TYPE EQUIPMENT</u> |
|----------------|--|-----------------------|
| Bayport, TX    | SC (Rockhill, Greer, Spartanburg, Leeds)     | Tank Car              |
|                | NC (Shelby, Salisbury, Wilmington)           |                       |
|                | VA (Hopewell)                                |                       |
|                | IL (Kankakee, Cordova, Argo)                 |                       |
|                | TX (Kings Mill, Bishop)                      |                       |
|                | NJ (Pedrickton, Newark)                      |                       |
|                | KY (Calvert)                                 |                       |
|                | MS (Aberdeen)                                |                       |
|                | TN (Chattanooga)                             |                       |
|                | AL (Saraland, Decatur)                       |                       |
|                | OH (Avon Lake)                               |                       |
|                | CA (Rancho Dominguez, Richmond, Los Angeles) |                       |
| Bishop, TX     | NY (Tonawanda)                               | Tank Car              |
|                | AL (LeMoyne)                                 |                       |
|                | SC (Leeds)                                   |                       |
| Kings Mill, TX | TX (Bayport, Eagle Pass)                     | Tank Car              |
|                | NJ (Newark)                                  |                       |
|                | CA (Newark)                                  |                       |
|                | OR (Woodburn)                                |                       |
| Bay City, TX   | TX (Bayport)                                 | Tank Car              |

|                   |  |          |
|-------------------|--|----------|
| Eagle Pass, TX    | AR (Helena)<br>CA (Long Beach, Santa Fe)<br>CN (Clover Bar)<br>IL (Argo, Chicago)<br>NJ (Newark)<br>NC (Durham)<br>TX (Kings Mill) | Tank Car |
| Clover Bar, AB,CN | CA (San Pedro)<br>OR (Portland)  | Tank Car |

We understand that Union Pacific and Southern Pacific have requested authority to merge. Hoechst Celanese Corp (Chemical Group) strongly supports this merger and believes that it will strengthen the overall Transportation System by providing a stronger and more competitive means of improving service and reducing costs for both sides of industry.

We believe that the proposed merger would be in our company's best interest, as well as the industry in general. We fully endorse the UP/SP application.

An approval of the merger application would provide the following benefits to the shipper/receiver industry:

- ... Improved transit times due to shorter routes and more single-line destinations, resulting in fewer interchange delays. Hoechst Celanese should benefit from new single-line service offered by a combined UP/SP. In particular, for cars moving between our Bishop facility (UP served) and our Bayport facility (SP served), we will no longer have to interchange at Houston, a highly congested area. This will eliminate a major source of delay we have experienced. We will also have an opportunity to move Methanol from our Alberta location to Eastport, Idaho, with single-line service to SP served points in California and Oregon. In addition, we will be able to use a combination of UP and SP lines for movements between our Texas plants and locations served by UP or SP in California and Oregon.
- ... Improvement of SP service. Hoechst Celanese has experienced serious problems with service on the SP. Our Bayport plant is served exclusively by SP, and we currently use SP to move shipments originating at our Mexico plants from Eagle Pass gateway and to move Methanol originating in Alberta to SP served points in Oregon and Northern California. We have had to increase the size of our tank car fleet because we cannot achieve satisfactory turnaround times on the SP interchange. We have been thoroughly frustrated with SP's service to and from our Bayport



plant and have pressed UP to build in to that plant so that we could have an alternative to SP. We have also experienced erratic service on shipments from our Mexico plants via the SP storage track at Eagle Pass. A UP/SP merger should result in significant improvements in SP service. UP will be able to devote its strong management resources to SP's operations and will also be able to devote financial resources to making needed capital investments in SP facilities. This will help Hoechst Celanese reduce its costs, for example, by reducing the need to acquire extra tank cars for the Bayport movements.

- Improved car tracing and EDI through installation on SP of UP's TCS system. The ability to track our shipments for inventory management purposes and to ensure on-time delivery has become increasingly important. UP has strong capabilities in information technology, including systems for accounting, billing and car tracing. If SP can take advantage of the UP systems, SP-served businesses will be better able to establish reliable delivery schedules.
- More stable financial environment for customers of SP. In addition to overcoming the service problems on SP routes, the merger will provide greater stability for Hoechst Celanese and other businesses served by SP. For some years now, SP's financial situation has raised questions about its ability to reinvest in its facilities and ultimately its long term viability. A merger with UP would give customers the assurance of its long term service from a financially solid railroad that is prepared to make needed investments to maintain and improve facilities.
- New alternatives for Mexico shipments. Celanese Mexicana (Hoechst Celanese subsidiary) moves pulpboard from the Gulf Coast to Mexico through the Laredo gateway via UP. We receive substantial inbound shipments to the US from Mexico. This traffic moves primarily through the Eagle Pass gateway, because SP offers storage track for our shipments at that location. Merger of the UP and SP would give us flexibility to route traffic over all the major Mexico gateways, with the potential to relocate our storage-in-transit to other gateways (particularly Laredo or Brownsville) or to other points on the combined system. In addition, our Mexico traffic would move more efficiently because UP's efficient pre-clearance and pre-waybill procedures could be used for cross-border traffic at all of these gateways.

- New competitive service via BN/Santa Fe. As a result of an agreement among the UP, SP and BN/Santa Fe, the BN/Santa Fe will gain access to a number of points, including several Mexico gateways (Brownsville, Eagle Pass and Laredo via interchange with TexMex Railway at Corpus Christi) and points in Texas and Louisiana (including direct routes from Houston to New Orleans and from Houston to Memphis). This should give us new competitive alternatives for movements to and from Mexico and for our Texas plants. In addition, the merged system will have short, efficient single-line routes from Eastport, Idaho to points in Oregon, California, Arizona and Texas; and BN/Santa Fe and UP/SP have agreed that BN/Santa Fe will purchase UP's Bieber line, thereby acquiring a West Coast single-line route, and that BN/Santa Fe will provide UP/SP with proportional rates for movements over Portland involving the two systems. As a result, Hoechst Celanese foresees obtaining alternative pricing for its movements of Methanol originating in Alberta to destinations in Oregon and California.
- Stronger overall competition for chemicals transportation. Although SP will no longer exist as an independent competitive entity, we expect that overall, the merger will result in stronger competition for chemicals transportation. As a result of the settlement agreement with BN/Santa Fe, facilities now served only by UP and SP will have access to two wider, stronger networks (BN/Santa Fe and UP/SP). Facilities served by BN/Santa Fe, such as our plants at Pampa and Bay City, will have single-line access to many new destinations on the BN/Santa Fe system. BN/Santa Fe's right to equal access to Eagle Pass via trackage rights, plus its access to Brownsville and to Laredo via the connection to Tex Mex at Corpus Christi, will strengthen competition for Mexico traffic. In addition, competition will be stronger because poor service to and from SP points will be overcome. We will also continue to have good truck and barge alternatives for many of our chemical movements.

