

STB

FD

32760

4-9-96

B

81541

Item No. _____

Page Count _____

Apr #242

CUTLER & PICKERING

2445 M STREET, N.W.

WASHINGTON, D.C. 20037-1420

TELEPHONE (202) 663-6000

FACSIMILE (202) 663-6363

JOSEPH E. KILLORY, JR.
DIRECT LINE (202)
663-6069

4 CARLTON GARDENS
LONDON SW1Y 5AA
TELEPHONE 011 (4471) 839-4466
FACSIMILE 011 (4471) 839-3537

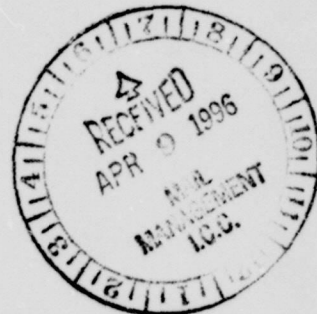
RUE DE LA LOI 15 WETSTRAAT
B-1040 BRUSSELS
TELEPHONE 011 (322) 231-0903
FACSIMILE 011 (322) 230-4322

FRIEDRICHSTRASSE 95
BRIEFKASTEN 20
D-10117 BERLIN
TELEPHONE 011 (4930) 2643 3601
FACSIMILE 011 (4930) 2643 3630

April 9, 1996

VIA HAND DELIVERY

Mr. Vernon A. Williams
Interstate Commerce Commission
Case Control Branch
Room 1324
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

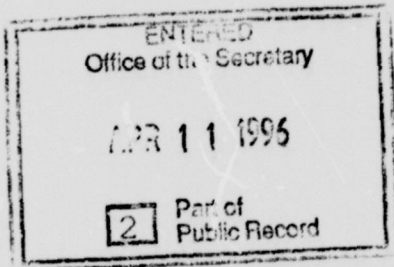


Re: Finance Docket No. 32760, Union Pacific Corporation, et al. -- Control and Merger -- Southern Pacific Corporation, et al.

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are one original and twenty copies of Consolidated Rail Corporation's Responses and Objections to Applicants' Second Set of Interrogatories and Requests For Production of Documents, designated as document CR-25.

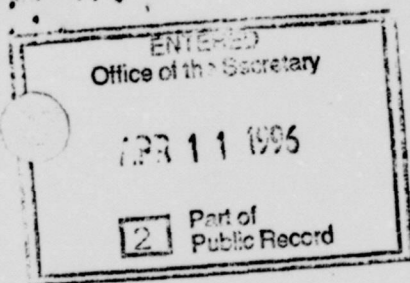
Also enclosed is a 3.5-inch WordPerfect 5.1 disk containing the texts of CR-25.



Sincerely,

Joseph E. Killory, Jr.
Attorney for Consolidated
Rail Corporation

Enclosures



BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

CONSOLIDATED RAIL CORPORATION'S RESPONSES
AND OBJECTIONS TO APPLICANTS' SECOND SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Constance L. Abrams
Jonathan M. Broder
Anne E. Treadway
CONSOLIDATED RAIL CORPORATION
2001 Market Street
Philadelphia, PA 19101

ORIGINAL

Daniel K. Mayers
A. Stephen Hut, Jr.
Joseph E. Killory, Jr.
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037

April 9, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC
TRANSPORTATION COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY
COMPANY, SPCSL CORP. AND THE DENVER AND
RTO GRANDE WESTERN RAILROAD COMPANY

CONSOLIDATED RAIL CORPORATION'S RESPONSES
AND OBJECTIONS TO APPLICANTS' SECOND SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Consolidated Rail Corporation ("Conrail") hereby
provides its responses and objections to the Second Set of
Interrogatories and Document Requests served on Conrail by
Applicants on April 3, 1996.

GENERAL RESPONSE

Conrail makes the following general response to all of
the interrogatories and document requests:

1. Conrail has conducted a reasonable search for
information and documents responsive to the discovery requests by
searching files reasonably believed to contain responsive
materials and inquiring of personnel reasonably believed to have
responsive information. Subject to the general and specific
objections set forth herein, all non-privileged, responsive
information is being provided and all non-privileged responsive

documents located by that search are being or will soon be made available for inspection and copying at Conrail's document depository located at the offices of Wilmer, Cutler & Pickering in Washington, D.C. Copies of identified documents from the depository will be supplied upon payment of reproduction costs.

2. Provision of information or production of documents in response to these requests shall not be construed as a concession as to the relevance of that request, or of the subject matter addressed by that request, to the issues in this proceeding, nor shall it be construed as a waiver of any objection set forth herein.

3. To the extent that Conrail is producing responsive documents that contain confidential information, any such production is subject to the limitations and restrictions set forth in the protective order that has been entered in this proceeding.

GENERAL OBJECTIONS

The general objections set forth below apply to all of the discovery requests.

1. Conrail objects to the production of, and is not producing, documents or information protected by the attorney-client privilege.

2. Conrail objects to the production of, and is not producing, documents or information protected by the work product doctrine.

3. Conrail objects to the production of, and is not producing, documents or information protected by the settlement privilege.

4. Conrail objects to the production of, and generally is not producing, public documents that are readily available such as documents on file at the Securities and Exchange Commission, filings in this proceeding, clippings from newspapers or other public media, or documents that are otherwise readily available to the party propounding the request.

5. Conrail objects to the production of, and is not producing, drafts of verified statements or studies.

6. Conrail objects to any request that would require the preparation of a special study.

7. Conrail objects to any request that imposes an undue burden including, but not limited to, any request seeking information from before January 1, 1993.

8. Conrail objects to the production of any documents or information unrelated to the issues addressed in Conrail's comments and related filings in this proceeding.

9. Conrail objects to the extent that any request calls for the disclosure of information that is highly confidential, such as information subject to disclosure restrictions imposed in other proceedings or by contractual obligation to third parties, and that is of insufficient relevance to warrant production even under a protective order.

SPECIFIC RESPONSES AND ADDITIONAL
OBJECTIONS TO INDIVIDUAL DOCUMENT REQUESTS

INTERROGATORIES

1. To the extent not done as part of your prior discovery responses or March 29 filings, identify and describe any agreements or understandings that you have with any other party to this proceeding regarding positions or actions to be taken in or otherwise relating to this proceeding, including any "joint defense" or "common interest" agreement, or any confidentiality agreement on which you rely in objecting to discovery requests or invoking an informers privilege or other privilege. [Routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be identified. If Conrail contends that any aspect of such agreement is privileged, state the parties to, date of, and general subject of the agreement.) [All]

Additional Objections and Response: Conrail objects to this Interrogatory on the ground that it seeks to invade the privilege and protection from disclosure available to parties sharing a common interest.

Subject to and without waiving its objections, Conrail states that the only agreement Conrail has with any other party relating to this proceeding is an agreement with The Kansas City Southern Railway Company ("KCS"), pursuant to which Conrail agreed to permit KCS to use in its March 29 filing the Verified Statement of David T. Hunt and William H. Oderwald of ALK Associates, Inc. that was also submitted by Conrail in its March 29 filing.

While Conrail does not have any other agreements with other participants in this proceeding, it does share common interests with certain of those participants. Those common

interests are sufficient to trigger privileges and protections applicable to exchanges of information between and among such parties (and/or their counsel), which do not require the existence of a formal agreement between the parties invoking such privileges and protections.^{1/}

2. To the extent not done as part of your prior discovery responses or March 29 filings, identify each line segment that you operate or have operated on a directional basis, either entirely or to some degree. For each such line segment, (a) state every significant respect in which your service to any shippers is or was improved by operating directionally, (b) state every significant respect in which your service to any shippers is or was adversely affected by operating directionally, and (c) explain why you operate or operated the line segment directionally. [CR, KCS, T-M]

Response: Conrail has no such line segments.

3. To the extent not done as part of your prior discovery responses or March 29 filings, state whether you discriminate or have discriminated against trackage rights tenants in the dispatching and other service that you provide where other railroads operate over your lines. State approximately how often and by whom such allegations have been made? Identify any instances where they were well-founded. [RRs]

Additional Objections and Response: Conrail objects to this Interrogatory on the ground that it is not relevant to the issues in this proceeding.

^{1/} In a somewhat related matter, Conrail wishes to correct any misimpression created by language in its Comments filed on March 29, 1996. At page 39 of its Comments, Conrail stated that it "underst[ood]" that numerous parties, including the Department of Justice "will demonstrate . . . that the merger would have anticompetitive effects that extend well beyond two-to-one customers." Conrail had then, and has now, no "understanding" of any position to be taken in this proceeding by the Department of Justice in its April 12 filing.

Subject to and without waiving its objections, Conrail states that it does not discriminate and has not discriminated against trackage rights tenants. Conrail, like all railroads owning lines on which tenant railroads operate under trackage rights, receives complaints from certain trackage rights tenants with regard to train delays and other operating problems arising from trackage rights arrangements. Trackage rights tenants making such complaints have included Delaware and Hudson Railway Company, Inc. ("D&H"), Norfolk Southern, C&NW, Amtrak, and Grand Trunk Railroad. With the exception of D&H, whose complaint was not well-founded, none of these complaints has involved allegations of discrimination.

4. To the extent not done as part of your prior discovery responses or March 29 filings, explain why, if you were to purchase SP lines between St. Louis/Memphis and Texas, you believe that you would provide superior service, greater transportation efficiency, or other larger public benefits than would another railroad as purchaser of those lines. [CR, KCS]

Response: The Comments and Verified Statements filed by Conrail in this proceeding on March 29, 1996, including especially the Verified Statement of Ronald J. Conway, provide information responsive to this request at a level of detail appropriate to this phase of the proceeding in which Applicants, not Conrail, are seeking approval to buy these lines.

5. To the extent not done as part of your prior discovery responses or March 29 filings, (a) describe any specific proposal you have for line sales or trackage rights in your favor as a condition to the UP/SP merger, (b) state whether

you have conducted a market analysis with respect to the proposal, (c) state whether you have prepared an operating plan with respect to the proposal, and (d) state whether you have prepared pro forma financial statements with respect to the proposal. [RRs]

Response: This Interrogatory is not applicable to Conrail.

6. To the extent not done as part of your prior discovery responses or March 29 filings, describe in detail the major investments in the SP-East lines that Conrail is prepared to make. [CR]

Response: In addition to the evidentiary materials submitted as part of its March 29 filing, and the supporting workpapers for that filing -- which provide such information at a level of detail appropriate to this phase of the proceeding in which Applicants, not Conrail, are seeking approval to buy these lines -- Conrail will search for and produce any additional non-privileged documents from which such information regarding such potential future investments can be derived. See 49 C.F.R. § 114.26(b).

7. To the extent not done as part of your prior discovery responses or March 29 filings, identify and describe in detail any documents relating to, discussions between Conrail's former Chief Executive Officer James A. Hagen and Philip F. Anschutz, at a time when Mr. Anschutz was affiliated with SP, concerning the possible purchase by Conrail of all or any part of SP. This interrogatory is without limitation as to date. [CR]

Response: Conrail states that there are no such documents describing any such conversations.

8. If you contend in your March 29 filing that reduction from 3-to-2 in the number of railroads serving various shippers or markets as a result of the merger is a reason for denying approval, state whether you contend that two Class I railroads would always compete less vigorously than three Class I railroads would in any given market. [All]

Response: This Interrogatory is not applicable to Conrail.

9. The testimony of Richard Peterson on behalf of Applicant describes, at pages 172-75, the views of a number of shippers with respect to competition between a merged UP/SP and BNSF. State whether you believe that those shippers are correct or incorrect in the expectations they have expressed in their statements filed in this proceeding concerning the effects of a UP/SP merger on competition and explain the reasons for that answer. [All]

Response: Conrail took no position in its March 29 filing with regard to the subject matter of the cited pages of testimony and has formulated no position as to the correctness of the views stated with respect to the assertion that "competition for '3-to-2' traffic will be stronger" (p.172). To the extent the cited testimony reflects the view that the BNSF Agreement will strengthen competition, Conrail disagrees for the reasons set out at length in its March 29 filing.

10. If you contend that there are significant investments in improvements of its railroad that SP could or should have made, or can and should make, identify them and describe any rates of return, hurdle rates, or like standards you use for determining whether to invest in improvements in your business. [All but Govts, Assns]

Response: This Interrogatory is not applicable to Conrail.

11. If your March 29 filings contend that rate or service competition will or may substantially lessen because the merger will reduce the number of railroads serving various points from 3-to-2 or 2-to-1, (a) identify those points served by you and (i) no railroad or (ii) one other railroad, (b) state whether rates and service at such points is generally competitive, and (c) estimate what proportion of your business (by revenue or volume) is accounted for by movements where you are (i) the only railroad directly serving the origin or destination, and (ii) one of two railroads directly serving the origin or destination.
[RRs]

Additional Objection and Response: Conrail objects to this Interrogatory on the grounds that it is not relevant to the subject matter of this proceeding, and specifically to subparts (a) and (c) of this Interrogatory on the grounds that they are unduly burdensome, for the reasons detailed below.

Subject to and without waiving its objections, Conrail responds to each of the three subparts of this interrogatory as follows:

(a) Conrail does not maintain lists reflecting the information requested. To create the requested information would require a special study. Applicants can do such a special study as readily as Conrail because the necessary information is contained in publicly available materials, including The Official Railroad Station List published by Alber Leland Publishing Company.

(b) All transportation services are subject to competitive forces.

(c) Conrail does not maintain the information requested. To create the requested information would require a

special study. Applicants can do such a special study as readily as Conrail using the information from The Official Railroad Station List and from the 1994 100% traffic tapes already provided by Conrail to Applicants in response to earlier discovery requests.

12. Identify all shippers who you claim have expressed support for your position in this proceeding in your March 29 filings who are presently served at a point of origin or destination by both UP and SP directly. [All]

Additional Objections: Conrail objects to this Interrogatory on the grounds that it is unduly burdensome. Conrail does not maintain the information requested. To create that information would require a special study that can be done just as readily by Applicants with the information already in their possession.

13. To the extent not done as part of your prior discovery responses or March 29 filings, state whether your members have been polled in some manner to indicate their views about what position you should take concerning the application in your March 29 filings. [CMA, WCTL, NITL, SPI]

Response: Interrogatory not addressed to Conrail.

14. To the extent not done as part of your prior discovery responses or March 29 filings, approximately how many of your members (by number or percentage) (a) support the position taken in your March 29 filings, (b) do not support that position, or (c) have expressed no view to you about that position. [CMA, WCTL, NITL, SPI]

Response: Interrogatory not addressed to Conrail.

15. Provide information maintained in the regular course of business about "Variance from ETI" for Conrail traffic delivered to UP at Chicago and at Salem for October 1995, and for January and February 1996. [CR]

Additional Objections: Conrail objects to this Interrogatory on the grounds that it is not relevant to the subject matter of this proceeding. Additionally, Conrail objects on the grounds that Conrail does not in the regular course of business maintain information about "variance from ETI" for the identified locations, and thus this Interrogatory would require a special study. Applicants can do that special study as readily as Conrail using data already in UP's possession.

16. Describe any agreements or understandings entered into between Conrail and Phillips Petroleum since November 30, 1995, relating to rail transportation rates. [CR]

Additional Objections: Conrail objects to this request on the grounds that it is overbroad, unduly burdensome, and not relevant to the issues in this proceeding. There are numerous communications between Conrail and Phillips that may constitute agreements or understandings. To search for any such agreements or understandings "relating to rail transportation rates" for the specified period would require Conrail to question and/or search the files of hundreds of marketing, revenue accounting, customer service, transportation, and other personnel.

17. With respect to the document attached as Exhibit A, (a) state whether it is a true copy of a survey instrument used by Snaveley, King & Associates on your behalf in surveying shippers as to their views about the UP/SP merger ("SKA survey"),

(b) identify documents sufficient to show the results of the SKA survey, and (c) explain why the results of the SKA survey were not included as part of your March 29 filings. [KCS]

Response: Interrogatory not addressed to Conrail.

18. To the extent not done as part of your prior discovery responses or March 29 filings, as to each power plant that your March 29 filings specifically indicate may be affected by the UP/SP merger, or that is referred to in those filings as recent situations where both SPRB and Colorado/Utah coal have been or are being used successfully in the same power plant, and as to each mine used as a source of coal used at such plant, state the tonnage, average minehead price, average delivered price, BTU content, and percentage sulphur content of the coal used by that plant. [Kennecott, AEP, WCTL, Ill. P., Wis. Elec., Spp]

Response: Interrogatory not addressed to Conrail.

19. To the extent not done as part of your prior discovery responses or March 29 filings, identify all information that was relied upon by William G. Shepherd for his statement, in the section of his testimony under the heading "Easy entry," that "in the case of the movement of massive amounts of Powder River Basin coal, the capture of just a few individual movements of traffic between a single origin and a single destination for a single customer were large enough by themselves to support the investment required." (NITL-9, Shepherd V.S. pp. 20-21), and provide a summary of any conversation in which such information was provided. [NITL; SPI]

Response: Interrogatory not addressed to Conrail.

20. With respect to the statement of William G. Shepherd referred to in the preceding request, identify the physical assets referred to as the "investment required," and Dr. Shepherd's understanding at the time he signed his statement of the dollar amounts of such investments. [NITL, SPI]

Response: Interrogatory not addressed to Conrail.

21. With respect to the statement of Curtis Grimm (KCS-33 Vol. I at p. 198) that "SP participates in 50% or more of the movements for over \$1 billion of the 3-to-2 traffic," state whether this total included traffic for which SP is the exclusive serving carrier at the origination or the destination, and, if so, identify or provide all documents, including computer tapes, sufficient to identify traffic for which SP is the exclusive serving carrier at the origin or the destination. [KCS]

Response: Interrogatory not addressed to Conrail.