We believe that the UP/SP merger provides significant benefits to industry located on their lines as well as industry located on their lines that routes via connecting lines on or through their trackage. Hoechst Celanese Corp - Chemical Group supports the application.



VERIFICATION

STATE OF Texas )  
 )ss  
COUNTY OF Dallas )

Richard C. Seawright 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.

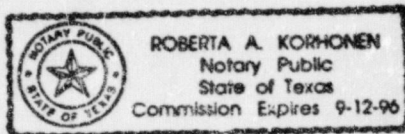
Richard C. Seawright  
Richard C. Seawright

Subscribed and sworn to before me this 2nd day of November, 1995

Roberta A. Korhonen  
Notary Public

My Commission Expires:

Sept. 12, 1996





Albany, New York 12205

**VERIFIED STATEMENT  
of  
STEVEN MOAK  
on behalf of  
HOLBROOK LUMBER CO., INC.**

My name is Steven Moak. I am sales manager of Holbrook Lumber Co. My company's address is P.O. Box 5229, Albany, NY 12205. I am responsible for negotiating transportation rates and coordinating shipments for my company.

Holbrook Lumber Co. is involved in the wholesale supply of lumber. We have a warehouse in Albany, New York. Most of our traffic is shipped by truck, but we also utilized Union Pacific for some of our shipments. We receive most of our product from the Pacific Northwest and the Midsouth regions.

We wish to register our support for the proposed merger of Union Pacific and Southern Pacific.

As a company that currently relies primarily on trucking, we see the proposed merger as a means of improving rail service and increasing its efficiency so we can reduce our dependence on trucking and ship more by rail. Combining UP's and SP's routes, for example, would create a more efficient central corridor route. In addition, we understand that the combined carrier would increase the separation of carload and intermodal traffic moving over the central corridor, which should reduce congestion and improve transit times of both types of traffic. The combined carriers could also take advantage of their redundant facilities at critical bottlenecks, such as Kansas City, in order to reduce congestion, and they could make increased use of traffic pre-blocking so overburdened yards could be bypassed entirely. Combining the fleets of UP and SP should also help to alleviate the consistent equipment shortages that have long hampered shippers of forest products. Together, these improvements will reduce transit times, increase reliability, and make rail transportation a more cost competitive option.

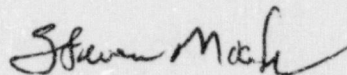
Our company has been particularly reluctant to ship over SP because of its reputation for slow and unreliable transit times. With the proposed merger, we expect improved service and new opportunities to ship from SP origin mills. We not only expect more efficient routes over the central corridor, as discussed above, but also much improved customer service because Union Pacific can bring with it more sophisticated computerized operations, greater experience in running a scheduled



railroad, and superior car tracing technology. These improvements in management and technology should result in better on-time performance, better carrier-to-customer communications, and an enhanced ability for us to monitor and understand the progress and location of our shipments.

In sum, we see the proposed merger as an opportunity to make rail service more reliable and efficient, and thus a more valuable and available option to our company. We support the proposed merger and urge the Commission to give its prompt approval.

I, Steven Moak, 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 Nov 2, 1995.



---

STEVEN MOAK



**HOLMAN  
DISTRIBUTION  
CENTER**  
OF WASHINGTON, INC.

P.O. Box 369  
Kent, WA 98035-0369  
22430 76th Ave. S.  
Kent, WA 98032-9995  
(206) 872-7140  
Fax: (206) 395-0335

**September 25, 1995**

**VERIFIED STATEMENT  
of  
Mitchell Hobbs  
on behalf of  
HOLMAN DISTRIBUTION CENTER**

My name is Mitchell Hobbs and I am employed by Holman Distribution Center of Washington, Inc. which is located at 22430 76th Avenue So., Kent, Washington 98032. As Vice President of our company, my responsibilities include marketing, operations and traffic. I have been employed by Holman Distribution Center since 1978. My duties have been primarily transportation related during my employment with our company.

Holman Distribution Center is a public and contract warehousing company with locations in both Portland, Oregon and Seattle, Washington. We receive, store, and distribute a variety of commodities for over two hundred customers. These customers require a regional presence in the Northwest, and rely upon our services to distribute their products. Our largest customers include Scott Paper Company, General Electric Major Appliances, Coors Brewing Company, PPG Architectural Finishes, DowBrands L.P., International Paper Company, Hill's Pet Nutrition, and Georgia Pacific Paper Company.

Our Oregon corporation operates approximately 700,000 square feet of warehouse space in the Portland Commercial Zone. Two of our facilities in Oregon are served by the Southern Pacific, and one is served by the Burlington Northern. We receive inbound rail cars from the entire continental United States, with most volume being shipped from Colorado, California and Illinois.

Our Washington corporation is operating in excess of 1,500,000 square feet, with all of our facilities being located in the Kent Valley. Kent is located 18 miles



south of Seattle, Washington. We are currently operating six facilities which are served by the Burlington Northern and two facilities that are served by the Union Pacific.

Our Washington corporation receives inbound rail cars from the entire continental United States as well. Our largest volume, however, comes from the states of Kentucky, Louisiana, California, and Nebraska.

Holman Distribution Center supports the proposed merger of the Union Pacific and Southern Pacific railroad. We believe this merger would be in our company's and customer's best interest. Following are several of the reasons why we support the proposed merger.

Our Oregon operations would benefit from the proposed merger as we are not currently served by the Union Pacific. Without Union Pacific service in Portland we have lost several large opportunities to secure new business within the last several years. Most notable of these were Anheuser Busch and Church & Dwight. Each of these manufacturers required Union Pacific rail service which our company was not able to provide.

We also lost the Tropicana account which we had for a number of years in Portland to a competitor which was served by the Union Pacific. The reason given was that the service provided by the Southern Pacific was inadequate and did not meet Tropicana's expectations. Clearly the Southern Pacific would have benefited from the resources provided by the Union Pacific in this situation.

We also believe the merger will enhance our real estate values on our facilities served by the Southern Pacific. In the event of a property sale, the marketability should be enhanced with the greater rail coverage provided by the proposed merger. Currently we are limited to the Southern Pacific's coverage in marketing these buildings to a prospective buyer or customer.