22. To the extent not done as part of your prior discovery responses or March 29 filings, identify your members involved in the decision to file your opposition to the UP/SP merger, and briefly state the position of each participant in that decision. [SPI, NITL, WCTL, CMA]

Response: Interrogatory not addressed to Conrail.

23. Identify any shipper that you assert will lose essential services if the Application is approved without your proposed conditions. [Tex Mex]

Response: Interrogatory not addressed to Conrail.

24. Describe, and identify all documents reflecting, the basis for Tex Mex witness Krick's statement (pp. 185-86) that "declining traffic categories" are "expected to bottom at the 1995 level, and maintain or very slightly increase over the next four years. [Tex Mex]

Response: Interrogatory not addressed to Conrail.

25. State what other railroads South Orient contemplates interchanging at C.J. Yard in Dallas. [Cen-Tex/S. Orient]

Response: Interrogatory not addressed to Conrail.

26. Describe, and identify all documents reflecting, any operating rights South Orient has over Railtrans (via

ownership, trackage rights, haulage rights or otherwise), or any discussion with Railtrans concerning the possibility of such rights. [Cen-Tex/S. Orient]

Response: Interrogatory not addressed to Conrail.

27. Describe, and identify all documents concerning, any operating rights South Orient has east or north of Dallas, Texas (via ownership, trackage rights, haulage rights or otherwise). [Cen-Tex/S. Orient]

Response: Interrogatory not addressed to Conrail.

28. Describe any passenger operations that South Orient contemplates conducting over the Alpine-Paisano segment. [Cen-Tex/S. Orient]

Response: Interrogatory not addressed to Conrail.

29. Identify the date and amount of all payments of compensation to SP for South Orient's use of the Alpine-Paisano rights. [Cen-Tex/S. Orient]

Response: Interrogatory not addressed to Conrail.

30. Identify all documents sent to SP by South Orient reflecting the volume of South Orient's use of the Alpine-Paisano rights. [Cen-Tex/S. Orient]

Response: Interrogatory not addressed to Conrail.

31. Did you receive any information or estimate from ALK Associates, Inc., relating to changes in traffic flows resulting from the proposed merger of applicants or the BN/Santa Fe Settlement Agreement, prior to the recalibration of market share for the ATD Model discussed in the verified statement of Hunt and Oderwald at pages 8 and 9. [CR, KCS]

Response: Conrail objects to this Interrogatory as unrelated to Conrail's March 29 filings and the issues in this

proceeding insofar as it can be read to be separately seeking data regarding traffic flow changes resulting solely from the merger (apart from the BN/Santa Fe Settlement Agreement).

Subject to and without waiving its objections, Conrail states that it received no such information concerning such changes resulting from the proposed merger and the BN/Santa Fe Agreement, which is the subject of the traffic diversion study reported in the Hunt/Oderwald Verified Statement.

DOCUMENT REQUESTS

1. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents or data relied upon by any person whose verified statement you submitted in your March 29 filings. [All]

Response: Conrail already has produced all such non-privileged, responsive documents to Applicants.

2. To the extent not done as part of your prior discovery responses or March 29 filings, produce machine-readable versions, if they exist, of data you submitted as part of your March 29 filings, of documents or data included as work papers, or of documents or data relied upon by persons whose verified statement you submitted in your March 29 filings. [All]

Additional Objections and Response: Conrail objects to this Request as overbroad and unduly burdensome.

Subject to and without waiving its objections, Conrail states that it already has provided Applicants with its 1994 100% traffic tapes. To the extent that Applicants identify any specific pertinent additional data that they need in machine-readable form, Conrail would consider any such requests.

3. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, analyses or reports discussing benefits or efficiencies that may result from the UP/SP merger. [All]

Additional Objections: Conrail objects to this Request on the grounds that the Request -- which simply repeats one of the overly generalized requests made in Applicants' first round of discovery requests -- is overbroad and unduly burdensome. Responding to this request would require a company-wide search, and a large portion of any responsive documents located would likely be protected from disclosure as work product.

4. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, analyses or reports discussing potential traffic impacts of the UP/SP merger. [All]

Additional Objections: Conrail objects to this Request on the grounds that the Request -- which simply repeats one of the overly generalized requests made in Applicants' first round of discovery requests -- is overbroad and unduly burdensome. Responding to this request would, at a minimum, require a search of the entire files of 50-100 marketing and sales personnel (relating to Conrail's entire customer base) located throughout the country, as well as hundreds of personnel in Conrail's transportation, corporate strategy, customer service, and other departments. In addition, a large portion of any responsive

documents located likely would be protected from disclosure as work product.

5. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, reports or analyses discussing competitive impacts of the UP/SP merger, including but not limited to effects on the following (a) market shares, (b) source or destination competition, (c) transloading options, or (d) build-in or build-out options.
[All]

Additional Objections and Response: Conrail objects to this Request on the grounds that the Request is overbroad and unduly burdensome. Responding to this request would, at a minimum, require a search of the entire files of 50-100 marketing and sales personnel (relating to Conrail's entire customer base) located throughout the country. In addition, a large portion of any responsive documents located likely would be protected from disclosure as work product.

Subject to and without waiving its objections, Conrail states that it has produced documents responsive to subparts (c) and (d) as part of the workpapers supporting its March 29 filing.

6. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing the BN/Santa Fe Settlement Agreement, the IC Settlement Agreement, or the Utah Railway Settlement Agreement.
[All]

Additional Objections and Response: Conrail objects to this Request on the grounds that is overbroad, unduly burdensome,

and would require a search of the entire files of several dozen Conrail officials. Conrail estimates that it would take two people working for at least two weeks each to complete the search requested by this and similar Requests.

Subject to and without waiving its objections, Conrail notes that responsive documents relating to the BN/Santa Settlement Agreement have been produced as workpapers supporting Conrail's March 29 filing.

7. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing conditions that might be imposed on approval of the UP/SP merger. [All]

Additional Objections and Response: See Objections to Request No. 6.

8. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, reports or analyses, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing actual or potential competition between UP and SP. [All]

Additional Objections and Response: See Objections to Request No. 6.

9. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, reports or analyses, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing competition between single-line and interline rail transportation. [All]

Additional Objections and Response: Conrail objects to this Request on the grounds that is overbroad, unduly burdensome, and would require a search of the entire files of several dozen Conrail officials.

Subject to and without waiving its objections, and to avoid the burden of such a search, Conrail is willing to stipulate that, as Applicants and Conrail agree, single-line service has significant benefits and advantages, and that notwithstanding those advantages, efficient interline service can, and sometimes does, compete effectively with single-line service.

10. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, reports or analyses, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing the benefits of any prior Class I rail merger or rail mergers generally. [All]

Additional Objections and Response: Conrail has no non-privileged, responsive documents.

11. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, reports or analyses, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing the financial position or prospects of SP, if those filings discussed that subject. [All]

Additional Objections and Response: Conrail objects to this Request to the extent that it seeks information relating to Conrail's future plans.

Subject to and without waiving these objections, Conrail states that it has provided responsive information in the workpapers accompanying its March 29 filing, and will search for and produce any additional non-privileged, responsive documents that do not reveal Conrail's future plans.

12. To the extent not done as part of your prior discovery responses or March 29 filings, produce all communications with other parties to this proceeding discussing the UP/SP merger or the BN/Santa Fe Settlement Agreement, and all documents relating to such communications. [All]

Additional Objections and Response: In response to previously served discovery, Conrail already has produced copies of materials distributed to shippers and others, many of whom are parties to the proceeding, as well as copies of speeches and remarks by Conrail personnel to shippers, government entities, quasi-government entities, economic development organizations, and others who may be parties. Conrail will search for and produce any additional such documents not already produced.

To the extent that this Request seeks additional documents -- such as cover notes or other incidental documents that may have accompanied the materials already produced to Applicants -- Conrail objects to the Request on the grounds that it is unduly burdensome and not relevant to the subject matter of this proceeding. There have been hundreds, if not thousands, of meetings or contacts between Conrail and various shippers, government entities, quasi-government entities, economic

development organizations, and others who may be parties regarding their concerns and Conrail's concerns about the proposed UP/SP merger. Searching for, collecting, and producing every paper generated at or by such meetings would create a literally impossible burden.

13. To the extent not done as part of your prior discovery responses or March 29 filings, produce all presentations, solicitation packages, form verified statements, or other materials used to seek support from public officials, or any shipper or other party in this proceeding, for a position being taken or proposed or considered by you or any other party in this proceeding. [All]

Response: Conrail states that it already has produced such documents to Applicants in response to previously served discovery.

14. To the extent not done as part of your prior discovery responses or March 29 filings, produce all presentations, letters, memoranda, white papers or other documents sent or given to DOJ, DOT, any State Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any other government official, any consultant, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger. [Even if not producing them, you should identify documents submitted to law enforcement officers under an explicit assurance of confidentiality.] [All]

Additional Objections and Response: Conrail objects to this Request on the grounds that it is unduly burdensome and impermissibly infringes on Conrail's constitutional rights to petition. Conrail personnel have been involved in hundreds of meetings with governmental officials, quasi-governmental officials, trade associations, economic development

organizations, and others regarding the concerns of those officials and entities, and the concerns of Conrail, about the proposed UP/SP merger.

Subject to and without waiving its objections, Conrail notes that it has previously provided documents responsive to the Request insofar as it concerns shippers and the Government of Mexico.

15. To the extent not done as part of your prior discovery responses or March 29 filings, produce all notes or memoranda of any meetings with DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any other government official, any consultant, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger. [You should identify but need not produce documents prepared by your counsel.] [All]

Additional Objections and Response: See Objections and Response to Request No. 14.

16. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, analyses or reports discussing or reflecting shipper surveys or interviews concerning the quality of service or competitiveness of any railroad participating in this proceeding. [All]

Additional Objections and Response: Conrail has produced to Applicants responsive shipper surveys relating to the proposed UP/SP merger. To the extent that the Request seeks documents unrelated to the proposed merger, Conrail objects on the grounds that it is not relevant to the issues in this proceeding and is unduly burdensome, requiring a company-wide search for documents reflecting any such customer "surveys or

interviews." Moreover, the results of industry-wide surveys on the subjects identified are published annually in publications such as Distribution magazine and others that are readily available to Applicants, and Conrail refers Applicants to such publications.

17. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings discussed such a condition or sale, produce all documents discussing the price to be paid for, or the value of, any UP or SP lines that might be sold pursuant to a condition to approval of, or otherwise in connection with, the UP/SP merger. [All]

Additional Objections: Conrail objects to this Request on the grounds that this request is not relevant to the issues in this proceeding and is unduly burdensome. Conrail further objects to this Request on the ground that responding would require Conrail to reveal potential future plans and strategies. Conrail has publicly disclosed the letter it sent to UP setting forth the price it has offered to pay for certain SP lines and describing the conditions of that offer. Wholly independent of this proceeding, that offer remains on the table. Requiring Conrail to produce internal analyses that underlie that pending offer would do irreparable harm to Conrail that could not be prevented by the Protective Order, and such discovery would constitute an abuse of the processes of this proceeding for the purpose of gaining a potential negotiation advantage.

18. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents

discussing trackage rights compensation for any of the BN/Santa Fe Settlement Agreement Lines, or any other line of UP or SP that you believe should or might be the subject of a proposed trackage rights condition in this proceeding. [All]

Response: Conrail has no non-privileged, responsive documents.

19. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents relating to actual or estimated maintenance-and-operating costs, taxes and return-to-capital costs with respect to any of the BN/Santa Fe Settlement Agreement Lines, or any other line of UP or SP that you believe should or might be the subject of a proposed trackage rights condition in this proceeding. [All]

Response: Conrail has no non-privileged, responsive documents.

20. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents relating to any agreement or understanding that is responsive to Interrogatory 1. [All]

Additional Objections and Response: Conrail repeats the objections set forth in response to Interrogatory No. 1.

Subject to and without waiving those objections, Conrail states, as noted in Response to Interrogatory No. 1, that Conrail has only one such agreement, concerning use by KCS of the Hunt/Oderwald Verified Statement; that agreement was oral, and there are no non-privileged documents responsive to this Request.

21. To the extent not done as part of your prior discovery responses or March 29 filings, produce all presentations to, and minutes of, your board of directors relating to the UP/SP merger or conditions to be sought by any other party in this proceeding. [All but govt's, assns.]

Response: Conrail will search for and produce any non-privileged, responsive documents.

22. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, reports or analyses discussing trackage rights terms' concerning compensation or equal handling, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found. [RRs]

Response: Conrail will search for and produce any non-privileged, responsive documents.

23. To the extent not done as part of your prior discovery responses or March 29 filings, produce all your business plans or strategic plans, if those filings referred to the possible impact of the merger on your future business. [All but govt's, assns]

Additional Objections and Response: Conrail objects to this Request on the ground that it is vague and ambiguous.

Subject to and without waiving its objections, Conrail states that the Conrail strategic and business plans do not discuss the proposed UP/SP merger.

24. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings cite, rely upon, endorse or purport to agree with analyses by any of the following persons, produce all communications with Richard C. Levin, Curtis M. Grimm, James M. MacDonald, Clifford M. Winston, Thomas M. Corsi, Carol A. Evans or Steven Salop concerning econometric analyses of rail pricing, and all documents relating to such communications. [All]

Response: This Document Request is not applicable to Conrail.

25. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings discuss that subject, produce all studies, reports or analyses, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing competition for traffic to or from Mexico (including but not limited to truck competition) or competition among Mexican gateways. [All]

Response: Conrail already has produced to Applicants all non-privileged, responsive documents.

26. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents sufficient to show your financial support for, establishment of, participation in, or relationship with the "Coalition for Competitive Rail Transportation," which made a March 29 filing denominated CCRT-4. [All]

Response: Conrail has no non-privileged, responsive documents.

27. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents found in the files of officers at the level of Vice President or above, discussing the acquisition by any person of all or any portion of SP, or Conrail's interest in such an acquisition, including but not limited to all communications with Lazard Freres concerning such a possible acquisition by Conrail. [CR]

Additional Objections: See Objections to Document Request No. 17.

28. To the extent not done as part of your prior discovery responses or March 29 filings, produce All documents found in the files of officers at the level of Vice President or above, discussing possible operations by Conrail over, or capital investments by Conrail in, lines of UP or SP. [CR]

Response: See Responses to Interrogatory Nos. 4 and 6.

29. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings discussed that subject, produce all studies, reports or analyses, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing competition in freight transportation services for shipments to or from West Coast ports. [All]

Response: Conrail will search for and produce any non-privileged, responsive documents.

30. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings discussed those subjects, produce all studies, reports or analyses, found in the files of officers at the level of Vice President or above, or other files where such materials would more likely be found, discussing (a) transport pricing or competition for chemicals or petrochemicals (i.e., any STCC 23 or STCC 29 commodity, or such commodities generally), (b) the handling of such commodities by railroads, (c) the handling of such commodities by other modes, (d) storage-in-transit of such commodities, or (e) source or destination competition, shifting of production or shipments among facilities, modal alternatives or shipper leverage as constraints on rail rates or service for such commodities. [RRs, chems., SPI]

Additional Objections and Response: Conrail objects to this Request on the grounds that it is overbroad, unduly burdensome, and not sufficiently focused on the submissions made by Conrail on March 29. Notwithstanding its purported limitation, this Request would require a broad search encompassing thousands of files of personnel in marketing, sales, transportation, customer service, service design and planning, operations services, and elsewhere -- in offices at Conrail headquarters and in the field.

Subject to and without waiving its objections, Conrail states that certain documents responsive to subparts (b) and (d)

have already been produced in workpapers supporting Conrail's March 29 filing.

31. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings disagree in any significant way with the description of SP's financial situation in the Application, produce all documents found in the files of officers at the level of Vice President or above, discussing any possible breakup or bankruptcy of SP. [All]

Response: Conrail has no non-privileged, responsive documents.

32. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents found in the files of officers at the level of Vice President or above, discussing your reasons for opposing the UP/SP merger or seeking to acquire any portion of SP in connection with the UP/SP merger. [All]

Response: Conrail already has produced all non-privileged, responsive documents in its March 29 filing and related workpapers.

33. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings address a sale of all or part of SP, produce all documents found in the files of officers at the level of Vice President or above, discussing the value or profitability of SSW. [CR, KCS, NITL]

Response: Conrail has no non-privileged, responsive documents.

34. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies or plans discussing capacity of any mainline segment between Columbus, Ohio, and East St. Louis, Missouri, or of

classification yards at Columbus, Ohio, Indianapolis, Indiana, or East St. Louis, Illinois. [CR]

Additional Objections and Response: Conrail objects to this Request on the ground that it is not relevant to the issues in this proceeding.

Subject to and without waiving its objections, Conrail states that, as to that portion of the Request relating to mainline segment capacity, it does not create documents concerning mainline segment capacity when there exists sufficient capacity, but rather only when there are problems; and there are no non-privileged, responsive documents. As to that portion of the request relating to classification yards, Conrail will produce any non-privileged, responsive documents.

35. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings address your railroad car fleet, produce all studies, reports, analyses or plans found in the files of officers at the level of Vice President or above, discussing expansion, contraction, sizing or leasing of any part or all of your car fleet. [RRs]

Response: This Document Request is not applicable to Conrail.

36. To the extent not done as part of your prior discovery responses or March 29 filings, if those filings address run-through trains, produce all studies or plans discussing operation of run-through trains with UP via Salem, Illinois. [CR]

Response: Conrail will search for and produce any non-privileged, responsive documents.

37. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies or plans comparing transit times, operations, costs or service quality for services via Salem, Illinois, with services via East St. Louis. [CR]

Response: Conrail already has produced all non-privileged, responsive documents in the workpapers accompanying its March 29 filing.

38. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, reports, analyses, or plans discussing all or any part of the SP line between Lewisville, Arkansas, and Houston, Texas. [CR, KCS, NITL]

Response: Conrail already has produced non-privileged, responsive documents in its March 29 filing, related workpapers, and/or responses to earlier discovery requests by Applicants.

39. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies or plans discussing capacity or facilities of HBT or PTR in the Houston area, if those filings discussed those subjects. [RRs]

Response: Conrail has no additional non-privileged, responsive documents, beyond documents produced as workpapers supporting its March 29 filing.

40. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents relating to any proposal you made for possible line sales or trackage rights in your favor or for your benefit as a condition to the UP/SP merger, proposal, including but not limited to (a) documents describing the proposal, (b) any market analysis with respect to the proposal, (c) any operating plan with respect to the proposal, and (d) any pro forma financial statements with respect to the proposal. [All]

Response: This Document Request is not applicable to Conrail.

41. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents relating to discussions between Conrail Chief Executive Officer James A. Hagen and Philip F. Anschutz, at a time when Mr. Anschutz was affiliated with SP, concerning the possible purchase by Conrail of all or any part of SP. This document request is without limitation as to date. [CR]

Response: Conrail has no non-privileged, responsive documents.

42. To the extent not done as part of your prior discovery responses or March 29 filings, produce studies, analyses, and reports concerning the blending of coals from different areas by generating plants. [coal]

Response: Request not addressed to Conrail.

43. Produce studies, analyses, and reports concerning past sales or projections of future sales to Central Power & Light, and the contracts governing current coal movements to that customer. [Kennecott]

Response: Request not addressed to Conrail.

44. Produce studies, analyses or reports discussing coal sources for AEPC's Apache Generating Station. [AEP]

Response: Request not addressed to Conrail.

45. Produce all bids for the possible future rail movement of New Mexico, Colorado, Utah, or Powder River Basin coal to AEPC's Apache Generating Station. [AEP]

Response: Request not addressed to Conrail.

46. Produce copies of Arkansas Power & Light's contracts for the rail transportation of Powder River Basin Coal to the White Bluff and Independence Steam Electric Plants. [Entergy]

Response: Request not addressed to Conrail.

47. Produce studies, analyses or reports discussing the economic feasibility of building a new loop track and/or other new facilities at Texas Utilities Electric Company's Martin Lake Station to accommodate western coal deliveries. [TUE]

Response: Request not addressed to Conrail.

48. Produce studies, analyses or reports discussing the viability of the, proposed BNSF-KCS-SP-BNSF routing of western coal shipments to Texas Utilities Electric Company's Martin Lake Station. [TUE]

Response: Request not addressed to Conrail.

49. Produce studies, analyses or reports discussing alternative sources of coal for use at Illinois Power Company's Havana and Wood River facilities. [Ill. P]

Response: Request not addressed to Conrail.

50. Produce documents discussing or data supporting the "expected" tonnage of coal (by source) to be received in 1996 at Wisconsin Electric Power Company's Oak Creek Power Plant as listed in Exhibit GAA-1, page 3 of 3. [WEP]

Response: Request not addressed to Conrail.

51. To the extent not done as part of your prior discovery responses or March 29 filings, produce copies of RDI's Coal Transportation Market Study (1996), RDI's Illinois Basin Coal Study (1994), and RDI's Powder River Basin Study (1995), as

cited on page 2 of the Verified Statement of Gerald E. Vaninetti.
[WSC]

Response: Request not addressed to Conrail.

52. Produce bids for alternative sources of supply of coal for the North Valmy Station, including bids from BNSF for the transport of Raton Basin or San Juan Basin coal. [SPP]

Response: Request not addressed to Conrail.

53. To the extent not done as part of your prior discovery responses or March 29 filings, produce all studies, analyses or reports discussing the possibility of a build-in by one of the applicants (or by build-out to one of the applicants) at any of your facilities referred to in your March 29 filings, [sic] [All]

Response: Conrail already has produced all non-privileged, responsive documents in the workpapers accompanying its March 29 filing.

54. To the extent not done as part of your discovery responses or March 29 filings, produce all studies, analyses or reports discussing build-ins or the possibility of build-ins by any railroad, or build-outs or the possibility of build-outs to any shipper, at Texas or Louisiana facilities of producers of polyethylene or polypropylene. [SPI]

Response: Request not addressed to Conrail.

55. To the extent not done as part of your discovery responses or March 29 filings, produce all studies, analyses or reports discussing capacity, capacity expansion, or the relocation of capacity for the production of polyethylene or polypropylene. [DOW, UCC, SPI]

Response: Request not addressed to Conrail.

56. To the extent not done as part of your discovery responses or March 29 filings, produce all studies, analyses or reports discussing to the transload of polyethylene or polypropylene from truck to rail at the rail origin, or from rail to truck at the rail destination. [DOW, UCC, SPI]

Response: Request not addressed to Conrail.

57. Produce all documents in your possession reflecting or setting forth the position of any individual member on the merits of the UP/SP merger or any position taken by you concerning the merger. [SPI, NITL, WCTL, CMA]

Response: Request not addressed to Conrail.

58. Produce all documents reflecting or describing any communication or attempted communication with BN/Santa Fe, KCSI, UP or SP of the kind referred to at pages 146-48 of the Skinner V.S. [TEX MEX]

Response: Request not addressed to Conrail.

59. To the extent not done as part of your prior discovery responses or March 29 filings, produce (i) a detailed map of Tex Mex's rail lines depicting all stations served by Tex Mex; (ii) track diagrams for all lines over which Tex Mex operates. [TEX MEX]

Response: Request not addressed to Conrail.

60. To the extent not identified on traffic tapes previously produced to Applicants, produce documents sufficient to show:

- a. the identity of all shippers with facilities served by Tex Mex;
- b. the location of the facility;
- c. the commodity, origin, destination, route and volume of all traffic to/from each such facility during 1994 and 1995. [TEX MEX]

Response: Request not addressed to Conrail.

61. To the extent not identified on traffic tapes previously produced to applicants, produce traffic records containing all available fields for the local traffic described at page 39 of the Field V.S. [TEX MEX]

Response: Request not addressed to Conrail.

62. Produce all documents discussing operations or potential operations by South Orient or on South Orient's behalf (via trackage rights haulage rights, or otherwise) east or north of Dallas, including without limitation documents reflecting any operating rights South Orient has between Dallas and Sulfur Springs, Texas, or any discussion with any third party of the possibility of such rights. [Cen-Tex/S. Orient]

Response: Request not addressed to Conrail.

63. Produce all documents discussing the use that South Orient or any other carrier would make of the trackage rights sought by South Orient in this proceeding, if granted. [Cen-Tex/S. Orient]

Response: Request not addressed to Conrail.

64. To the extent not done as part of your prior discovery responses or March 29 filings, produce a copy of the survey performed by Softpoint Data Systems referred to at pages 23 and 24 of the Verified Statement of Ronald J. Conway, Lester M. Passa, and John P. Sammon, and all documents related to that survey, including but not limited to copies of the survey form, any instructions that accompanied the survey form, lists of shippers contacted in connection with the survey, individual survey responses, analyses of survey results, and identification of who commissioned the survey. [CR]

Response: Conrail already has produced the requested document to Applicants as part of the workpapers supporting its March 29 filing.

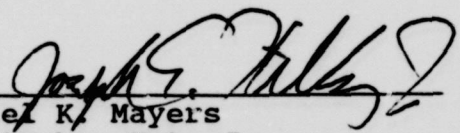
65. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents, including but not limited to computer runs and studies done by ALK Associates, Inc., relating to possible changes in traffic flows resulting from the proposed merger of applicants or the BN/Santa Fe Settlement Agreement, including without limitation runs and studies performed prior to the recalibration of market share for the ATD Model discussed in the verified statement of Hunt and Oderwald at pages 8 and 9, regardless of whether they were ever printed. [CR, KCS]

Response: See Response to Interrogatory No. 31.

66. To the extent not done as part of your prior discovery responses or March 29 filings, produce all documents relating to the recalibration of market share for the ATD Model discussed in the verified statement of Hunt and Oderwald at pages 8 and 9. [CR, KCS]

Response: Conrail already has produced such documents as part of the Hunt/Oderwald workpapers supporting its March 29 filing, and will be producing additional documents in response to Applicant's Third Set of Interrogatories and Document Requests.

Constance L. Abrams
Jonathan M. Broder
Anne E. Treadway
CONSOLIDATED RAIL CORPORATION
2001 Market Street
Philadelphia, PA 19101


Daniel K. Mayers
A. Stephen Hut, Jr.
Joseph E. Killory, Jr.
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037

April 9, 1996

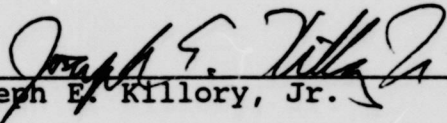
CERTIFICATE OF SERVICE

I certify that on this 9th day of April, 1996, a copy of the foregoing Consolidated Rail Corporation's Objections and Responses to Applicants' Second Set of Interrogatories and Requests for Production of Documents was served by hand delivery to:

Arvid E. Roach II
S. William Livingston, Jr.
Michael L. Rosenthal
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044

Paul A. Cunningham
Gerald P. Norton
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

and served by facsimile transmission on all parties on the Restricted Service List.



Joseph E. Killory, Jr.

STB

FD

32760

4-8-96

B

81467

BETTS
PATTERSON
& MINES, P.S.

Item No. _____

Page Count 1

Apr #214

800 Financial Center
1215 Fourth Avenue
Seattle, Washington 98161-1090
Fax: 206-343-7053
Phone: 206-292-9988



April 4, 1996

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington D.C. 20423

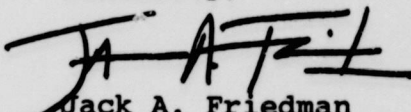
Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control and Merger -- Southern Pacific Corp. et al.

Dear Secretary Williams:

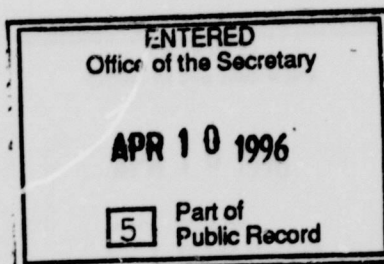
Here is a 3.5" disk containing the text of the Statement of
Weyerhaeuser Company In Opposition To The Merger As Proposed, And
Requesting Competitive Conditions, in WordPerfect 5.1 format, as
requested.

Please let me know if we can be of further assistance.

Sincerely,


Jack A. Friedman

JAF/aa
Enclosure



STB

FD

32760

4-1-96

B.

62457

Item No. _____

Page Count 4

Apr #85

62457

AVO JASMIN • RIO BRAVO POSO • RIO BRAVO ROCKLIN

FACSIMILE TRANSMITTAL
COVER SHEET
FAX NO: (714) 852-1720

DATE: March 29, 1996

TO: Mr. Vernon Williams, Secretary
Surface Transportation Board
Twelfth Street & Constitution Avenue, N.W.
Room 1324
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

(202) 927-5565



FROM: Robert V. Escalante, General Manager
Rio Bravo Poso/Rio Bravo Jasmin

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

NO. OF PAGES: 4 (including cover page)

NOTE: For Your Approval
For Your Comments
For Your Information
Hard Copy to Follow X

ENTERED
Office of the Secretary

APR 2 1996

5 Part of
Public Record

This facsimile transmission contains information intended for the exclusive use of the individual or entity to whom it is addressed and may contain information that is proprietary, privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any copying, disclosure or distribution of this information may be subject to legal restriction or sanction. Please notify this sender by telephone to arrange for the return or destruction of the information and all copies.

COMMENTS: Attached is a copy of the original letter that supercedes the first page of the letter sent to you via UPS overnight mail due to an omission of the word "miles" in the third paragraph following the amount "1,100." In addition, 25 copies are being sent via Federal Express to the Surface Transportation Board, and copies have been faxed to the attorneys representing Union Pacific as named on the attached facsimile transmittal.

If you should encounter any problems with this transmission, please call Leigh Steving at (714) 852-0606. Thank you so much.

RIO BRAVO FRESNO • RIO BRAVO JASMIN • RIO BRAVO POSO • RIO BRAVO ROCKLIN

March 28, 1996

Via Federal Express

Mr. Vernon Williams, Secretary
Surface Transportation Board
Twelfth Street & Constitution Avenue, N.W.
Room 1324
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

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

Dear Secretary Williams:

I am the General Manager of Rio Bravo Poso and Rio Bravo Jasmin which owns and operates two coal-fired cogeneration plants near Bakersfield, California. I am responsible for purchasing and arranging for the delivery of as much as 260,000 tons of coal annually consumed by these plants. Such deliveries are regularly transported by Union Pacific Corp. as well as other railroads. I am submitting this statement in opposition to the proposed UP/SP merger unless the level of competition which currently exists in the market for rail services to these plants can be maintained.

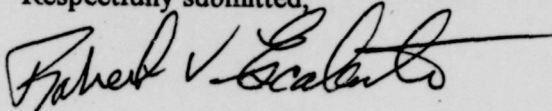
Coal for the Rio Bravo Poso and Rio Bravo Jasmin plants originates in the Utah coal fields and is transported by rail about 900 miles to a rail unloading facility in Wasco, California. The contract portion of the plants' coal must be originated on the Utah Railway and Southern Pacific, interchanged with the Union Pacific at Provo, Utah, and interchanged again at Barstow, California for final delivery by BNSF. I have the option of shipping the remaining portion of my coal requirements via other combinations of railroads which include Southern Pacific. In addition, when my existing rail contract expires, I will have additional competitive options which involve all of these railroads.

The multiple rail options available to me for delivering coal from Utah provides me with the opportunity to obtain competitive rail rates. I have solicited for and obtained competitive bids for rail shipments of Utah coal from Southern Pacific via an 1,100 miles routing through Stockton, California involving only Southern Pacific and BNSF. Despite the 200 mile distance disadvantage afforded by this routing, the rail rate involving these railroads which include Union Pacific. Obviously, rail competition exists between Southern Pacific and Union Pacific and were the proposed UP/SP merger to be approved, such competition would be eliminated. I am not persuaded that the ancillary trackage rights agreements with BNSF and Utah Railway preserve the levels of competition that are currently enjoyed.

Mr. Vernon Williams
March 28, 1996
Page 2

Therefore, on behalf of Rio Bravo Poso and Rio Bravo Jasmin, I wish to go on record in opposition of the proposed UP/SP merger unless some mechanism can be imposed which preserves the level of competition which currently exists.

Respectfully submitted,

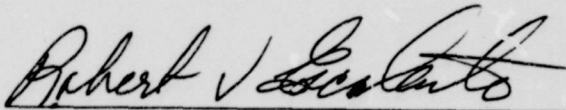


Robert V. Escalante
General Manager
Rio Bravo Poso
Rio Bravo Jasmin

RVE:ls

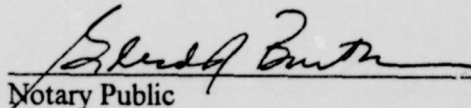
I, Robert V Escalante, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Executed on March 28, 1996



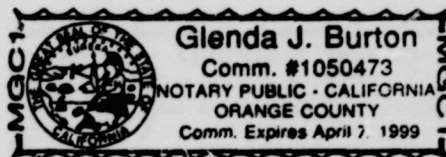
Robert V. Escalante
General Manager
Rio Bravo Poso
Rio Bravo Jasmin

Subscribed and sworn to before me this 28th day of March, 1996.


Notary Public

My commission expires:

4/7/99



Mr. Vernon Williams

March 28, 1996

Page 3

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

Mr. Paul A. Cunningham
Mr. Harkins Cunningham
1800 Nineteenth Street N.W.
Washington, D.C. 20036

Mr. Jerry Vaninetti
Resource Data International, Inc.
1320 Pearl Street, Suite 300
Boulder, CO 80302

STB FD

32760

3-29-96

B

62326

62326 B

RIO BRAVO FRESNO • RIO BRAVO JASMIN • RIO BRAVO POSO • RIO BRAVO ROCKLIN

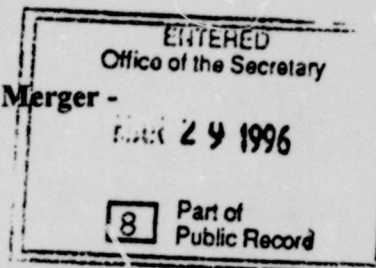
March 28, 1996

Mr. Vernon Williams, Secretary
 Surface Transportation Board
 Twelfth Street & Constitution Avenue, N.W.
 Room 1324
 1201 Constitution Avenue, N.W.
 Washington, D.C. 20423



Via UPS

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



Dear Secretary Williams:

I am the General Manager of Rio Bravo Poso and Rio Bravo Jasmin which owns and operates two coal-fired cogeneration plants near Bakersfield, California. I am responsible for purchasing and arranging for the delivery of as much as 260,000 tons of coal annually consumed by these plants. Such deliveries are regularly transported by Union Pacific Corp. as well as other railroads. I am submitting this statement in opposition to the proposed UP/SP merger unless the level of competition which currently exists in the market for rail services to these plants can be maintained.

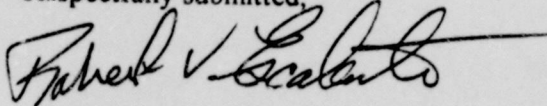
Coal for the Rio Bravo Poso and Rio Bravo Jasmin plants originates in the Utah coal fields and is transported by rail about 900 miles to a rail unloading facility in Wasco, California. The contract portion of the plants' coal must be originated on the Utah Railway and Southern Pacific, interchanged with the Union Pacific at Provo, Utah, and interchanged again at Barstow, California for final delivery by BNSF. I have the option of shipping the remaining portion of my coal requirements via other combinations of railroads which include Southern Pacific. In addition, when my existing rail contract expires, I will have additional competitive options which involve all of these railroads.

The multiple rail options available to me for delivering coal from Utah provides me with the opportunity to obtain competitive rail rates. I have solicited for and obtained competitive bids for rail shipments of Utah coal from Southern Pacific via an 1,100 routing through Stockton, California involving only Southern Pacific and BNSF. Despite the 200 mile distance disadvantage afforded by this routing, the rail rate involving these railroads (which excludes Union Pacific) was less than the rate quoted by the combination of railroads which include Union Pacific. Obviously, rail competition exists between Southern Pacific and Union Pacific and were the proposed UP/SP merger to be approved, such competition would be eliminated. I am not persuaded that the ancillary trackage rights agreements with BNSF and Utah Railway preserve the level of competition that are currently enjoyed.

Mr. Vernon Williams
March 28, 1996
Page 2

Therefore, on behalf of Rio Bravo Poso and Rio Bravo Jasmin, I wish to go on record in opposition of the proposed UP/SP merger unless some mechanism can be imposed which preserves the level of competition which currently exists.

Respectfully submitted,

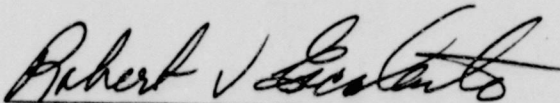


Robert V. Escalante
General Manager
Rio Bravo Poso
Rio Bravo Jasmin

RVE:ls

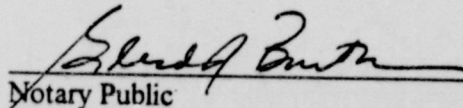
I, Robert V. Escalante, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Executed on March 28, 1996



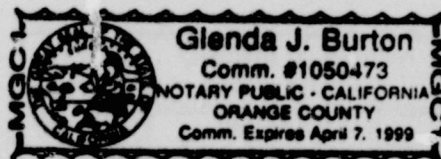
Robert V. Escalante
General Manager
Rio Bravo Poso
Rio Bravo Jasmin

Subscribed and sworn to before me this 28th day of March, 1996.


Notary Public

My commission expires:

4/7/99



CHARLES H. MONTANGE

ATTORNEY AT LAW

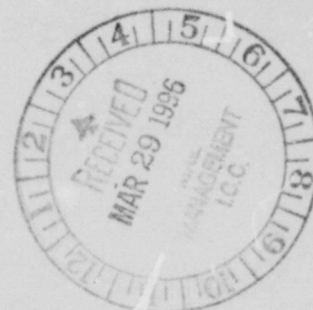
ENTERED
Office of the Secretary
426 NW 162ND STREET
SEATTLE, WASHINGTON 98177

MAR 30 1996

(206) 546-1936

FAX: (206) 546-3739

28 March 1996



Hon. Vernon Williams
Secretary
Surface Transportation Board
12th & Constitution Ave., N.W.
Washington, D.C. 20423

Re: Finance Dkt. 32760; Union Pacific Corp. -- Merger
and Control -- Southern Pacific Rail Corp.;
AB-33 (Sub-no. 97X) -- Union Pacific -- Exemption
-- DeCamp-Edwardsville Line, Madison Co., ILL;
AB-33 (Sub-no. 98X) -- Union Pacific -- Exemption
-- Edwardsville-Madison Line, Madison Co., ILL

Sirs:

This comment letter is on behalf of Madison County Transit MCT), a local government agency in Madison County, Illinois. MCT is charged, inter alia, with developing a system of alternative transportation in the County, including a county-wide bicycle commuting system. To this end, MCT Transit supports the preservation of otherwise-to-be abandoned railroad corridors for possible future rail reactivation ("railbanking") and for interim use as bicycle trails.

There are two merger-related abandonments within Madison County involved in Finance Dkt. 32760. These two merger-related abandonments are AB-33 (Sub-no. 97X) and AB-33 (Sub-no. 98X). MCT hereby seeks to become a party to both these merger-related abandonment proceedings. MCT supports preservation of the line embodied in these two merger-related abandonment proceedings for railbanking and trail purposes. By separate cover, MCT is filing (and serving upon the railroad) "statements of willingness" invoking the application of section 8(d) of the Trails Act, 16 U.S.C. § 1247(d), as to each of these lines. Because MCT's interest in the merger proceeding is limited to the two merger-related abandonment proceedings, and because service of pleadings related only to those proceedings upon all parties in the merger proceeding is both cumbersome and likely of no interest to the vast majority of parties to the overall merger, Madison County Transit hereby moves, pursuant to 49 C.F.R. § 1110.9, that 49 C.F.R. § 1104.12 (service on all parties to the proceeding) be waived for purposes of the "statements of willingness," and instead that MCT be granted leave to file the "statements" with STB (a) with service at this time only on representatives of UP and SP so long as (b) MCT makes the statements available promptly to any other party to this merger

proceeding requesting them. For purposes of pleading identification, we designate this comment letter MCT-1, and the statements of willingness for Sub-no. 97X and Sub-no. 98X MCT-2 and MCT-3 respectively.

MCT further supports the first two public interest conditions requested by Rails to Trails Conservancy in its Comments in this proceeding; to wit:

1. Preserve Surface Transportation Board (STB) jurisdiction to issue "railbanking" or other appropriate orders over all merger-related abandonments for a period of 180 days following the date UP actually ceases to use the line in question, and otherwise consummates any abandonment authority received from STB.

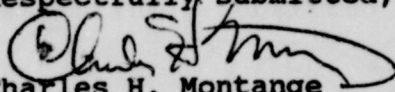
2. Bar UP from disposing or otherwise transferring (other than for public use) any real estate interests, bridges, culverts, or similar structures for a period of 180 days following the date UP actually ceases to use the line in question, and otherwise consummates any abandonment authority received from STB.

These conditions are necessary and appropriate to ensure adequate provision and time for negotiations to secure these lines for railbanking and trail purposes. The conditions should be adopted with respect to the two merger-related abandonments affecting Madison County. MCT reserves the right to make further comments upon review of the environmental assessment (EA) being prepared by STB, and hereby requests a copy of said EA be provided directly to Madison County Transit, Att: Mr. Jerry Kane, P.O. Box 7500, One Transit Way, Granite City, ILL 62040-7500.

In conclusion, MCT supports and encourages preservation of the line in Madison County, Illinois for railbanking and trail purposes. MCT requests that Notices of Interim Trail Use (NITU's) be issued in AB-33 (Sub-nos. 97X & 98X), and that appropriate conditions be issued to ensure non-disruption of real estate interests and trail-useful structures pending negotiations.

By my signature below, I certify service by U.S. Mail, postage pre-paid, first class on or before March 29, 1996 of this comment letter upon all parties as provided in this Board's Decision No. 15, as modified by this Board's Decision No. 17.

Respectfully submitted,


Charles H. Montange
for Madison County Transit

cc. Mr. J. Kane (MCT)

STB

FD

32760

3-27-96

62063

B

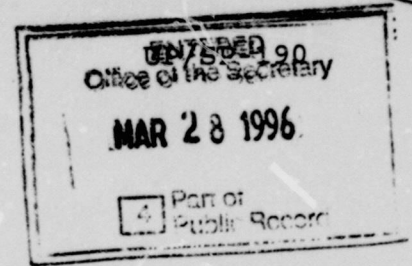
Item No. _____

Page Count 10

MAR #558

42063

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

APPLICANTS' OPPOSITION TO KCS' "MOTION FOR AN ORDER
REQUIRING THE SUBMISSION OF A PRELIMINARY
DRAFT ENVIRONMENTAL ASSESSMENT"

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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

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

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

March 27, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

APPLICANTS' OPPOSITION TO KCS' "MOTION FOR AN ORDER
REQUIRING THE SUBMISSION OF A PRELIMINARY
DRAFT ENVIRONMENTAL ASSESSMENT"

Applicants Union Pacific Corporation ("UPC"), Union Pacific Railroad Company ("UPRR"), Missouri Pacific Railroad Company ("MPRR"), Southern Pacific Rail Corporation ("SPR"), Southern Pacific Transportation Company ("SPT"), St. Louis Southwestern Railway Company ("SSW"), SPCSL Corp. ("SPCSL"), and The Denver and Rio Grande Western Railroad Company ("DRGW"),^{1/} hereby oppose Kansas City Southern Railway Company's ("KCS") "Motion for an Order Requiring the Submission of a Preliminary Draft Environmental Assessment" (KCS-31), dated March 22, 1996.

KCS requests that the Board find that the environmental report that was submitted with the merger application was "inadequate." On the basis of such a finding, they also ask the

^{1/} UPC, UPRR, and MPRR are referred to collectively as "Union Pacific." UPRR and MPRR are referred to collectively as "UP." SPR, SPT, SSW, SPCSL and DRGW are referred to collectively as "Southern Pacific." SPT, SSW, SPCSL and DRGW are referred to collectively as "SP."

Board to require Applicants and BN/Santa Fe to submit a preliminary draft environmental assessment ("PDEA") or comparable environmental report in connection with trackage rights, terminal rights and line sales arising out of the settlement agreement between Applicants and BN/Santa Fe.

KCS' motion is completely without merit, both legally and factually, and should be denied.

I. THERE IS NO LEGAL BASIS FOR KCS' ASSERTION THAT APPLICANTS' ENVIRONMENTAL REPORT WAS NOT ADEQUATE.

Although the Board's environmental regulations generally require merger applicants to submit an environmental report with or prior to their application, this requirement does not apply in cases where the applicants hire a third-party consultant "to prepare any necessary environmental documentation," so long as the consultant is approved by and works under the supervision of the Board's Section of Environmental Analysis ("SEA"). See 49 C.F.R. §§ 1105.7(a), 1105.10(d). "In such a case, the consultant acts on behalf of the [Board], working under SEA's direction to collect the needed environmental information and compile it into a draft EA or draft EIS, which is then submitted to SEA for its review, verification, and approval." 49 C.F.R. § 1105.10(d). The use of third-party consultants is specifically "encourage[d]" by the Board. Id.

In this case, Applicants hired a third-party consultant pursuant to 49 C.F.R. § 1105.10(d), and the consultant is currently working under the supervision of SEA. Accordingly,

Applicants were exempt from the requirement to file an environmental report with or prior to their application.

KCS' motion simply ignores the exemption in Section 1105.10(d). The motion refers to Board Decisions Nos. 6 and 12 in this proceeding (KCS Mem., pp. 12-14), but those decisions did not address Section 1105.10(d), and instead were discussing a different issue involving the requirements for parties filing inconsistent and responsive applications.

In fact, Applicants did submit an environmental report with the merger application in order to provide the maximum possible assistance to SEA and its third-party consultant in their analysis of environmental issues. Applicants were not, however, legally required to submit this report. KCS' contention that Applicants' environmental report was inadequate necessarily assumes that Applicants were legally required to submit such a report. As explained above, that assumption is legally unfounded and thus KCS' contention must be rejected and its motion denied.

II. APPLICANTS PRESENTED A FULLY ADEQUATE ENVIRONMENTAL REPORT.

KCS contends that the environmental report submitted on November 30, 1995 with the merger application was inadequate because it did not address the effects of the BN/Santa Fe settlement. In fact, the report contained a comprehensive analysis of environmental issues related to the merger as well as to Applicants' estimates of the effects of the BN/Santa Fe

settlement agreement, which had been entered into more than two months prior to the filing of the merger application.

The Traffic Study that was developed for and presented in the merger application took into account Applicants' estimates of the traffic impacts of the BN/Santa Fe settlement, and the Operating Plan presented in the application was based on the assumption that BN/Santa Fe would be operating pursuant to the settlement. The environmental report was based on the Traffic Study and Operating Plan, supplemented by Applicants' projections of BN/Santa Fe traffic and operations on UP/SP facilities. In short, contrary to KCS' contention, Applicants' environmental report did take account of possible environmental impacts relating to the BN/Santa Fe settlement.

KCS is also incorrect in suggesting that the environmental report did not adequately or comprehensively address the pertinent environmental issues. In fact, the multi-volume report analyzed all of the issues specified in the regulation which governs the content of environmental reports, 49 C.F.R. § 1105.7. The report considered all relevant factors, including possible effects on air quality, water resources, biological resources, energy consumption, land use, safety and noise levels. The report analyzed construction projects and proposed abandonments, and suggested proposed mitigation activities.

KCS contends that the report should have been based on estimates prepared by BN/Santa Fe, rather than the Applicants, of

the effect of the settlement on traffic and operations. There is no legal support for this contention. There is nothing in the Board's regulations or orders in this case that suggests that it was necessary for the report to be based on operating and traffic projections prepared by BN/Santa Fe as opposed to Applicants.

In any event, it is too late now for KCS to assert its complaints about the environmental report. The report was submitted nearly four months ago. The Board in Decision No. 9, served on December 27, 1995, formally accepted the merger application, which included the report. If there had been any deficiency in the format or completeness of the environmental report, the Board would have insisted on additional information, yet it did not do so. KCS' delay in making its assertions and its failure to seek reconsideration of the decision accepting the application bar it from now asserting that the scope of the report was too narrow, that the report was incomplete, or that the report should have been based on traffic and operating estimates prepared by BN/Santa Fe rather than Applicants.

III. KCS' MOTION IS INCONSISTENT WITH THE PROCEDURES ESTABLISHED BY THE BOARD AND BY SEA.

The Board has specifically delegated to SEA the responsibility "to provide interpretations of the [Board's] NEPA process" and "to recommend rejection of environmental reports not in compliance" with the Board's rules. 49 C.F.R. § 1105.2. SEA has been actively involved in analysis of the merger, and has not advised Applicants that they have failed to comply with the NEPA

process, nor has it recommended rejection of Applicants' environmental report. Moreover, SEA has already established its own procedures for obtaining additional environmental information relating to the BN/Santa Fe settlement.

By letter dated March 5, 1996, SEA requested Applicants to submit, on or prior to March 29, 1996, a PDEA for settlement agreements that involve either substantive operational changes or rail line abandonments or construction. In response to this request, Applicants are planning on March 29, 1996, to submit a PDEA concerning the BN/Santa Fe settlement. The PDEA will address, inter alia, certain construction projects that BN/Santa Fe has said that it intends to undertake as a result of the settlement. These projects were described after the filing of Applicants' environmental report, and are set forth in BN/Santa Fe's comments, submitted on December 29, 1995. See BN/SF-1, Verified Statement of Neal D. Owen, pp. 28-29. These comments also included BN/Santa Fe's estimates of the number of trains that it expects to operate on the UP/SP system as a result of the settlement and the merger. The PDEA will also address, inter alia and to the extent appropriate, environmental issues arising from BN/Santa Fe's estimates of train counts.

KCS' motion ignores and is inconsistent with the procedures established by SEA for submitting environmental information concerning settlements. For this reason as well, the motion should be rejected.

IV. IF KCS WISHES TO RAISE ENVIRONMENTAL CONCERNS, IT SHOULD FOLLOW THE PROCEDURE ESTABLISHED BY THE BOARD FOR THE SUBMISSION OF ENVIRONMENTAL COMMENTS.

The environmental report submitted by Applicants and the PDEA to be submitted on March 29 are intended to benefit SEA in exercising its responsibility to prepare an Environmental Assessment. See 49 C.F.R. § 1105.10(b). They are not prepared for KCS' benefit, and it is doubtful that KCS even has standing to raise questions about them.

SEA and the third-party consultant are preparing an Environmental Assessment, which is expected to be issued in April. Interested parties will then have 20 days to submit comments. See Decision No. 9, p. 13. If KCS wishes to raise environmental issues, it should do so in comments filed with SEA.

The Board's Decision No. 21 in this proceeding, served March 20, 1996, rejected a motion by the City of Reno, which also had argued that Applicants had failed to submit adequate information on the potential environmental effects of the BN/Santa Fe settlement. The Board noted that the parties could address environmental matters in comments in response to the Environmental Assessment which SEA expects to issue in April. The same reasoning applies to KCS -- if it has environmental issues that it wishes to raise (and has standing to raise), it should do so in comments in response to the Environmental Assessment.

CONCLUSION

KCS does not assert that the merger or the BN/Santa Fe settlement will cause any environmental injury to KCS, and it is obvious that it has filed its motion for tactical litigation purposes, not out of any concern for the environment. The motion has no legal or factual basis, and should be denied.

Respectfully submitted,

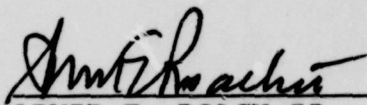
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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


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

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

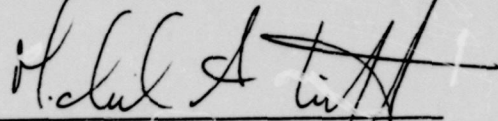
March 27, 1996

CERTIFICATE OF SERVICE

I, Michael A. Listgarten, certify that, on this 27th day of March 1996, I caused a copy of the foregoing document to be served by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties of record in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Room 9104-TEA
Department of Justice
Washington, D.C. 20530

Premarmer Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580



Michael A. Listgarten

STB

FD

32760

3-7-96

86595

B

86545 Item No. _____

Page Count 14

MAR. #

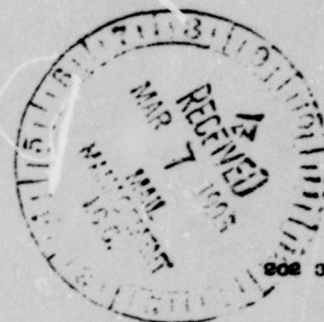
R & LOFTUS

ATTORNEYS AT LAW

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

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

March 4, 1996



800 347-7170

* ADMITTED IN PENNSYLVANIA ONLY

VIA TELECOPIER

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

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

Dear Arvid:

Enclosed please find the Objections of Entergy Services, Inc., and its affiliates Arkansas Power & Light Company and Gulf States Utilities Company to Applicants' First Set of Interrogatories and Requests for Production of Documents ("ESI-7").