The proposed merger should also provide benefits to our Washington operations. We have several customers who are shipping by truck from the Modesto/Stockton area to Seattle. This is because the Southern Pacific's coverage only extends North to Portland. We believe there are tremendous opportunities to serve more customers in California if we could provide single line rail service to Seattle.

We also ship a considerable amount of paper product from our facilities by truck to points in California. The proposed single line service between Washington and California will definitely increase competition in this traffic lane. This will benefit not only our customers but our company as well.

For these reasons, Holman Distribution Center is in support of the proposed merger of the Union Pacific and Southern Pacific railroads. Our belief is this merger will strengthen our company and the services we can provide to our existing customers. This proposed merger will also enhance our competitive advantage in securing new business opportunities.

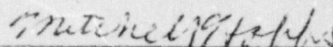
### VERIFICATION

STATE OF WASHINGTON )

) ss.

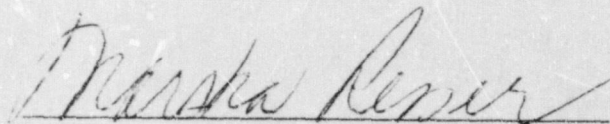
COUNTY OF KING )

I, Mitchell Hobbs, 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 this 1st day of September, 1995.



Mitchell Hobbs, Vice President  
Holman Distribution Center of Wa., Inc.

Subscribed and sworn to before me this 25 day of September, 1995.



Notary Public

Commission expires: January 31, 1998





# *Honeymead* **PRODUCTS COMPANY**

OILSEED PROCESSORS AND REFINERS SERVING AGRICULTURE AND INDUSTRY  
2020 SOUTH RIVERFRONT DRIVE • P.O. BOX 3247 • MANKATO, MINNESOTA 56002-3247  
PHONE (507) 625-7911 • EASYLINK MAIL BOX 62044811 • FAX (507) 548-1264

October 25, 1995

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, ET AL.

VERIFIED STATEMENT OF WILLIAM L. MULLIN

My name is William L. Mullin. I am the Transportation Manager for Honeymead Products Company, located at 2020 S. Riverfront Drive, Mankato, Minnesota 56002. I have held this position for 11 years and have been involved in transportation for 14 years. My major responsibilities include managing a 400 car private rail fleet; and the routing and rating of approximately 1700 inbound shipments of raw materials and approximately 3600 outbound shipment of finished products by rail each year. I am authorized to make this statement on behalf of Honeymead Products Company.

Honeymead Products Company is a Division of Harvest States Cooperatives in St. Paul, Minnesota and has been in business for 58 years. Honeymead is a soybean processor and refiner of crude soybean oil. End products include soybean meal, sold domestically to feed lots in the upper midwest, and exported to Canada; soyflakes and soyflour sold domestically throughout the United States, and exported to Canada, Mexico, England, and Puerto Rico; hydrogenated and refined soybean oils sold domestically throughout the United States to food service users and margarine and shortening producers; and industrial grade soybean oils sold domestically throughout the United States.

Honeymead's plant in Mankato, MN is served directly by the Union Pacific (formerly the Chicago and Northwestern). As a major rail user, Honeymead is dependent on the railroads for quality service and competitive freight rates.

Honeymead has learned that the Union Pacific and Southern Pacific are seeking Interstate Commerce Commission authority to merge. Honeymead endorses this merger as a means of improving rail service and strengthening rail competition in the western United States.

As manager of an extensive private rail fleet, I am knowledgeable of the inherent costs associated with "lost-car days" resulting from service delays. While the Southern Pacific has provided Honeymead with rates over the years that have allowed us to remain competitive in the western oil markets, their service has often been deficient. In recent years, Southern Pacific's service has seemed to worsen. With delays from poor service we are forced to carry additional equipment to cover our rail shipments. This raises our costs.

With the recent Burlington Northern/Santa Fe merger, it has become even more important for the Southern Pacific System to receive the financial strength of the Union Pacific Railroad for making capital improvements to its infrastructure in an effort to improve service and to maintain competition in the West. Without necessary improvements in its service, the Southern Pacific cannot survive long-term.

It is Honeymead's belief that strong rail competition in the West is critical. Improved service, and competitive freight rates resulting from more single-line hauls to Western markets, will strengthen Honeymead's ability to compete in serving its customer base. There are also opportunities to reach oil markets not previously accessible since we will have better and more cost-effective rail options following the merger. Because California is such



a large dairy state, with better rail service to the West Coast we will be able to reach additional markets with our soybean meal that we cannot serve today.

We believe that the proposed merger will provide significant benefits to the shipping public. Honeymead Products Company supports the merger application of the Union Pacific and Southern Pacific Railroads.

*William L. Mullin*  
William L. Mullin  
Transportation Manager

VERIFICATION

STATE OF MINNESOTA     )  
                              ) SS.  
COUNTY OF BLUE EARTH   )

William L. Mullin, 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.

William L. Mullin  
William L. Mullin

Subscribed and sworn to me this 25<sup>TH</sup> day of OCT, 1995.

Teresa A. Richter  
Notary Public

My Commission Expires:

1-31-2000







# Hub Distributing Co.

Distributors of the World's Finest Beers

VERIFIED STATEMENT

OF

GREG GUTH  
on behalf of  
HUB DISTRIBUTING

On behalf of Hub Distributing, I am submitting this statement in support of the Union Pacific/Southern Pacific merger application.

My name is Greg Guth. I am the President of Hub Distributing, a beer distributor located in Grand Junction, Colorado. Grand Junction is a local point on the DRGW, operated by Southern Pacific. We receive beer shipments from Pabst originating in Tumwater, Washington on the UP. These shipments interchange with the DRGW in Salt Lake City. Inbound shipments from Stroh's move on the BN/ATSF and the DRGW from Longview, Texas. We distribute beer and sodas locally by truck.

Our primary concern is the long-term viability and efficiency of the SP, because the DRGW is our only local carrier. We have encountered chronic problems with SP service, including frequent delays on shipments into Grand Junction. These delays in shipments adversely affect our business by forcing us to carry larger inventories or to suffer from supply shortfalls. Over time, if SP's service problems are not remedied, we could be forced to develop alternate sources of supply (such as truck or rail - to - truck) to avoid or minimize the adverse effects of SP's service deficiencies.

We believe the merged UP/SP system will have the capital resources and operational capabilities to assure the sustained reliability of our rail service. In addition, the UP/SP system will offer new single-line service from Tumwater to Grand Junction. This direct route will provide faster, more dependable service than the two railroads can offer today. The merged system will also have access to a more extensive supply of 50-foot boxcars. We expect that expanding the available pool of equipment will also generate service improvements because the merged system will have greater flexibility to position equipment efficiently.