Please do not hesitate to contact us if you have any questions regarding the enclosed.

Sincerely,

Christopher A. Mills

Enclosure

cc: Paul Cunningham, Esq. (via telecopier)
Louise A. Rinn, Esq. (via telecopier)
Carol A. Harris, Esq. (via telecopier)
Restricted Service List (via first class mail)

Checked

MAR 08 1996

☐ FILED

BEFORE THE
SURFACE TRANSPORTATION BOARD



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

Finance Docket No. 32760

**OBJECTIONS OF ENTERGY SERVICES, INC.,
ARKANSAS POWER & LIGHT COMPANY AND GULF
STATES UTILITIES COMPANY TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS**

Entergy Services, Inc., and its affiliates Arkansas Power & Light Company ("AP&L") and Gulf States Utilities ("GSU") (collectively, "Entergy") hereby submit their objections to Applicants' First Set of Interrogatories and Requests for Production of Documents. These objections are being served pursuant to the Discovery Guidelines Order entered by the Administrative Law Judge in this proceeding on December 7, 1995.

Subject to the objections set forth below, Entergy will answer each Interrogatory and/or will produce non-privileged documents responsive to Applicants' First Set of Interrogatories and Requests for Production of Documents. If necessary, Entergy is prepared to meet with counsel for Applicants at a mutually

convenient time and place to discuss resolving any objections asserted herein.

I. GENERAL OBJECTIONS

The following general objections apply to each and every interrogatory and document request:

1. Entergy objects to Applicants' interrogatories and document requests to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or other legal privilege, including confidentiality restrictions contained in either court orders, regulatory orders, or agreements.

2. Entergy objects to Applicants' interrogatories and document requests, including Applicants' Definitions and Instructions, to the extent that they attempt to impose any obligation on Entergy beyond applicable discovery rules and guidelines.

3. Entergy objects to Applicants' interrogatories and document requests to the extent that they seek information that is readily available in Applicants' own files or that is readily available from public sources, including but not limited to documents on public file at the Federal Energy Regulatory Commission, any state regulatory agency, or the Securities and Exchange Commission, or any documents or information available in the form of clippings from newspapers or other public media.

4. Entergy objects to Applicants' interrogatories and document requests to the extent they call for the preparation of special studies not already in existence.

5. Entergy objects to the production of draft verified statements and documents related thereto. In prior rail consolidation proceedings, such documents have been treated by all parties as protected from production.

II. OBJECTIONS TO DEFINITIONS AND INSTRUCTIONS

Subject to and without waiving the foregoing General Objections, Entergy makes the following specific objections to Applicants' Definitions and Instructions:

1. Entergy objects to Applicants' definition of "Document" to the extent that it seeks privileged information or information which is beyond Entergy's possession, custody or control.

2. Entergy objects to Applicants' definition of "Identify" on the grounds of burden.

3. Entergy objects to the definition of "relating to" as unduly vague.

4. Entergy objects to Applicants' instruction regarding the preparation of a privilege log on the grounds of burden and vagueness and on the grounds that Applicants' themselves have not produced such a privilege log.

5. Entergy objects to Applicants' instruction Number XXXII to the extent that it seeks privileged information.

III. ADDITIONAL OBJECTIONS TO INTERROGATORIES

Subject to and without waiving the foregoing General Objections and Objections to Definitions and Instructions, Entergy makes the following additional objections to Applicants' Interrogatories:

1. Identify and describe in detail any agreements that Entergy has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be identified. If Entergy contends that any such agreement is privileged, state the parties to, date of, and general subject of the agreement.

Objection: No additional objections.

2. For each utility plant operated by Entergy, separately for each year 1993 through 1995, identify the originating mines for all coal burned at the plant and, as to each such mine, state: (a) the tonnage of coal from that mine burned at the plant; (b) the average delivered price of coal from that mine; (c) the average minehead price of that coal; (d) the rail transportation routings (including origination and interchange points) for all coal shipped from that mine to the plant; and (e) any transportation routings or modes other than rail used in shipping coal to the plant.

Objection: Entergy additionally objects to this interrogatory to the extent that it seeks highly confidential and/or sensitive commercial information and on the basis of burden.

IV. ADDITIONAL OBJECTIONS TO DOCUMENT REQUESTS

Subject to and without waiving the foregoing General Objections, Objections to Definitions and Instructions, and Objections to Interrogatories, Entergy makes the following additional objections to Applicants' Document Requests:

1. Produce no later than April 1, 1996 (a) all workpapers underlying any submission that Entergy makes on or about March 29, 1996 in this proceeding, and (b) all publications, written testimony and transcripts, without limitation as to date, of any witnesses presenting testimony for Entergy on or about March 29, 1996 in this proceeding.

Objection: Entergy additionally objects to this document request to the extent that it seeks documents pre-dating January 1, 1993 and on the basis of burden.

2. Produce all documents relating to benefits or efficiencies that will result from the UP/SP merger.

Objection: Entergy additionally objects to this document request on the basis of burden, overbreadth and vagueness.

3. Produce all documents relating to potential traffic impacts of the UP/SP merger.

Objection: Entergy additionally objects to this document request on the basis of burden, overbreadth and vagueness.

4. Produce all documents relating to competitive impacts of the UP/SP merger, including but not limited to effects on (a) market shares, (b) source or destination competition, (c) transloading options, or (d) build-in options.

Objection: Entergy additionally objects to this document request on the basis of burden and overbreadth and on the basis that the information sought is highly confidential.

5. Produce all documents relating to the BN/Santa Fe Settlement Agreement.

Objection: No additional objections.

6. Produce all documents relating to the IC Settlement Agreement.

Objection: No additional objections.

7. Produce all documents relating to the Utah Railway Settlement Agreement.

Objection: No additional objections.

8. Produce all documents relating to conditions that might be imposed on approval of the UP/SP merger.

Objection: Entergy additionally objects to this document request on the basis of burden, overbreadth, and vagueness, and on the basis that the document request calls for speculation as to what may happen with respect to the UP/SP merger.

9. Produce all studies, reports or analyses relating to actual or potential competition between UP and SP.

Objection: No additional objections.

10. Produce all studies, reports or analyses relating to competition between single-line and interline rail transportation.

Objection: Entergy additionally objects to this document request on the basis of burden, overbreadth, and vagueness.

11. Produce all studies, reports or analyses relating to the benefits of any prior rail merger or rail mergers generally.

Objection: Entergy additionally objects to this document request on the basis of burden and overbreadth and on the basis that it requests information that is neither relevant nor likely to lead to the discovery of admissible evidence.

12. Produce all studies, reports or analyses relating to the financial position or prospects of SP.

Objection: Entergy additionally objects to this document request on the basis of vagueness.

13. Produce all communications with other parties to this proceeding relating to the UP/SP merger or the BN/Santa Fe Settlement Agreement, and all documents relating to such communications. This request excludes documents already served on Applicants.

Objection: No additional objections.

14. Produce all presentations, solicitation packages, form verified statements, or other materials used to seek support from shippers, public officials, railroads or others for the position of Entergy or any other party in this proceeding.

Objection:

No additional objections.

15. Produce all presentations, letters, memoranda, white papers, or other documents sent or given to DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst,

any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Objection: Entergy additionally objects to this document request on the basis of burden, overbreadth and vagueness, and on the basis that it requests information that is neither relevant nor likely to lead to the discovery of admissible evidence.

16. Produce all notes of, or memoranda relating to, any meetings with DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Objection: Entergy additionally objects to this document request on the basis of burden, overbreadth and vagueness, and on the basis that it requests information that is neither relevant nor likely to lead to the discovery of admissible evidence.

17. Produce all documents relating to shipper surveys or interviews concerning (a) the UP/SP merger or any possible conditions to approval of the merger, or (b) the quality of service or competitiveness of any railroad.

Objection: Entergy additionally objects to this document request on the basis of vagueness and overbreadth and on the basis that it requests information that is neither relevant nor likely to lead to the discovery of admissible evidence.

18. Produce all documents relating to the price to be paid for, or the value of, any UP or SP lines that might be sold as a condition to approval of, or otherwise in connection with, the UP/SP merger.

Objection: Entergy additionally objects to this document request on the basis of vagueness and on the basis that the document request calls for speculation as to what may happen with respect to the UP/SP merger.

19. Produce all documents relating to trackage rights compensation for any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding.

Objection: Entergy additionally objects to this document request on the basis that the document request calls for speculation as to what may happen with respect to the UP/SP merger.

20. Produce all documents relating to actual or estimated maintenance-and-operating costs, taxes and return-to-capital costs with respect to any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding.

Objection: Entergy additionally objects to this document request on the basis that the document request calls for speculation as to what may happen with respect to the UP/SP merger.

21. Produce all documents relating to any agreement or understanding that Entergy has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Documents relating to routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be produced.

Objection: No additional objections.

22. Produce all presentations to, and minutes of, the board of directors (or other governing body) of Entergy relating to the UP/SP merger or conditions to be sought by any party in this proceeding.

Objection: Entergy additionally objects to this document request on the basis of overbreadth.

23. Produce all documents in the possession of Entergy or its members relating to whether Utah and Colorado coal competes with Powder River Basin or Hanna Basin coals, including but not limited to any studies, reports or analyses of the use by utilities of, solicitation by utilities of bids for, or interchangeability in use of, such coals.

Objection: Entergy additionally objects to this document request on the basis of overbreadth.

24. Produce all documents relating to the possibility of a build-in by SP (or build-out to SP) at Arkansas Power & Light's facility at White Bluff, Arkansas.

Objection: No additional objections.

25. Produce all studies, reports or analyses relating to collusion among competing railroads or the risk thereof.

Objection: Entergy additionally objects to this document request on the basis of overbreadth.

26. Produce all studies, reports or analyses relating to the terms for or effectiveness of trackage rights

Objection: Entergy additionally objects to this document request on the basis of burden, overbreadth and vagueness.

27. Produce all documents relating to the effect of the UP/SP merger on coal transportation service, competition or routings to any Entergy facility.

Objection: No additional objections.

28. Produce all studies, reports or analyses relating to (a) using a different coal source than is presently used at any Entergy facility, (b) using a non-coal fuel in lieu of coal at any Entergy facility, or (c) purchasing power or shifting power generation among facilities as alternatives to consuming coal at any Entergy facility.

Objections: Entergy additionally objects to this document request on the basis of burden, overbreadth and vagueness.

29. Produce all filings made with state utility commissions or state regulatory agencies that discuss sources of fuel.

Objections: Entergy additionally objects to this document request on the basis of burden, overbreadth and vagueness and on the basis that it requests information that is neither relevant nor likely to lead to the discovery of admissible evidence.

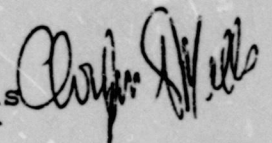
30. Produce all studies, reports, analyses, compilations, calculations or evaluations of market or competitive impacts of the UP/SP merger or the BN/Santa Fe Settlement, or of trackage rights compensation under the BN/Santa Fe Settlement, prepared by L.E. Peabody & Associates, and all workpapers or other documents relating thereto.

Objections: No additional objections.

Respectfully submitted,

ENTERGY SERVICES, INC. and its
affiliates ARKANSAS POWER &
LIGHT COMPANY and GULF STATES
UTILITIES COMPANY

By: C. Michael Loftus
Christopher A. Mills
Patricia E. Kolesar
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170



OF COUNSEL:

Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

Dated: March 4, 1996

Attorneys for Entergy
Services, Inc. and its
affiliates Arkansas Power &
Light Company and Gulf States
Utilities Company

CERTIFICATE OF SERVICE

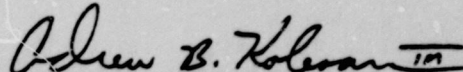
I hereby certify that, on this 4th day of March, 1996, I caused a copy of the foregoing Objections to Applicants' First Set of Interrogatories and Requests for Production of Documents to be served by facsimile on the individuals listed below, and by first-class United States mail, postage prepaid, on all other persons on the Restricted Service List in this proceeding.

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

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

Carol A. Harris, Esq.
Southern Pacific Transportation Co.
One Market Plaza
San Francisco, CA 94105

Louise A. Rinn, Esq.
Union Pacific Railroad Company
Law Department
1416 Dodge Street
Omaha, Nebraska 68179


Andrew B. Kolesar III

STB

FD

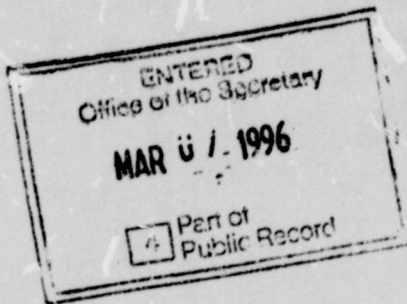
32760

3-6-96

61652

B

41452



BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY
--CONTROL AND MERGER--

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

UNION CARBIDE CORPORATION'S
OBJECTIONS TO APPLICANTS' FIRST SET
OF INTERROGATORIES AND DATA REQUESTS

Martin W. Bercovici
Douglas J. Behr
Arthur S. Garrett, III
Leslie E. Silverman

KELLER AND HECKMAN
1001 G Street, N. W.
Suite 500 West
Washington, D.C. 20001
Tel: (202) 434-4100
Fax: (202) 434-4646

Attorneys for
Union Carbide Corporation

March 4, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



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

UNION CARBIDE CORPORATION'S
OBJECTIONS TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND DATA REQUESTS

Union Carbide Corporation ("Union Carbide"), submits the following objections to the discovery requests served by Applicants Union Pacific Corporation ("UPC"), Union Pacific Railroad Company ("UPRR"), Missouri Pacific Railroad Company ("MPRR"), Southern Pacific Rail Corporation ("SPR"), Southern Pacific Transportation Company ("SPT"), St. Louis Southwestern Railway Company ("SSW"), SPCSL Corp. ("SPCL") and The Denver and Rio Grande Western Railroad Company ("DRGW") (collectively referred to as the "Applicants") on February 27, 1996. These objections are made pursuant to paragraph 1 of the Discovery Guidelines applicable to this proceeding, which provides that objections to discovery requests shall be made "by means of a written objection containing a general statement of the basis for the objection."

OBJECTION TO TIMELINESS

Union Carbide objects to Applicants' First Set of Interrogatories and Request for Production of Documents to Union Carbide Corporation ("Applicants' Discovery Requests"), because they are not timely. First, Applicants' Discovery Requests are not timely under Decision 1 of the ICC. In Decision 1, the ICC stated that "[d]iscovery on responsive and inconsistent applications, comments, protests, and requests for conditions shall begin immediately upon their filing." Since Union Carbide has made no such filing, there is no basis for the taking of discovery from it. Second, even if discovery from Union Carbide were appropriate, Applicants failed to serve that discovery timely. The Discovery Guidelines applicable to this proceeding expressly provide that "[n]o written discovery requests shall be served after February 26, 1995 [sic] through March 29, 1995 [sic]." Order Adopting Discovery Guidelines, December 5, 1995, Guideline #5. The Guidelines also provide that discovery requests shall be served "by hand delivery in the Washington, D.C. area." Id. Guideline #1. Applicants' Discovery Requests were not hand delivered until February 27, 1996, outside the time period provided. While Union Carbide believes the untimely service of the discovery is fully dispositive of Union Carbide's obligation to respond, Union Carbide nonetheless preserves its right to assert other permissible objections.

GENERAL OBJECTIONS

The following objections are made with respect to all of the discovery requests:

1. Union Carbide objects to the production of documents or information subject to the attorney-client privilege.

2. Union Carbide objects to the production of documents or information subject to the work product doctrine.

3. Union Carbide objects to the production of documents or information subject to the privilege concerning communication among counsel involved in a common issue or common defense.

4. Union Carbide objects to the production of documents or information subject to any other privilege.

5. Union Carbide objects to the production of documents to the extent that it requests information that is not in the custody and control of Union Carbide and further that a response would impose an unreasonable burden on Union Carbide.

6. Union Carbide objects to the production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

7. Union Carbide objects to production of public documents that are readily available, including but not limited to documents on public file at the Interstate Commerce Commission, the Surface Transportation Board, or the Securities and Exchange Commission or clippings from newspapers or other public media.

8. Union Carbide objects to the production of draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.

9. Union Carbide objects to providing information or documents that are as readily obtainable by the Applicants.

10. Union Carbide objects to the extent that the Discovery Requests seek highly confidential or sensitive commercial information that is of insufficient relevance to warrant production even under a protective order.

11. Union Carbide objects to the extent that the Discovery Requests to the extent that a response would impose an unreasonable burden on Union Carbide.

12. Union Carbide objects to the definition of "identify" insofar as it calls for the production of drafts and it calls for the production of routine operating and accounting documents such as invoices and receipts.

13. Union Carbide objects to the definition of "identify" insofar as it requests home telephone numbers on grounds that such information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

14. Union Carbide objects to the definitions of "relating to" as unduly vague.

15. Union Carbide objects to the requests as overbroad and unduly burdensome to the extent that they seek documents for periods prior to January 1, 1993.

16. Union Carbide objects to the requests to the extent that they call for the preparation of special studies not already in existence.

17. Union Carbide objects to the requests that Union Carbide promptly contact the Applicants' attorney to discuss its objections. Union Carbide is hereby filing its objections and this document speaks for itself.