# Hub Distributing Co.

Distributors of the World's Finest Beers

In conclusion, Hub Distributing endorses the UP/SP merger.

## VERIFICATION

I, Greg Guth, 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 20, 1995.

Respectfully,

A handwritten signature of Greg Guth, written in dark ink, appearing as a stylized cursive script.

Greg Guth





# INTERDOM PARTNERS, LTD.

## "The Independent Stack Train Service"

10063 S. 76th Ave. • Bridgeview, IL 60455 • (708) 233-3000 • FAX (708) 233-1024

Verified Statement  
of  
Richard K. Rudie  
President  
Interdom Partners, Ltd.

I am Richard K. Rudie, President of Interdom Partners, Ltd. located at 10063 S. 76th Avenue, Bridgeview, Illinois, 60455. Interdom is an intermodal marketing company which moves full container loads of freight throughout the 48 contiguous states, Canada, and Mexico.

Presently we utilize the Union Pacific Railroad for the movement of approximately 5,000 containers per year. This is out of a total of approximately 60,000 which we will move on the combined Class 1 railroads. We utilize the services of Burlington Northern/Santa Fe very extensively, particularly for shipments between Chicago and the Pacific Northwest, as well as the Pacific Southwest, and between the Gulf Coast and the West Coast. Our shipments move in virtually all major traffic lanes.

While we are presently engaged in negotiations with the Southern Pacific Railroad we have not utilized them in over five years due to service concerns. Southern Pacific's financial condition has also caused some concern.

We believe that a merger of the Union Pacific and Southern Pacific Railroads will ensure that we receive quality service from a financially sound carrier. Single-line service, shorter routes, and well-maintained equipment will improve transit times and overall competition. The combination of Union Pacific and Southern Pacific would produce better service over the merged system. This would be especially true between the West Coast, on one hand, and Chicago, Memphis, St. Louis and Kansas City, on the other. The additional line capacity from the combined lines would produce faster, more dependable intermodal service. As a result, Union Pacific/Southern Pacific would provide my company with a competitive alternative that we have been unable to use more fully today.

Please accept my recommendation to approve the merger application of the Union Pacific and Southern Pacific Railroads.

Sincerely,

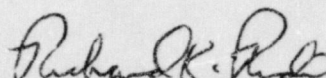
Richard K. Rudie  
President  
Interdom Partners, Ltd.



*Leticia Sanchez*  
November 8th 1995

VERIFICATION

I, Richard K. Rudie, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified to file this verified statement. Executed on November 8, 1995.



Richard K. Rudie





Interstate Distributor Co.

October 5, 1995

VERIFIED STATEMENT

OF

JOHN CHASTEEN

on behalf of

INTERSTATE DISTRIBUTOR CO.

My name is John Chasteen and I have held the position of Director of Intermodal at Interstate Distributor Co., Tacoma, WA, since January 9, 1995. Prior to that, I was Vice President Marketing & Sales at WOSCA Shippers Cooperative for 6 1/2 years. Previous to WOSCA, I held many different positions with the Union Pacific Railroad between June 1978 and January 1989. I have been involved with and worked for transportation companies my entire working career.

In my current position, I am responsible for the day to day operations of our Intermodal program. In addition to operations, I do have sales responsibility for specific accounts. I am the individual who deals directly with the railroads on my companies behalf.

Interstate Distributor Co. (IDC), is a truckload transportation provider throughout the United States, Mexico and Canada. IDC utilizes the services of the Southern Pacific Railroad on a daily basis between Los Angeles, CA and Portland, OR. As an asset based carrier we primarily ship IDC equipment from Portland, OR to Los Angeles, CA and from Los Angeles, CA to Portland, OR. IDC ships on average 15 trailerloads per day from Portland to LA and 10 trailerloads per day from LA to Portland. The commodities moved are varied but are primarily consumer related.

While the above corridor is of the most importance to IDC, we also utilize the services of the Southern Pacific throughout their system. These movements take place in both IDC equipment as well as rail owned or controlled equipment.

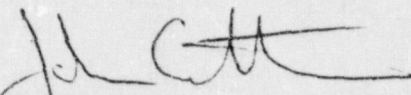
We understand that Union Pacific and Southern Pacific are requesting authority to merge. We support this as a means of improving service and of ensuring that we receive top-quality rail service from a financially sound carrier.

With approval of the merger application, Union Pacific and Southern Pacific will be able to combine the strengths of their respective rail systems. As a result, shippers and receivers will benefit from improved service, including a number of entirely new services.

Currently, IDC hauls over-the-road, all applicable freight between Portland, OR and Seattle, WA. It is our understanding that a single line route will be offered between Seattle, WA and Los Angeles, CA. This will result in a mileage reduction of 556 miles versus the current Union Pacific route from LA to Seattle. The transit time improvements will allow IDC to better utilize our own tractor fleet and allow the merged SP/UP to provide competitive single line service.

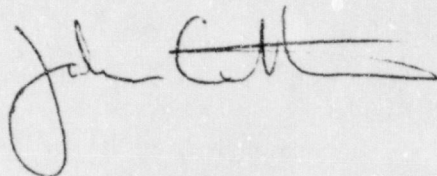
For the last several years, Southern Pacific has indicated that needed capital improvements, i.e. double stack service in the I-5 corridor, have been dropped from the budget due to spending constraints. We believe it is necessary to have a financially strong Southern Pacific. It is our understanding that the Union Pacific brings the necessary financial strength to the Southern Pacific.

We believe that the proposed merger of the Southern Pacific with the Union Pacific will provide significant benefits to our company. Our company supports the application.



John Chasteen  
Director of Intermodal

I, John Chasteen, 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 10/5/95.





# **ITG TRANSPORTATION SERVICES, INC.**

## **VERIFIED STATEMENT**

### **OF**

**DARRYL W. KAISNER**

**on behalf of**

**ITG TRANSPORTATION SERVICES, INC.**

My name is Darryl W. Kaisner. I am marketing representative for ITG Transportation Services, Inc., an Intermodal Marketing Company based in Lombard, Illinois. Prior to joining ITG in early 1994, I was Rail/Marketing Manager for Rail Bridge/K-Line for seven years and Rail Supervisor at U. S. Lines for three years. My educational background includes a degree from the University of Georgia in Marketing/Transportation. I am writing this statement on behalf of ITG Transportation Services to express our strong support for the Union Pacific/Southern Pacific railroad merger.

ITG provides intermodal marketing services to forwarders, consolidators and steamship lines and agencies. We provide rail and rail/truck combinations for international moves to and from ports throughout North America. We expect gross revenues of approximately \$15 million this year.

We currently use the UP for movements from Chicago to Houston and Denver to Houston. The SP handles our traffic from Kansas City, Memphis and Chicago to Los Angeles. We also use SP for a small number of shipments between Los Angeles and the Pacific Northwest.

The SP's service is erratic. Their customer service generally is poor. In addition, we have found that their equipment supply is inadequate. For example, we routinely face a shortage of flat cars. SP's bargain rates cannot offset the railroad's significant service problems. We expect that the merged system will have the resources to address SP's chronic shortcomings.

The merger will provide substantial advantages in expediting our traffic that is currently transported along SP's routes. In particular, service between Chicago and Southern California will be measurably improved. The merged system plans to handle time-sensitive intermodal traffic over SP's Southern Corridor and slower manifest

shipments on UP's northern Overland route. This route specialization will reduce transit times considerably for our customers. Concentrating intermodal traffic on the Southern Corridor also will reduce delays and increase the reliability of service between Los Angeles and Kansas City and Memphis. Service will also improve as a result of UP/SP's plans to make capital investments to increase capacity on the Southern Corridor route.

Efficiencies in to and out of the important Chicago gateway also will be improved. Our business is extraordinarily time-sensitive, and the ability to offer low rates is critical to our ability to compete with other third party carriers. Coordination of terminals in Chicago will permit the pooled system to reduce drayage. Our inbound gate time will be decreased, as will the turn times at rail ramps. These time-savings will mean lower rates for our customers. Similarly, improvements at the intermodal terminals in Kansas City and UP/SP's plan to utilize a new terminal facility in West Memphis will increase the effectiveness of intermodal service.

The Burlington Northern/Santa Fe to day has a rail network and financial stability that are unparalleled, particularly in the West. UP/SP will be able to offer meaningful competition for the BN/SF. In particular, there will be enhanced competition because of UP/SP's ability to offer efficient intermodal service between Chicago and the West Coast. We are presently hampered by SP's lack of weekend service. The UP/SP system will be able to offer a more extensive intermodal schedule than SP alone can provide today. UP/SP's third morning service between Chicago and Los Angeles, for example, will for the first time rival the service offered by BN/SF. The recent settlement agreement among UP, SP and BN/SF also gives BN/SF a direct route between Houston and Memphis, providing competition for UP/SP's route along the Houston-Chicago corridor.

The merger will also improve service on other routes. Along UP's Houston-Chicago corridor, we anticipate reduced transit times and enhanced service because of the ability to pre-block traffic and the availability of alternate routes. For our Denver-Houston movements, we will have a more direct route through use of SP trackage rights. In general, the increase in single-line service between Midwest points and West Coast ports and between the Pacific Northwest and the Southeast/Midwest will provide quicker transit times and should decrease out costs.

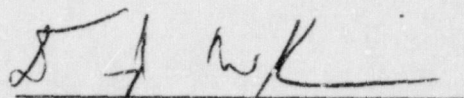
The UP/SP system will offer us the capability to expand into new markets. UP/SP will offer the first truly viable single-line rail service along the I-5 corridor. In addition, under an agreement among BN/SF, UP and SP, BN/SF will have a second alternative single-line route along the West Coast that may provide intermodal service. These service initiatives will allow us to expand our intermodal service between the Pacific Northwest and California.

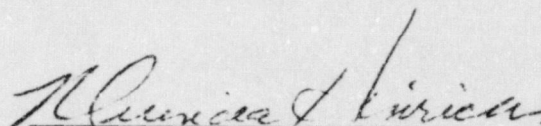


Finally, the UP/SP merger will address the recurrent equipment problems we have encountered. In addition to gaining access to a superior and expanded pool of equipment, the integrated rail carrier will have the flexibility to reposition equipment more efficiently, ensuring that our intermodal movements are not delayed.

We endorse the merger application because the UP/SP system will be able to provide the sustained comprehensive intermodal service that neither carrier can offer on its own.

I, Darryl W. Kaisner, 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.

  
Darryl W. Kaisner

  
Witness



**MILLING  
COMPANY**

P. O. Box 1041 • 9th & H Streets • Modesto, California 95353 • (209) 577-3221

Verified Statement of  
Don Bradley  
on behalf of  
J.S. West Milling Co.

My name is Don Bradley, I am the feed mill manager for J.S. West Milling Co., located in Modesto, California. I have been in shipping and receiving for thirty-three years and have been Manager for the last three years. I am responsible for the management of the company including the transportation function.

J.S. West Milling Co. operates a feed in Modesto, we supply feed for 2.5 to 3.0 million chicken and several thousand hogs in the Modesto area. Also, we supply propane to our customers. At our facility we receive grain and propane. Our facility is rail served by Southern Pacific. Propane is received by rail and distributed by truck. We receive about 20-24 cars of propane per year. For the transportation of grain and feed we use trucks for the most part because rail service has not been as competitive in price and service. We ship about 125,000 tons of grain and feed per year.

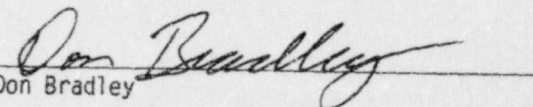
We support the proposed merger of Union Pacific and Southern Pacific. I believe that the efficiencies that will result from the consolidation of the two systems, together with coordinated and efficient management will create a rail carrier that will be competitive with trucks on rate and service. Reduced transit time, better equipment utilization and supply and more efficient use of facilities including routes will produce economies that allow a more aggressive rate structure. Southern Pacific has been hamstrung in rate matters by their precarious financial condition. The need for short term cash flow has not allowed them to aggressively price with a view to the long term. The infusion of financial and technological resources by UP should reverse that practice.

In addition, UP enjoys an excellent reputation for service. Since the UP line runs near our facility, many brokers have inquired if we can use UP. Unfortunately, at the present time we are served only by SP. The merger will change that and we will benefit from UP quality service.

Finally, the availability of an expanded territory for the sourcing of our material is of benefit. We will be able to receive grain, in single line service, from points on both the UP and SP systems throughout the West.

I believe the combination of the financially strong UP with the route structure of SP will create a carrier capable of competing with the newly merged BNSF and with trucks. This enhanced competition in transportation in the West is to the benefit of all shippers, both large and small. We urge the Commission to approve this merger.