18. Union Carbide objects to the requests that they attempt to impose any obligation on Union Carbide beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

ADDITIONAL OBJECTIONS TO SPECIFIC INTERROGATORIES

In addition to the General Objections, Applicants make the following objections to the interrogatories.

Request No. 1. "Identify and describe in detail any agreements that Union Carbide has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be identified. If Union Carbide contends that any such agreement is privileged, state the parties to, date of, and general subject of the agreement."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as premature.

ADDITIONAL OBJECTIONS TO SPECIFIC DOCUMENT REQUESTS

In addition to the General Objections, Applicants make the following objections to the document requests.

Request No 1. "Produce no later than April 1, 1996 (a) all workpapers underlying any submission that Union Carbide makes on or about March 29, 1996 in this proceeding, and (b) all publications, written testimony and transcripts, without limitation as to date, of any witnesses presenting testimony for Union Carbide on or about March 29, 1996 in this proceeding."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as premature, unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No.2. "Produce all documents relating to benefits or efficiencies that will result from the UP/SP merger."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No.3. "Produce all documents relating to potential traffic impacts of the UP/SP merger."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 4. "Produce all documents relating to competitive impacts of the UP/SP merger, including but not limited to effects on (a) market shares, (b) source or destination competition, (c) transloading options, or (d) build-in options."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 5. "Produce all documents relating to the BN/Santa Fe Settlement Agreement."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 6. "Produce all documents relating to the IC Settlement Agreement."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 7 "Produce all documents relating to the Utah Railway Settlement Agreement."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests

for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 8 "Produce all documents relating to conditions that might be imposed on approval of the UP/SP merger."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome.

Request No. 9 "Produce all studies, reports or analyses relating to actual or potential competition between UP and SP."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome.

Request No. 10. "Produce all studies, reports or analyses relating to competition between single-line and interline rail transportation."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 11. "Produce all studies, reports or analyses relating to the benefits of any prior rail merger or rail mergers generally."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 12. "Produce all studies, reports or analyses relating to the financial position or prospects of SP."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 13. "Produce all communications between Union Carbide and other parties to this proceeding relating to the UP/SP merger or the BN/Santa Fe Settlement Agreement, and all documents relating to such communications. This request excludes documents already served on Applicants."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome.

Request No. 14. "Produce all presentations, solicitation packages, form verified statements, or other materials used by Union Carbide to seek support from shippers, public officials, railroads or others for the position of Union Carbide or any other party in this proceeding."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 15. "Produce all presentations, letters, memoranda, white papers or other documents sent or given to DOJ, DOT, any state Governors, Attorney Generals or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 16 "Produce all notes of, or memoranda in the possession of Union Carbide relating to, any meetings with DOJ, DOT, any state Governors, Attorney Generals or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Documents Request No. 17 "Produce all documents relating to shipper surveys or interviews concerning (a) the UP/SP merger or any possible conditions to approval of the merger, or (b) the quality of service or competitiveness of any railroad."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 18. "Produce all documents relating to the price to be paid for, or the value of, any UP or SP lines that might be sold as a condition to approval of, or otherwise in connection with, the UP/SP merger."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 19. "Produce all documents relating to trackage rights compensation for any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request to the extent that it calls for production of documents concerning trackage rights in that it is unduly vague and unduly burdensome. This request is also overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 20. "Produce all documents relating to actual or estimated maintenance-and-operating costs, taxes and return-to-capital costs with respect to any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 21. "Produce all documents relating to any agreement or understanding that Union Carbide has with any other party to this proceeding regarding positions or actions to be taken in

this proceeding. Documents relating to routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be produced."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome.

Request No. 22. "Produce all presentations to, and minutes of, the board of directors of Union Carbide relating to the UP/SP merger or conditions to be sought by any party in this proceeding."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome.

Request No. 23. "Produce all studies, reports or analyses relating to collusion among competing railroads or the risk thereof."

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 24. "Produce all studies, reports or analyses relating to the terms for or effectiveness of trackage rights."

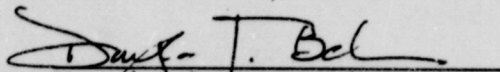
Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request to the extent that it calls for production of documents concerning trackage rights in that it is unduly vague and unduly burdensome. This request is also overbroad in that it includes requests for

information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Request No. 25. "Produce all documents relating to the possibility of a build-in by SP (or build-out to SP) at Union Carbide's facility at North Seadrift, Texas, or Union Carbide's facility at Taft, Louisiana.

Additional Objections: In addition to the general objections set out above, Union Carbide objects to this request to the extent that it calls for production of documents concerning trackage rights in that it is unduly vague and unduly burdensome.

Respectfully submitted,



Martin W. Bercovici
Douglas J. Behr
Arthur S. Garrett III
Leslie E. Silverman

KELLER AND HECKMAN
1001 G Street, N.W.
Suite 500 West
Washington, D.C. 20001
Tel: (202) 434-4100
Fax: (202) 434-4646

March 4, 1996

Attorneys for Union Carbide
Corporation

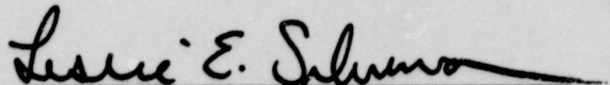
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Union Carbide Corporation's Objections to the Applicants' First Set of Interrogatories and Data Requests was served this 4th day of March, 1996, by hand-delivery, on opposing counsel, as follows:

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

Paul A. Cunningham
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

and, by mail upon the remainder of the Restricted Service List.


Leslie E. Silverman

STB

FD

• 32760

3-5-96

B

• 61639

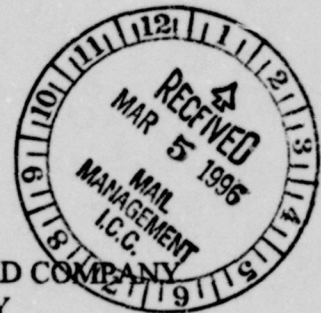
61639 B

International Paper - 6

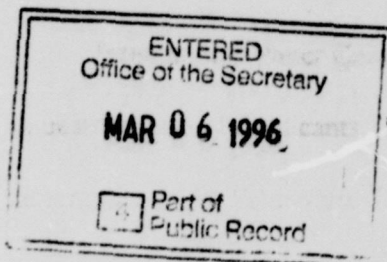
BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



INTERNATIONAL PAPER COMPANY'S
OBJECTIONS TO APPLICANTS FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS



Edward D. Greenberg
Andrew T. Goodson
GALLAND, KHARASCH, MORSE &
GARFINKLE, P.C.
Canal Square
1054 Thirty- First Street, N.W.
Second Floor
Washington, D.C. 20007
(202) 342-5200

Attorneys for International Paper Company

1. IP objects to production of documents or information subject to the attorney-client privilege.
2. IP objects to production of documents or information subject to the work product doctrine.
3. IP objects to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.
4. IP objects to production of public documents that are readily available, including but not limited to documents on public file at the Surface Transportation Board or the Securities and Exchange Commission or clippings from newspaper or other media.
5. IP objects to the production of draft verified statements and documents related thereto. In prior verified railroad consolidation proceedings, such documents have been treated by all parties as protected from production.
6. IP objects to providing information or documents that are readily obtainable by Applicants from their own files.
7. IP objects to the extent that the interrogatories and requests seek highly confidential or sensitive commercial information (including, inter alia, contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.
8. IP objects to the definition of "document" in that it requests "copies that differ in any respect from original versions" as overly burdensome and not likely to produce relevant information.
9. IP objects to the definition of "relating to" as unduly vague.

10. IP objects to the interrogatories and requests to the extent that they call for the preparation of special studies not already in existence.

11. IP objects to these interrogatories and document requests because they are intended to harass and interfere with IP's development of its comments in connection with this proceeding. These requests could have been served weeks before their actual date of service, yet Applicants waited until the 11th hour to serve them. The harassing effect of these requests is exacerbated by their overbroad and burdensome nature. It is clear that these requests are part of a massive campaign by Applicants to interfere not only with IP's preparation of comments, but also with that of every party who has been active in this proceeding.

ADDITIONAL OBJECTIONS TO SPECIFIC INTERROGATORIES AND DOCUMENT REQUESTS

In addition to the General Objections, IP makes the following objections to the interrogatories and document requests.

INTERROGATORIES

1. "Identify and describe in detail any agreements that International Paper has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be identified. If International Paper contends that any such agreement is privileged, state the parties to, date of, and general subject of the agreement."

ADDITIONAL OBJECTIONS: IP objects to this interrogatory as it is not relevant nor reasonably calculated to lead to the discovery of admissible evidence.

DOCUMENT REQUESTS

1. "Produce no later than April 1, 1996 (a) all work papers underlying any submission that International Paper makes on or about March 29, 1995 in this proceeding, and (b) all publications, written testimony and transcripts, without limitation as to date, of any witnesses presenting testimony for International Paper on or about March 29, 1996 in this proceeding."

ADDITIONAL OBJECTIONS: IP objects to subsection (b) of this document request as overbroad and unduly burdensome.

2. "Produce all documents relating to benefits or efficiencies that will result from the UP/SP merger."

ADDITIONAL OBJECTIONS: IP objects to this document request as vague, overbroad and unduly burdensome.

3. "Produce all documents relating to potential traffic impacts of the UP/SP merger."

ADDITIONAL OBJECTIONS: IP objects to this document request as overbroad and unduly burdensome.

4. "Produce all documents relating to competitive impacts of the UP/SP merger, including but not limited to effects on (a) market shares, (b) source or destination competition, (c) transloading options, or (d) build-in options."

ADDITIONAL OBJECTIONS: IP objects to this document request as vague, overbroad and unduly burdensome.

5. "Produce all documents relating to the BN/Santa Fe Settlement Agreement."

ADDITIONAL OBJECTIONS: IP objects to this document request as overbroad and unduly burdensome.

6. "Produce all documents relating to the IC Settlement Agreement."

ADDITIONAL OBJECTIONS: IP objects to this document request as overbroad and unduly burdensome.

7. "Produce all documents relating to the Utah Railway Settlement Agreement."

ADDITIONAL OBJECTIONS: IP objects to this document request as overbroad and unduly burdensome.

8. "Produce all documents relating to conditions that might be imposed on approval of the UP/SP merger."

ADDITIONAL OBJECTIONS: IP objects to this document request as vague, overbroad and unduly burdensome.

9. "Produce all studies, reports or analyses relating to actual or potential competition between UP and SP."

ADDITIONAL OBJECTIONS: IP objects to this document request as overbroad and unduly burdensome.

10. "Produce all studies, reports or analyses relating to competition between single-line and interline rail transportation."

ADDITIONAL OBJECTIONS: IP objects to this document request as overbroad and unduly burdensome.

11. "Produce all studies, reports or analyses relating to the benefits of any prior rail merger or rail mergers generally."

ADDITIONAL OBJECTIONS: IP objects to this document request as overbroad and unduly burdensome.

12. "Produce all studies, reports or analyses relating to the financial position or prospects of SP."

ADDITIONAL OBJECTIONS: IP objects to this document request as vague, overbroad and unduly burdensome.

13. "Produce all communications with other parties to this proceeding relating to the UP/SP merger or the BN/Santa Fe Settlement Agreement, and all documents relating to such communications. This request excludes documents already served on Applicants."

ADDITIONAL OBJECTIONS: None.

14. "Produce all presentations, solicitation packages, form verified statements, or other materials used to seek support from shippers, public officials, railroads or others for the position of International Paper or any other party in this proceeding."

ADDITIONAL OBJECTIONS: None.

15. "Produce all presentations, letters, memoranda, white papers or other documents sent or given to DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger."

ADDITIONAL OBJECTIONS: None.

16. "Produce all notes of, or memoranda relating to, any meetings with DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger."

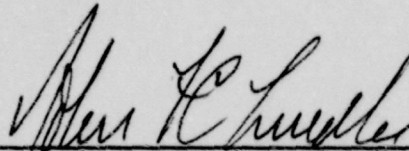
ADDITIONAL OBJECTIONS: None.

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of March, 1996, a copy of the foregoing International Paper Company's Objections to Applicants First Set of Interrogatories was served, via facsimile, upon all parties of record listed in Decision No. 15, served February 16, 1996 in Finance Docket 32760. Additionally, a copy of the foregoing International Paper Company's Objections to Applicants First Set of Interrogatories was served, via hand delivery, upon the following:

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

Paul A. Cunningham
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036



John F.C. Luedke
SS-37839

STB

FD

32760

3-5-96

61622

B

Item No. _____

Page Count 1

Mar #112

DONELAN, CLEARY, WOOD & MASER, P.C.

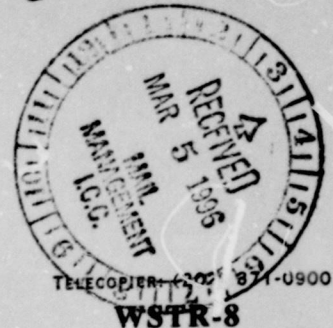
ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

1100 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500



March 5, 1996

VIA HAND DELIVERY

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Department of Transportation
Room 1324
12th Street & Constitution Avenue, NW
Washington, DC 20423

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, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company*

Dear Secretary Williams:

On March 4, 1996, Western Resources Inc. filed OBJECTIONS TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS with the document number WSTR-6. The correct document number should be WSTR-7. Please make the appropriate changes. Thank you for your cooperation.

Respectfully submitted,

Nicholas J. DiMichele

Thomas W. Wilcox

Attorneys for Western Resources, Inc.

cc: Honorable Jerome Nelson
Restricted Service List

3770-130

ENTERED	
Office of the Secretary	
MAR 07 1996	
5	Part of Public Record

STB

FD

32760

3-5-96

61621

B

Item No. _____

Page Count 1

Mar # 93

61021

V. CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500



March 5, 1996

VIA HAND DELIVERY

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Department of Transportation
Room 1324
12th Street & Constitution Avenue, NW
Washington, DC 20423

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, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company*

Dear Secretary Williams:

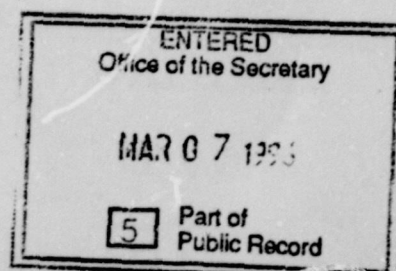
On March 4, 1996, Kennecott Utah Copper Corporation and Kennecott Energy Company filed OBJECTIONS TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS with the document number KENN-4. The correct document number should be KENN-5. Please make the appropriate changes. Thank you for your cooperation.

Respectfully submitted,

John K. Maser III
Jeffrey O. Moreno
Attorneys for Kennecott Utah Copper Corporation and Kennecott Energy Company

cc: Honorable Jerome Nelson
Restricted Service List

3760-020



STB

FD

32760

3-5-96

61620

B

Item No. _____

Page Count 1

Mar #94

61620

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

1100 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

March 5, 1996

VIA HAND DELIVERY

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Department of Transportation
Room 1324
12th Street & Constitution Avenue, NW
Washington, DC 20423



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, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company*

Dear Secretary Williams:

On March 4, 1996, The Dow Chemical Company filed OBJECTIONS TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS with the document number DOW-3. The correct document number should be DOW-4. Please make the appropriate changes. Thank you for your cooperation.

Respectfully submitted,

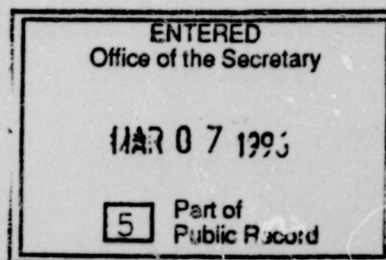
Nicholas J. DiMichael

Jeffrey O. Moreno

Attorneys for The Dow Chemical Company

cc: Honorable Jerome Nelson
Restricted Service List

1750-020



STB

FD

32760

3-4-96

B

61591

615-91 B

BEFORE THE
SURFACE TRANSPORTATION BOARD

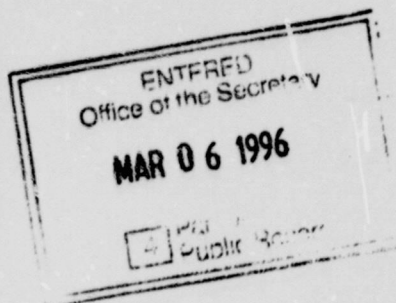
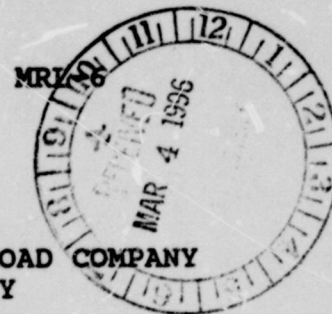
Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

OBJECTIONS OF MONTANA RAIL LINK, INC. TO
BURLINGTON NORTHERN RAILROAD COMPANY AND THE
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY'S FIRST SET
OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS



Mark H. Sidman
Jo A. DeRoche
Christopher E. Kaczmarek
Weiner, Brodsky, Sidman &
Kider, P.C.
1350 New York Avenue, N.W.
Suite 800
Washington, D.C. 20005
(202) 628-2000

ATTORNEYS FOR
MONTANA RAIL LINK, INC.