I, Don Bradley, 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 30<sup>th</sup> day of October, 1995.

  
Don Bradley

**GO WEST WITH CONFIDENCE!... PEOPLE HAVE FOR MORE THAN 75 YEARS!**



**VERIFIED STATEMENT**  
**of**  
**SUZANNE AUBIN-RIVARD**  
**on behalf of**  
**JAMES MACLAREN INDUSTRIES INCORPORATED**

My name is Suzanne Aubin-Rivard. I am Director, Traffic Service for James Maclaren Industries Incorporated, headquartered in Buckingham, Quebec. I have more than eighteen years experience in transportation and distribution logistics. I am a graduate member of the Canadian Institute of Traffic and Transportation, studying to obtain my certificate from the Professional Institute of Logistics, a member of the Canadian Pulp and Paper Association and I am chairman of the Canadian Industrial Transportation League, Quebec Chapter. I am responsible for all matters regarding the rail transportation and distribution of James Maclaren Industries Inc. products.

James Maclaren Industries Incorporated is a producer of Newsprint Paper and Bleach Hardwood Kraft Pulp. Our major mills are located at masson-Angers (Buckingham Junction), Quebec and Thurso, Quebec. Our major rail movement is Newsprint Paper originating at Buckingham Junction, Quebec to Denver, Colorado. Shipments from Buckingham Junction originate on CP Rail System to Chicago, Illinois or Kansas City, Kansas interchange thence SP Lines. James Maclaren Industries Incorporated ships more than 200 carloads annually to Denver, Colorado.

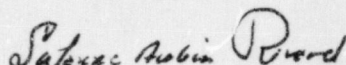
The rerouting of traffic over the most efficient line segments, the elimination of congestion at terminals such as Chicago and Kansas City through planned improvements and the better use of the facilities will result in reduced transit time, better scheduling and more reliable and consistent service. With the expanded single line service that would be offered by UPSP, we believe we will have access to new markets that cannot be accessed economically today.

In addition, we have been concerned about the ability of SP to remain competitive in the present transportation market. This concern is of particular importance in light of the recently approved BNSF merger and the pressures exerted on SP by this huge competitor. The UP/SP merger assures long term quality SP service. The combination of the financially strong and service oriented UP with the route structure and market access of SP will result in a strong competitor to the BNSF. The competition for transportation services should be enhanced with two strong carriers able to compete with not only each other but also with other modes.

We believe that with the approval of the application, UP and SP will be able to combine the strengths of their rail systems. As a result, shippers and receivers on both systems will enjoy improved service, including a number of entirely new services.

I, Suzanne Aubin-Rivard 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 sixteenth day of October, 1995

  
Suzanne Aubin-Rivard, CITT  
Director, Traffic Service



STEEL DISTRIBUTORS

## JOHANNESSEN TRADING CO.

6111 Bandini Boulevard P.O. Box 22003 Los Angeles, California 90022 (213) 726-3503 FAX: (213) 726-1005

October 10 th, 1995

TO WHOM IT MAY CONCERN:

SUBJECT: UP/SP RAILROADS MERGER.

I am the President of JOHANNESSEN TRADING CO., which company was founded 30 years ago. We are located in the city of COMMERCE, California.

Our company distributes STEEL PRODUCES in the Western United States including the States of Hawaii and Alaska.

We depend on the rail roads to carry products from the STEEL MILLS of the east and mid-west and Gulf coast to our distributing aacility in Commerce, California.

On average we receive over 40,000 tons of steel by rail each year. Our facility is served by the Los Angeles Junction Rail Road, which has physical connections with the Santa Fe, Southern Pacific and Union Pascific Railroads.

We understand that the UP and the SP are requesting authority to merge as stated in FINANCE DOCKET NO. 32760. We welcome this merger as a means of ensuring that we will receive top-quality rail service.

Many, many UP points not served by the SP will be linked on a single line basis with many, many SP poins not served by UP. This will in turn benefit - in our opinion - all shippers in particular on the US WEST COAST.

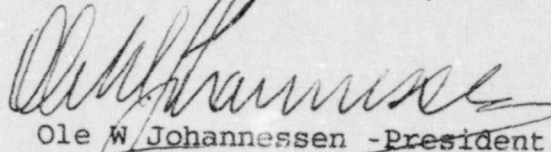


Our company supports this merger fully.

In closing, JOHANNESSEN TRADING CO. , takes the position that the above discussed merger will provide many benefits for all involved.

I - OLE W. JOHANNESSEN, 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.

JOHANNESSEN TRADING CO.  
Executed October 10th, 1995

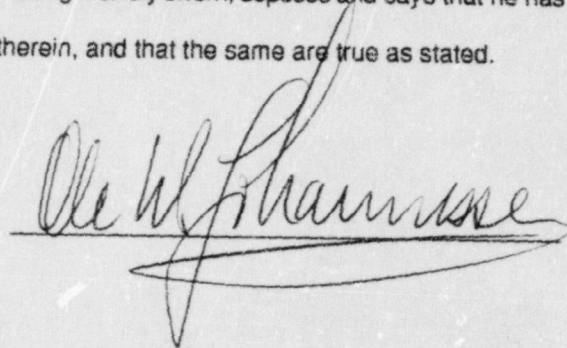


Ole W. Johannessen - President

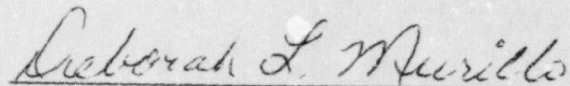
VERIFICATION

STATE OF California )  
COUNTY OF Los Angeles ) ss

Ole W. Johannessen being first fully sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

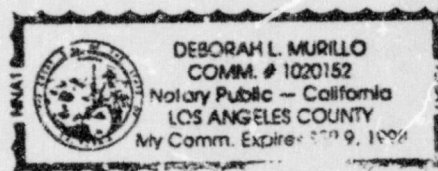


Subscribed and sworn to before me this 10th day of October, 1995.

  
Notary Public

My Commission Expires:

September 9, 1998







TELEPHONE 991-4451

POST OFFICE BOX 15289 .... SACRAMENTO, CALIFORNIA 95851

VERIFIED STATEMENT

OF

JACK MILLARD  
on behalf of  
JOHN TAYLOR FERTILIZERS COMPANY

My name is Jack Millard, I am the Operations Manager for John Taylor Fertilizers Company. We are located at 841 West Elkhorn Boulevard, Rio Linda, California. I am responsible for the general operations of the company including the shipping of our products. I have worked for John Taylor Fertilizers for over 26 years in various positions and have been responsible for transportation for over 6 years.

John Taylor Fertilizers is an agricultural chemicals distributor and dealer with 12 branches located throughout the Northern Sacramento Valley. Delivery of our products is by truck to our branches and growers but we receive raw material by rail at our main office in Rio Linda. We are serviced by Union Pacific Railroad and operate a private siding. Each year we receive approximately 80 railcars of Phosphoric acid from several suppliers in Wyoming and Idaho, 10 or more railcars of Anhydrous Ammonia from various locations in the United States and Western Canada and several railcars per year of bulk dry fertilizers from various suppliers throughout the western states. We have increased our railcar usage every year and anticipate continuing this trend.

We support the merger of Union Pacific and Southern Pacific railroads. We have suffered seasonal difficulties obtaining products due to shortages of empty railcars available to our suppliers. We expect (and hope) that because of the differences in seasonal usage patterns between the Northern and Southern States and the increased combined car inventories that there will be more cars available after the merger is approved and operating. We also expect shipments to be expedited to us due to the use of more direct routes currently owned by the separate companies. Unless more equipment is made available after this merger is approved or Union Pacific invests in more rolling stock we will have a difficult time expanding our business to meet the demands of our market without resorting to increasing our storage of these hazardous materials or increasing our dependence on transportation by trucks. Both of these are more expensive and involve an increased public hazard than would occur if we could depend on expanded use of the rails.

We believe that the proposed merger will benefit us specifically and industry in general. Our company supports the application for the proposed merger.

I, Jack Millard, 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 18, 1995.

## VERIFIED STATEMENT

OF

**GLENN KAVANAGH**  
on behalf of  
**KAVANAGH ASSOCIATES**

My name is Glenn Kavanagh. I am President of Kavanagh Associates, 1465 route 31, Annandale, New Jersey 08801. I submit this statement in support of the Union Pacific/Southern Pacific merger application.

I am the overall manager of transportation affairs at Kavanagh Associates, where I have been President for 14 years. Prior to founding Kavanagh, I worked in the transportation department of Combustion Engineering and held positions in the transportation departments of various trucking companies.

Kavanagh Associates is a transportation consulting company. We currently arrange transportation for Petrowax, a Pennsylvania-based wax refining company. We also handle one-time movements of engineering construction materials and machinery. Petrowax buys crude oil from oil fields outside of Salt Lake City, Utah. The crude oil is partially refined in Salt Lake City, where the "high ends" of the oil are taken out, leaving the "bottom of the barrel." We arrange for the transport of the partially refined crude oil from Salt Lake City to Petrowax's Farmers Valley, Pennsylvania facility. We also arrange for transport of crude oil to another customer's Stockton, California plant. The crude oil is transported in shipper supplied 26,000 gallon tank cars.

Shipments from Salt Lake City to Farmers Valley are currently handled by the SP, interchanging with Conrail in Chicago. Th UP had transported these shipments for five years, but in the past year we shifted the traffic to SP because SP offered a lower price. SP also handles the shipments to Stockton, California because our customer's plant is located on an SP line and the customer is concerned about the combination of a UP rate and an SP switch.



-2-

We welcome the UP/SP merger because it will address chronic SP service problems. Although SP offers a lower rate on its movement from Salt Lake City to Chicago, this cannot make up for the inadequate SP service. We have encountered power shortages on SP lines. Moreover, SP transit times to the Chicago interchange with Conrail have continually been longer than UP's. SP has averaged 14 days for a trip the UP could make in only 11 days. UP is clearly more capable of handling shipments of crude oil than SP. Merger with the UP should help the SP to improve its management abilities and overcome equipment shortages. We also anticipate that shipments to Stockton will become more reliable and transit times into our customer's facilities will decrease after the merger, due to better UP management and a shorter route.

The recent trackage rights agreement among BN/SF, UP and SP will provide important competition for the Salt Lake City rail marketplace. Currently, Salt Lake City is served by two railroads, UP and SP. Our competitive choices, however, will be enhanced by the merger, because there will be two strong railroads competing in the same market. Today, competition is less effective because there is one strong and one weaker rail carrier serving Salt Lake City. BN/SF's new trackage rights will allow it to use SP's line between Salt Lake City and Denver, providing another option for service between Salt Lake City and Chicago. In addition, BN/SF has secured trackage rights between Salt Lake City and Stockton, allowing it to compete with UP/SP along this route.

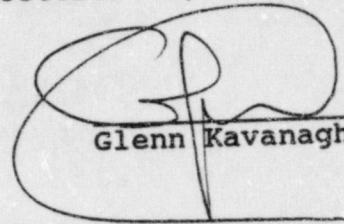
The engineering side of our business also will be bolstered by the merger. We anticipate that it will be easier to move highwide shipments and machinery shipments on the merged system. The combination of UP's and SP's routes should provide more single-line capabilities for heavy axle loads. Using UP's and SP's routes may also provide more options for oversized loads.

-3-

In short, UP is simply a much better run railroad than SP. The UP/SP merger will ensure long-term high-quality service for our crude oil and machinery shipments. We urge the ICC to approve the merger application.

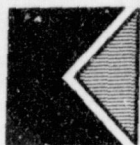
## VERIFICATION

I, Glenn Kavanagh, 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.



Glenn Kavanagh





**KEATING FIBRE INC**

501 Office Center Drive ■ Fort Washington, PA 19034-3294  
215-628-3000 ■ FAX 215-628-9044

**VERIFIED STATEMENT**

**OF**

**Peg Stephenson  
on behalf of  
Keating Fibre, Inc.**

I, Peg Stephenson, am Vice President, Distribution and Logistics, Keating Fibre, Inc., 501 Office Center Drive, Fort Washington, Pennsylvania 19034. My current responsibilities encompass all transportation and warehousing needs for Keating Fibre. I make this statement in support of the proposed merger of the Union Pacific and Southern Pacific railroads.

Keating Fibre is the supplier of virgin and recycled linerboard, corrugated medium, printing and specialty papers, and newsprint throughout the United States and internationally. We supply our customer base from many of the major paper mills in the United States and Mexico, and we operate 12 to 15 warehouses within this geographic area. Approximately 80% of our traffic moves by rail, with an annual freight budget in excess of \$5,000,000. We ship large tonnages of linerboard into Mexico each year, most of which is currently routed through Laredo. We also import from Mexico to the United States through the Laredo and El Paso gateways.