Dated: March 4, 1996

discovery moratorium imposed under the Discovery Guidelines agreed to and entered in this proceeding. The Procedural Schedule clearly states that "[d]iscovery on responsive and inconsistent applications will begin immediately upon their filing," which will occur on March 29, 1996. The Discovery Guidelines stipulate that "[n]o written discovery requests shall be served after February 26, 1995 [sic], through March 29, 1995 [sic]." The clear intent of this moratorium is to provide parties the unhindered opportunity to fully concentrate their time and resources on the preparation of comprehensive inconsistent or responsive applications, protests, comments and/or requests for conditions that must be filed by March 29, 1996. BN/Santa Fe served their Discovery Request on February 26, 1996, substantially seeking the information MRL is currently in the process of producing, gathering, etc., in association with the preparation of its inconsistent or responsive application. This information will be provided either as part of MRL's March 29, 1996 submission or as part of the workpapers underlying that submission. Thus, the Discovery Request is premature, based on both the Procedural Schedule and the Discovery Guidelines, and MRL objects to it.

2. Relatedly, EN/Santa Fe's Discovery Request is unduly burdensome in that it imposes duplicative burdens on MRL at a time when MRL is devoting its time and resources to the preparation and filing of its inconsistent or responsive

application, protest, comments or request for conditions by the March 29, 1995, deadline.

3. MRL objects to BN/Santa Fe's Discovery Request to the extent that it seeks information protected from discovery by the attorney-client privilege, the work-product doctrine, or any other privilege, immunity or exemption.

4. MRL objects to BN/Santa Fe's Discovery Request to the extent it seeks information or documents not in MRL's possession, custody or control.

5. MRL objects to providing information or documents that are readily obtainable by BN/Santa Fe from their own files.

6. MRL objects to the extent that the Discovery Request seeks highly confidential or sensitive commercial information that is of insufficient relevance to warrant production even under a protective order.

7. MRL objects to BN/Santa Fe's Discovery Request to the extent it seeks documents which do not exist or are not relevant to the subject matter of this action or are not calculated to lead to the discovery of relevant evidence.

8. MRL objects to Applicant's Discovery Request to the extent that it attempts to impose any obligation on MRL beyond those imposed by the General Rules of Practice of the Commission, 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, the Discovery Guidelines or the Administrative Law Judge assigned to this case.

**ADDITIONAL OBJECTIONS TO SPECIFIC
INTERROGATORY AND DOCUMENT REQUESTS**

Subject to, including and without waiving the General Objections, MRL makes the following additional and specific objections to BN/Santa Fe's Discovery Request.

Interrogatories and Document Requests No.1: Produce the MRL financial and operating data for 1994 and 1995 most comparable to the data reported by Class I railroads in the R-1 annual report. Specifically, produce the data kept by or available to MRL most comparable to Schedules:

- 200 - Comparative Statement of Financial Position - Assets
- 210 - Results of Operations
- 220 - Retained Earnings
- 310 - Investments and Advances Affiliated Companies
- 330 - Road and Equipment Property and Improvements to Leased Property and Equipment
- 332 - Depreciation Base and Rates - Road and Equipment Owned and Used and Leased From Others
- 335 - Accumulated Depreciation - Road and Equipment Owned and Used
- 352A - Investment in Railroad Property Used in Transportation Service (By Property Accounts)
- 352B - Investment in Railway Property Used in Transportation Service (By Property Accounts)
- 410 - Railway Operating Expenses
- 412 - Way and Structures
- 414 - Rents for Interchanged Freight Train Cars and Other Freight-Carrying Equipment
- 415 - Supporting Schedule - Equipment
- 416 - Supporting Schedule - Road
- 417 - Specialized Service Subschedule - Transportation
- 418 - Supporting Schedule - Capital Leases
- 450 - Analysis of Taxes
- 510 - Separation of Debtholdings Between Road Property and Equipment
- 700 - Mileage Operate at Close of Year
- 702 - Miles of Road at Close of Year - By States and Territories (Single Track)
- 710 - Inventory of Equipment
- 710S - Unit Cost of Equipment Installed During the Year - Divided Between New and Rebuilt Units
- 720 - Track and Traffic Conditions
- 721 - Ties Laid in Replacement

- 722 - Ties Laid in Additional Tracks and In New Lines and Extensions
- 723 - Rails Laid in Replacement
- 724 - Rails Laid in Additional Tracks and In New Lines and Extensions
- 725 - Weight of Rail
- 726 - Summary of Track Replacements
- 750 - Consumption of Diesel Fuel
- 755 - Railroad Operating Statistics

If MRL believes that the data produced are in any respect not comparable to the data reported by Class I railroads on Form R-1, MRL should nevertheless produce the most comparable data in its possession, together with a full explanation (for each Schedule) of the respects in which MRL believes that the data are not fully comparable with the R-1 data.

Additional Objections: MRL objects to this request on the grounds that it is overly broad and to the extent that it seeks production of commercially-sensitive information or documents neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatories and Document Requests No.2: Produce all 1994 and 1995 car loading reports and unloading reports, shown separately, which identify by location, by commodity, and by car type the traffic handled by MRL in those years.

Additional Objections: MRL objects to this request to the extent that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery or relevant evidence.

Interrogatories and Document Requests No.3: Has MRL at any time in or after August 1995 discussed (in a meeting, in person, or by telephone) any of the following subjects with any representative

of the United States Department of Justice, the United States Department of Transportation, or any other federal or state agency; the Proposed Transaction; the BN/Santa Fe Agreement; or railroad competition in the Western United States? If so, for each such meeting or discussion, provide the following:

- (a) The federal or state agency involved;
- (b) The date of the meeting or discussion;
- (c) The participants on behalf of MRL and the federal or state agency in the meeting or discussion;
- (d) A description of the subject matter of the meeting or discussion;
- (e) All documents provided by MRL to the federal or state agency at or during the meeting or discussion;
- (f) All other documents sent or provided to or received from the federal or state agency relating to the meeting or discussion; and
- (g) All other documents relating in any way to the meeting or discussion.

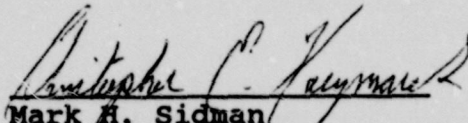
Additional Objections: MRL objects to this request to the extent that it seeks information that may impinge upon MRL's right to petition the government for redress of grievances pursuant to the First Amendment.

Interrogatories and Document Requests No.4: For each interrogatory and document request (or part thereof), identify by name, address, position and responsibilities each person who assisted or participated in preparing or supplying any of the

information or documents given in response to such interrogatory
or document request (or part thereof.)

Additional Objections: None.

Respectfully submitted,



Mark H. Sidman
Jo A. DeRoche
Christopher E. Kaczmarek
Weiner, Brodsky, Sidman &
Kider, P.C.
1350 New York Ave., N.W.
Suite 800
Washington, D.C. 20005
(202) 628-2000

ATTORNEYS FOR
MONTANA RAIL LINK, INC.

Dated: March 4, 1996

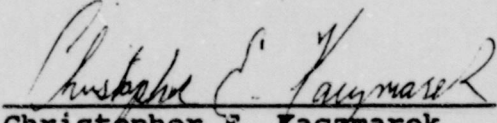
93068\003\teag011.oth

CERTIFICATION OF SERVICE

I hereby certify that on this 4th day of March, 1996, a copy of the foregoing Objections of Montana Rail Link, Inc. to Burlington Northern Railroad Company and the Atchison, Topeka and Santa Fe Railway Company's First Set of Interrogatories and Document Production Requests was served by facsimile and by first-class mail, postage prepaid, upon:

Erila Z. Jones, Esq.
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

and by first-class mail, postage prepaid, upon all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760.


Christopher E. Kaczmarek

STB

FD

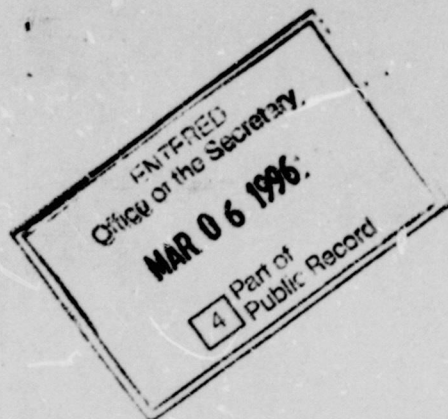
32760

3-4-96

B

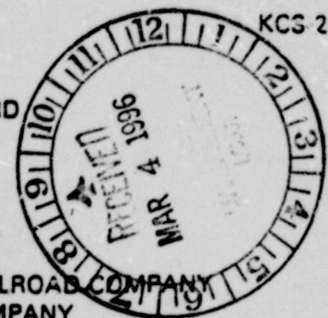
61588

61588 B



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



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

THE KANSAS CITY SOUTHERN RAILWAY COMPANY'S
OBJECTIONS TO BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY'S
FIRST SET OF INTERROGATORIES AND
DOCUMENT PRODUCTION REQUEST

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

James F. Rill
Sean F.X. Boland
Virginia R. Metallo
Collier, Shannon, Rill & Scott
3050 K Street, N.W.
Suite 400
Washington, D.C. 20007
Tel: (202) 342-8400
Fax: (202) 338-5534

John R. Molm
Alan E. Lubel
William A. Mullins
Troutman Sanders LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2609
Tel: (202) 274-2950
Fax: (202) 274-2994

Attorneys for The Kansas City Southern
Railway Company

March 4, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

KANSAS CITY SOUTHERN RAILWAY COMPANY'S
OBJECTIONS TO BURLINGTON NORTHERN RAILROAD COMPANY
AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY'S
FIRST SET OF INTERROGATORIES AND
DOCUMENT PRODUCTION REQUESTS

The Kansas City Southern Railway Company, Inc. ("KCS") hereby serves its Objections to Burlington Northern Railroad Company and the Atchison, Topeka and Santa Fe Railway Company's First Set of Interrogatories and Document Production Requests (hereinafter referred to as "the BN /Santa Fe discovery requests") pursuant to paragraph 1 of the Discovery Guidelines adopted by the Commission on December 5, 1995.

GENERAL OBJECTIONS

The following general objections are made with respect to all of the interrogatories and document requests. Any additional specific objections are stated as to each interrogatory.

1. KCS objects to the BN/Santa Fe discovery requests individually and collectively in that the discovery requests seek information or documents that have no relevance to the pending Application or seek information relevant to KCS's filing, which is not due until March 29, 1996. Said discovery requests also are overly broad, burdensome and apparently

propounded in an attempt to harass KCS and divert its resources from preparation of its filing due on March 29, 1996.

2. KCS objects to the BN/Santa Fe discovery requests to the extent they attempt to require production of documents prior to the time set forth in the Discovery Guidelines or in a more expeditious manner than other parties.

3. KCS objects to production of, and is not producing, documents or information subject to the attorney-client privilege.

4. KCS objects to production of, and is not producing, documents or information subject to the work product doctrine.

5. KCS objects to production of public documents that are readily available, including but not limited to documents on public file at the STB or the Securities and Exchange Commission or clippings from newspapers or other public media.

6. KCS objects to the production of, and is not producing, draft verified statements and documents related thereto. In this and in prior railroad consolidation proceedings, such documents have been treated by the parties as protected from production.

7. KCS objects to the extent that the BN/Santa Fe discovery requests seek highly confidential or sensitive commercial information (including, *inter alia*, contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

8. KCS objects to the BN/Santa Fe discovery requests to the extent that they call for the preparation of special studies not already in existence.

9. KCS objects to Definition No. 4 to the extent it requests public documents or documents that are equally or more accessible to BN/Santa Fe than to KCS. KCS objects to subparagraph (c) in that it requests documents in the possession of Conrail or its consultants; however, KCS will interpret subparagraph (c) as referring to KCS and its consultants.

10. KCS objects to the Instructions in their entirety to the extent that they seek to impose any duty or obligation upon KCS that exceeds the practice of Applicants and other parties in this proceeding.

11. KCS objects to Instruction No. 7 insofar as it requests that responsive documents be sent to BN/Santa Fe's attorneys rather than put in KCS's Document Depository.

SPECIFIC OBJECTIONS

KCS incorporates by reference the General Objections set forth above as to each discovery request. In addition, KCS objects to individual discovery requests as follows:

Discovery Request No. 1: Identify each occasion from January 1, 1990, to the present on which KCS has abandoned, sold, or otherwise discontinued or decreased service on a rail line and thereafter continued to provide rail service between the same general geographic origins and destinations through trackage or haulage rights.

Objection: KCS objects to this request as overbroad and unduly burdensome in that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. KCS further objects to this request to the extent that it seeks production of documents subject to the attorney-client or work product privilege.

Discovery Request No. 2: As to each occasion identified in your response to Interrogatory No. 1, identify the rail line involved; describe the abandonment, sale or other discontinuance or decrease of service that occurred, and identify the person (if any) to whom the rail line was sold or otherwise transferred; the rail line(s) over which KCS continued to provide rail service between the same general geographic origins and destinations through trackage or haulage rights; and any and all agreements or contracts pursuant to which such service was provided.

Objection: KCS objects to this request as overbroad and unduly burdensome in that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. KCS further objects to this request to the extent that it seeks production of documents subject to the attorney-client or work product privilege.

Discovery Request No. 3: Produce a copy of all agreements or contracts identified in your response to Interrogatory No. 2.

Objection: KCS objects to this request as overbroad and unduly burdensome in that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. KCS further objects to this request to the extent that it seeks production of documents subject to the attorney-client or work product privilege.

Discovery Request No. 4: State the compensation or rate paid by KCS under the terms of each of the following trackage rights agreements, and state as to each such agreement the amount of such compensation or rate in terms of mills per gross ton mile and the method and assumptions used to convert the rate stated in the agreement to mills per gross ton mile:

- (a) IC -- Jackson, MS to Hattiesburg, MS
- (b) IC -- Kenner, LA to Shrewsbury, LA
- (c) NS -- Middleton, TN to Corinth, MS
- (d) UP -- Houston, TX to Beaumont, TX

Objection: KCS objects to this request as overbroad and unduly burdensome in that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. KCS further objects to this request to the extent that it seeks production of documents subject to the attorney-client or work product privilege.

Discovery Request No. 5: State the compensation or rate received by KCS under the terms of each of the following trackage rights agreements, and state as to each such agreement the amount of such compensation or rate in term of mills per gross ton mile and the

method and assumptions used to convert the rate stated in the agreement to mills per gross ton mile:

- (a) CAGY -- Artesia, MS to Trinity, MS
- (b) CAGY and GTRR -- Trinity, MS to Columbus, MS
- (c) UP -- Mauriceville, TX to DeQuincy, LA

Objection: KCS objects to this request as overbroad and unduly burdensome in that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. KCS further object to this request to the extent that it seeks production of documents subject to the attorney-client or work product privilege.

Discovery Request No. 6: Has KCS at any time in or after August 1995 discussed (in a meeting, in person or by telephone) any of the following subjects with any representative of the United States Department of Justice, the United States Department of Transportation; the BN/Santa Fe Agreement; or railroad competition in the Western United States? If so, for each meeting or discussion, provide the following:

- (a) The federal or state agency involved;
- (b) The date of the meeting or discussion;
- (c) The participants on behalf of KCS and the federal or state agency in the meeting or discussion;
- (d) A description of the subject matter of the meeting or discussion;
- (e) All documents provided by KCS to the federal or state agency at or during the meeting or discussion;
- (f) All other documents sent or provided to or received from the federal or state agency relating to the meeting or discussion;
and
- (g) All other documents relating to any way to the meeting or discussion.

Objection: KCS objects to this request as overbroad and unduly burdensome in that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. KCS further objects to this request to the extent that it seeks production of documents subject to the attorney-client or work product privilege.

Discovery Request No. 7: For each interrogatory and document request (or part thereof), identify by name, address, position and responsibilities each person who assisted or participated in preparing or supplying any of the information or documents given in response to such interrogatory or document request (or part thereof).

Objection: No further objection

This 4th day of March, 1996.

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

James F. Rill
Sean F.X. Boland
Virginia R. Metallo
Collier, Shannon, Rill & Scott
3050 K Street, N.W.
Suite 400
Washington, D.C. 20007
Tel: (202) 342-8400
Fax: (202) 338-5534

Alan E. Lubei
John R. Molm
Alan E. Lubei
William A. Mullins
Troutman Sanders LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2608
Tel: (202) 274-2950
Fax: (202) 274-2994

Attorneys for The Kansas City Southern
Railway Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "The Kansas City Southern Railway Company's Objections to Burlington Northern Railroad Company and The Atchafalaya, Topeka and Santa Fe Railway Company's First Set of Interrogatories and Document Production Requests" was served this 4th day of March, 1996, on all parties of record in this proceeding by depositing a copy in the United States mail in a properly addressed envelope with adequate postage thereon.

Alan S. Lubel
Attorney for The Kansas City Southern
Railway Company

l:\carroll\hwp\docs\vm\dmh\c\k\cs\lupg\k.co.25

STB

FD

32760

3-4-96

B

61585

61585 B

KENN- 4

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 32760

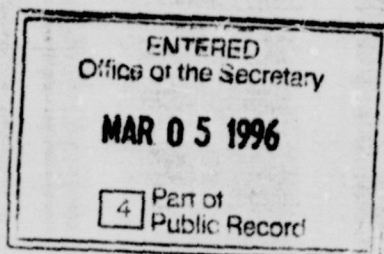


**UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY**

— CONTROL AND MERGER —

**SOUTHERN PACIFIC RAIL CORPORATION,
SOUTHERN PACIFIC TRANSPORTATION COMPANY, ST. LOUIS
SOUTHWESTERN RAILWAY COMPANY, SPCSL CORP. AND THE
DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY**

**KENNECOTT UTAH COPPER CORPORATION'S
AND KENNECOTT ENERGY COMPANY'S
OBJECTIONS TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**



**John K. Maser III
Jeffrey O. Moreno
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W.
Suite 750
Washington, D.C. 20005-3934
(202) 371-9500**

*Attorneys for Kennecott Utah Copper
Corporation and Kennecott Energy Company*

March 4, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

— CONTROL AND MERGER —

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

KENNECOTT UTAH COPPER CORPORATION'S
AND KENNECOTT ENERGY COMPANY'S
OBJECTIONS TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

Kennecott Utah Copper Corporation and Kennecott Energy Company ("Kennecott") submit the following objections to the discovery requests of the Applicants which were received by counsel for Kennecott on February 27, 1996, but which have an indicated service date of February 26, 1996. These objections are made pursuant to paragraph 1 of the Discovery Guidelines applicable to this proceeding, which provides that objections to discovery requests shall be made "by means of a written objection containing a general statement of the basis for the objection."