The merger of the UP/SP will benefit Keating Fibre by providing efficient service through all major Mexican border crossings. The availability of six gateways in one integrated system will provide logistical benefits by allowing us to route traffic through the most logical and efficient border points. We may, for example, choose to use the Eagle Pass gateway for some of our traffic after the merger. We import product from Mexican paper mills through both the Laredo and El Paso border crossing for final destinations on the West Coast. After the merger, these routes will become single-line, ensuring a reduction in transit times. The merged system's plan to upgrade SP's lines between El Paso and Southern California will be important in improving service.

We also move paper commodities through Chicago and Kansas City. The merged system's ability to reduce congestion at these major junctions will improve our transit times, and enable us to pursue new business opportunities.

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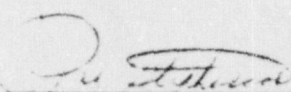
The UP/SP system will also provide important competition for the recent unified BN/Santa Fe system. We will see competitive benefits on shipments from the Laredo and Brownsville gateways to the West Coast. We also see advantages for our northbound shipments out of Laredo. The merged UP/SP system will be able to carry our shipments further north on a single-line basis than UP alone can transport our products today.

The merged UP/SP system should allow us to shift more of our traffic from truck to rail. As a paper supplier, our freight costs are our second largest expense. We are always looking for the most cost-effective transportation option. We expect that the UP/SP merged system will be able to provide efficient movements and improved transit times in conjunction with its extensive geographic coverage.

We endorse the proposed UP/SP merger for all the reasons described above.

#### VERIFICATION

I, Peg Stephenson, 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 November 3, 1995.

  
\_\_\_\_\_  
Peg Stephenson

# KEMCO® KRUEGER ENGINEERING & MFG. CO., INC.

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QUALITY HEAT TRANSFER EQUIPMENT SINCE 1951

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P.O. BOX 11308  
HOUSTON, TEXAS 77293-1308

GENERAL OFFICES AND PLANT  
12001 HIRSCH ROAD  
HOUSTON, TEXAS 77050  
PHONE (713) 442-2537  
FAX 713 - 442-6668

November 7, 1995

VERIFIED STATEMENT  
of  
JERRY KRUEGER  
on behalf of  
KRUEGER ENGINEERING & MFG.

My name is Jerry Krueger. I have been the Controller for Krueger Engineering & Mfg. for over six years. Our company's address is P.O. Box 11308, Houston, Texas 77293. In my position as Controller, I am responsible for paying and overseeing all of our freight charges.

Our facility manufactures heat transfer equipment. Rail service to our plant is provided by the Southern Pacific. We receive steel plate via both rail and truck from various steel mills in the East, primarily from Bethlehem Steel and U.S. Steel. Our outbound product is shipped by rail to various receivers across the country. Our market for the larger pieces of equipment is limited to those destinations that have competitively priced rail service.

We strongly support the proposed merger of Union Pacific and Southern Pacific for several reasons. First, the merger will effectively expand our markets through new single-line routing access to many customers. New routes to Canada and Mexico offer us greater growth potential to these important markets. We are particularly excited at the prospect of having new single-line service available through Laredo, as we are actively considering entry into Mexican markets.



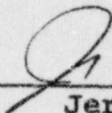
Second, we expect the merger to result in improvements in Southern Pacific's service. We have repeatedly tracked shipments of steel plate from Chicago area mills that seem to wander aimlessly around the country, sometimes through California, before finally reaching our plant in Houston. We are often forced to pay higher premiums for trucking our materials to insure reasonable transit times and meet our customers needs. Not only is this expensive, but it puts more traffic on already congested highways. Given Union Pacific's excellent reputation for high quality service and state of the art information technologies, we are eager for this expertise to be applied to the southern Pacific system and expect a marked improvement in our service as a result.

Finally, combining the locomotive and car fleets of the two railroads, as well as their infrastructures, will create significant benefits for shippers. The larger combined fleet of a emerged UP/SP would provide greater flexibility, and combined management and increased opportunities to reduce empty movements will result in more efficient use of cars. Likewise, the combination of the lines and yards of Southern Pacific and Union Pacific will result in less congestion and faster transit times at existing bottlenecks, such as Houston and Kansas City. In addition, with greater combined traffic volumes a new UP/SP will have increased opportunities to preblock trains and bypass terminals and yards altogether.

For the above mentioned reasons, we urge you to expedite approval of the Union Pacific and the Southern Pacific merger.

I, Jerry Krueger, 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 11/7/95.  
(Date)

  
\_\_\_\_\_  
Jerry Krueger

JRK/ac

# LARSON SALES COMPANY

Park Ridge Office Center • Building 1 • Suite 230 • Pittsburgh, PA 15275  
Phone 412-787-8611 • Fax 412-787-8627 • Telex No. 825043

Verified Statement  
of  
Robert Kilian  
on behalf of  
LARSON SALES

My name is Robert Kilian. I am Vice President, Traffic and Administration for Larson Sales, headquartered in Pittsburgh, Pennsylvania. I graduated from Penn State University. I have been in traffic management for sixteen years. I am responsible for all transportation matters of the company.

Larson Sales imports raw materials (alloys) for sale and distribution to the Steel and Foundry industry. We import material through the ports of New Orleans and Baltimore. We maintain storage yards in Houston, TX, Brownsville, TX and Catoosa, OK from which the product is distributed to customers. We ship about 300,000 tons per year by barge, truck and rail. Two of our current rail movements are Chicago, IL to Denver, Co and Houston, TX to Denver.

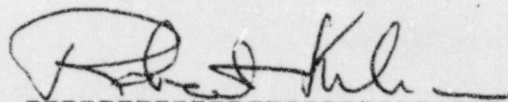
We support the proposed merger of Union Pacific and Southern Pacific. The benefits of the merger accrue not only with respect to our existing rail traffic, but, we should be able to consider rail in competition with truck and barge for our remaining traffic. We anticipate both service and economic benefits. Rationalization of routes, elimination of congestion, the consolidation and improvement of facilities, and coordinated management will result in reduced transit time, reduced delay at terminals, and improved car supply and utilization. These efficiencies will allow more frequent and dependable service and a more aggressive and competitive rate structure. We believe this will allow us to consider rail for a greater portion of our traffic.

In addition, the expanded territory reasonably accessible by single line service should enable us to expand our market reach.

We are concerned that SP cannot survive long term in the face of the pressures of the newly merged BNSF. The addition of UP financial strength and technology should result in a carrier that can meet the competitive challenge of BNSF and other modes. The enhanced competition in transportation throughout the western United States will be of benefit to shippers and the public.

We request that the Commission approve this merger.

I, Robert Kilian, 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 thirty-first day of October, 1995.



Robert Kilian