Subject to General Objection No. 1, Kennecott intends to file written responses to the discovery requests. These responses will provide information (including documents) in response to certain of the requests, notwithstanding the fact that objections to the requests are noted herein. It is necessary and appropriate at this stage, however, for Kennecott to preserve its right to assert permissible objections.

GENERAL OBJECTIONS

The following objections are made with respect to all of the interrogatories and document requests.

1. Kennecott objects to the interrogatories and document requests as unduly burdensome insofar as they require Kennecott to produce information or documents on or before April 5, 1996.
2. Kennecott objects to production of documents or information subject to the attorney-client privilege, including documents or information provided to parties or persons having a common interest in the litigation.
3. Kennecott objects to production of documents or information subject to the work product doctrine, including documents or information otherwise provided to parties or persons having a common interest in the subject litigation.
4. Kennecott objects to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.
5. Kennecott objects to production of public documents that are readily available, including but not limited to documents on public file at the Board, the Securities and Exchange Commission, the Federal Energy Regulatory Commission, or from newspapers and other public media.
6. Kennecott objects to the production of draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.
7. Kennecott objects to providing information or documents that are as readily obtainable by Applicants from its own files.
8. Kennecott objects to the extent that the interrogatories and document requests seek highly confidential or sensitive commercial information, including information designated as confidential or highly confidential in prior merger proceedings.

9. Kennecott objects to the definition of "shipper" and "relating to" and "produce" as unduly vague and/or overbroad.

10. Kennecott objects to Definitions and Instructions VIII, X, XI, XIII, XIV, XXXI, XXXII to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

11. Kennecott objects to Definitions and Instructions VIII, X, XIII, XIV, XX and XXXII as unduly burdensome.

12. Kennecott objects to the interrogatories and document requests to the extent that they call for the preparation of special studies not already in existence.

13. Kennecott objects to the interrogatories and document requests to the extent that they call for speculation.

ADDITIONAL OBJECTIONS TO SPECIFIC INTERROGATORIES AND DOCUMENT REQUESTS

In addition to the General Objections, Kennecott makes the following objections to the interrogatories and document requests.

Interrogatory No. 1

Identify and describe in detail any agreements that Kennecott has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be identified. If Kennecott contends that any such agreement is privileged, state the parties to, date of, and general subject of the agreement.

Additional Objections

Kennecott objects to this interrogatory as unduly vague and overbroad, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 2

For each Kennecott facility that consumes coal, separately for each year 1993 through 1995, identify the originating mines for all coal burned at the plant and, as to each such mine, state: (a) the tonnage of coal from that mine burned at the plant; (b) the average delivered price of coal from that mine; (c) the average minehead price of that coal; (d) the rail transportation routings (including originating and interchange points) for all coal shipped from that mine to the plant; and (e) any transportation routings or modes other than rail used in shipping coal to the plant.

Additional Objections

Kennecott objects to this Interrogatory as vague, overbroad, and unduly burdensome.

DOCUMENT REQUESTS

Document Request No. 1

Produce no later than April 1, 1996 (a) all workpapers underlying any submission that Kennecott makes on or about March 29, 1996 in this proceeding, and (b) all publications, written testimony and transcripts, without limitation as to date, of any witnesses presenting testimony for Kennecott on or about March 29, 1996 in this proceeding.

Additional Objections

Kennecott objects to this document request as overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 2

Produce all documents relating to benefits or efficiencies that will result from the UP/SP merger.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 3

Produce all documents relating to potential traffic impacts of the UP/SP merger.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 4

Produce all documents relating to competitive impacts of the UP/SP merger, including, but not limited to effects on (a) market shares, (b) source or destination competition, (c) transloading options, or (d) build-in options.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 5

Produce all documents relating to the BN/Santa Fe Settlement Agreement.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 6

Produce all documents relating to the IC Settlement Agreement.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 7

Produce all documents relating to the Utah Railway Settlement Agreement.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 8

Produce all documents relating to conditions that might be imposed on approval of the UP/SP merger.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 9

Produce all studies, reports or analyses relating to actual or potential competition between UP and SP.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 10

Produce all studies, reports or analyses relating to competition between single-line and interline rail transportation.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 11

Produce all studies, reports or analyses relating to the benefits of any prior rail merger or rail mergers generally.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 12

Produce all studies, reports or analyses relating to the financial position or prospects of SP.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 13

Produce all communications with other parties to this proceeding relating to the UP/SP merger or the F.N/Santa Fe Settlement Agreement, and all documents relating to such communications. This request excludes documents already served on Applicants.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 14

Produce all presentations, solicitation packages, form verified statements, or other materials used to seek support from shippers, public officials, railroads or others for the position of Kennecott or any other party in this proceeding.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 15

Produce all presentations, letters, memoranda, white papers or other documents sent or given to DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence, and because it creates an improper chilling effect upon constitutionally protected communications.

Document Request No. 16

Produce notes of, or memoranda relating to, any meetings with DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade relating to the UP/SP merger.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence, and because it creates an improper chilling effect upon constitutionally protected communications.

Document Request No. 17

Produce all documents relating to shipper surveys or interviews concerning (a) the UP/SP merger or any possible conditions to approval of the merger, or (b) the quality of service or competitiveness of any railroad.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 18

Produce all documents relating to the price to be paid for, or the value of, any UP or SP lines that might be sold as a condition to approval of, or otherwise in connection with, the UP/SP merger.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 19

Produce all documents relating to trackage rights compensation for any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 20

Produce all documents relating to actual or estimated maintenance-and-operating costs, taxes and return-to-capital costs with respect to any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 21

Produce all documents relating to any agreement or understanding that Kennecott has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Documents relating to routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be produced.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome, and because it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 22

Produce all presentations to, and minutes of, the boards of directors (or other governing bodies) of Kennecott relating to the UP/SP merger or conditions to be sought by any party in this proceeding.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 23

Produce all documents relating to whether Utah and Colorado coal competes with Powder river Basin or Hanna Basin coals, including but not limited to any studies, reports or analyses of the use by utilities of, solicitation by utilities of bids for, or interchangeability in use of, such coals.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 24

Produce all studies, reports or analyses relating to collusion among competing railroads or the risk thereof.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 25

Produce all studies, reports or analyses relating to the terms for or effectiveness of trackage rights.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 26

Produce Kennecott's files regarding the transportation (including the transportation by non-rail modes) of all commodities that Kennecott has moved via UP or SP since January 1, 1993.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 27

Produce all documents relating to the effect of the UP/SP merger on coal transportation service, competition or routings to or from any Kennecott facility or mine.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 28

Produce all studies, reports or analyses relating to build-in by UP to Kennecott's Colowyo mine.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Document Request No. 29

Produce all filings made with state utility commissions or state regulatory agencies that discuss sources of fuel.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

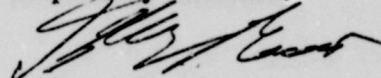
Document Request No. 30

Produce all studies, reports, analyses, compilations, calculations or evaluations of market or competitive impacts of the UP/SP merger or the BN/Santa Fe Settlement, or of trackage rights compensation under the BN/Santa Fe Settlement, prepared by L.E. Peabody & Associates, and all workpapers or other documents relating thereto.

Additional Objections

Kennecott objects to this document request as vague, overbroad and unduly burdensome.

Respectfully submitted,



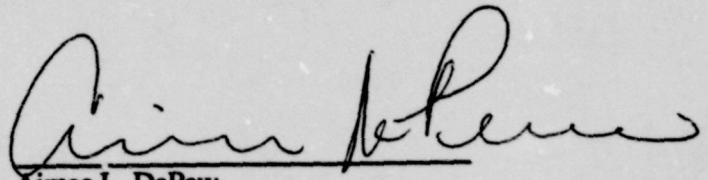
John K. Maser III
Jeffrey O. Moreno
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W.
Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

March 4, 1996

*Attorneys for Kennecott Utah Copper
Corporation and Kennecott Energy Company*

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing OBJECTIONS OF KENNECOTT UTAH COPPER CORPORATION AND KENNECOTT ENERGY COMPANY TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTIONS OF DOCUMENTS has been served via facsimile, on all parties on the restricted service list in this proceeding on the 4th day of March, 1996, and by hand delivery to Washington, D.C. counsel for Applicants.



Aimee L. DePew

STB

FD

32760

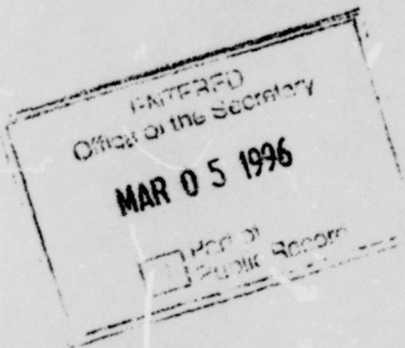
3-4-96

B

61577

61577

CR-15



BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

CONSOLIDATED RAIL CORPORATION'S OBJECTIONS
TO APPLICANTS' FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO CONSOLIDATED RAIL CORPORATION

Consolidated Rail Corporation ("Conrail") hereby
objects to the interrogatories and document requests served on
Conrail by Applicants (dated February 26, 1996, but served hours
after the close of business on that date) on the grounds that
those discovery requests, in their entirety, are directly
contrary to the procedures governing discovery in this
proceeding, including the decisions of the Interstate Commerce
Commission establishing a Procedural Schedule, and the Discovery
Guidelines agreed to by the parties and adopted by Judge Nelson
on December 5, 1995. At a minimum, those discovery requests --

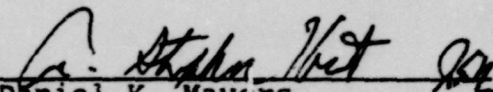
served before Conrail has prepared, let alone filed, its comments -- are premature.

With regard to discovery against commenters, the procedures governing this extremely expedited proceeding explicitly provide only that a commenter shall, upon the filing of its comments and verified evidence (i) deposit in an accessible document depository all documents relevant to its filing (i.e., workpapers supporting the filing and documents relied upon by the witnesses), and (ii) make available its testifying witnesses for deposition on request. Conrail intends to comply full with these discovery obligations. The ICC's expedited procedures do not, however, contemplate additional, extensive discovery against commenters such as that served on Conrail by Applicants, and certainly not before Conrail's comments are even filed.

Applicants' interrogatories and document requests, in their entirety, also violate the pre-filing moratorium on written discovery agreed to by the parties and incorporated in the Discovery Guidelines. Serving such discovery now has the inevitable effect of interfering with Conrail's preparation and timely completion of its filing due March 29, 1996, and is harassing and oppressive, and may be calculated to impose undue burden, annoyance, and expense.

In addition to this general objection to the interrogatories and document requests in their entirety, Conrail hereby reserves, and asserts, as to each individual interrogatory and request, any and all applicable general objections and assertions of privilege, including without limitation objections based on the attorney-client privilege, the work product protection, and the settlement privilege; irrelevance to the subject matter of the action; the ready availability of the documents to Applicants through other means; the confidential nature of the requested information; overbreadth and/or vagueness; the burdensomeness of the requested discovery; untimeliness; and/or the effect of the discovery to harass, annoy, oppress, or impose undue burden or expense.

Constance L. Abrams
Jonathan M. Broder
Anne E. Treadway
CONSOLIDATED RAIL CORPORATION
2001 Market Street
Philadelphia, PA 19101


Daniel K. Mayers
William J. Kolasky, Jr.
A. Stephen Hut, Jr.
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037

March 4, 1996

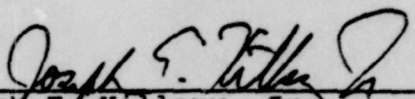
CERTIFICATE OF SERVICE

I certify that on this 4th day of March, 1996, a copy of the foregoing Consolidated Rail Corporation's Fourth Request to Applicants for Production of Documents was served by hand delivery to:

David E. Roach II, Esq.
S. William Livingston, Jr., Esq.
Michael L. Rosenthal, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044

Paul A. Cunningham, Esq.
Richard B. Herzog, Esq.
James M. Guinivan, Esq.
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

and served by first-class mail, postage pre-paid, to all parties on the Restricted Service List.



Joseph E. Killory, Jr.

STB

FD

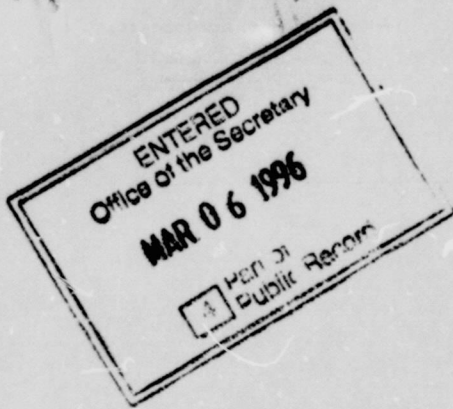
32760

3-4-96

B

61570

61590



BN/SF-43

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

RESPONSES AND OBJECTIONS OF
BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO INTERNATIONAL PAPER COMPANY'S SECOND INTERROGATORIES AND
REQUEST FOR DOCUMENTS TO BURLINGTON NORTHERN RAILROAD
COMPANY

Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively "BN/Santa Fe") answers and objects as follows to International Paper Company's ("IP") "Second Interrogatories and Request For Documents To Burlington Northern Railroad Company." These responses and objections are being served pursuant to the Discovery Guidelines Order entered by the Administrative Law Judge in this proceeding on December 5, 1995 ("Discovery Guidelines").

Subject to the objections set forth below, BN/Santa Fe will produce non-privileged documents responsive to International Paper Company's Second Interrogatories and Request

For Documents To Burlington Northern Railroad Company. If necessary, BN/Santa Fe is prepared to meet with counsel for IP at a mutually convenient time and place to discuss informally resolving these objections.

Consistent with prior practice, BN/Santa Fe has not secured verifications for the interrogatory responses herein, but is willing to discuss with counsel for IP any particular response in this regard.

GENERAL OBJECTIONS

BN/Santa Fe answers and objects to IP's Second Interrogatories and Request For Documents on the following grounds:

1. **Privilege.** BN/Santa Fe objects to IP's Second Interrogatories and Request For Documents to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or any other legal privilege.
2. **Relevance/Burden.** BN/Santa Fe objects to IP's Second Interrogatories and Request For Documents to the extent that they seek information or documents that are not directly relevant to this proceeding and to the extent that a response would impose an unreasonable burden on BN/Santa Fe.
3. **Settlement Negotiations.** BN/Santa Fe objects to IP's Second Interrogatories and Request For Documents to the extent that they seek information or documents prepared in connection with, or related to, the negotiations leading to the Agreement entered into on September 25, 1995, by BN/Santa Fe with Union Pacific and Southern Pacific, as supplemented on November 18, 1995.

For Documents To Burlington Northern Railroad Company. If necessary, BN/Santa Fe is prepared to meet with counsel for IP at a mutually convenient time and place to discuss informally resolving these objections.

Consistent with prior practice, BN/Santa Fe has not secured verifications for the interrogatory responses herein, but is willing to discuss with counsel for IP any particular response in this regard.

GENERAL OBJECTIONS

BN/Santa Fe answers and objects to IP's Second Interrogatories and Request For Documents on the following grounds:

1. **Privilege.** BN/Santa Fe objects to IP's Second Interrogatories and Request For Documents to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or any other legal privilege.
2. **Relevance/Burden.** BN/Santa Fe objects to IP's Second Interrogatories and Request For Documents to the extent that they seek information or documents that are not directly relevant to this proceeding and to the extent that a response would impose an unreasonable burden on BN/Santa Fe.
3. **Settlement Negotiations.** BN/Santa Fe objects to IP's Second Interrogatories and Request For Documents to the extent that they seek information or documents prepared in connection with, or related to, the negotiations leading to the Agreement entered into on September 25, 1995, by BN/Santa Fe with Union Pacific and Southern Pacific, as supplemented on November 18, 1995.

4. Scope. BN/Santa Fe objects to IP's Second Interrogatories and Request For Documents to the extent that they attempt to impose any obligation on BN/Santa Fe beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

5. Definitions. BN/Santa Fe makes the following objections to IP's definitions:

3. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including: intracompany communications; electronic mail; correspondence; telegrams, memoranda; contracts; instruments; studies; projections; forecasts; summaries, notes, or records of conversations or interviews; minutes, summaries, notes, or records of conferences or meetings; records or reports of negotiations; diaries; calendars; photographs; maps; tape recordings, computer tapes; computer disks; other computer storage devices; computer programs; computer printouts; models; statistical statements; graphs; charts; diagrams; plans; drawings; brochures; pamphlets; news articles; reports; advertisements; circulars; trade letters; press releases; invoices; receipts; financial statements; accounting records and workpapers and worksheets. Further, the term "document" includes:

- a. both basic records and summaries of such records (including computer runs);
- b. both original versions and copies that differ in any respect from original versions, including notes; and
- c. both documents in the possession, custody, or control of Applicants and documents in the possession, custody, or control of consultants or others who have assisted Applicants in connection with the Transaction,

BN/Santa Fe objects to the definition of "Document" as overly broad and unduly burdensome to the extent that (i) it calls for the production of materials and documents that are as readily, or more readily, available to IP as to BN/Santa Fe; and (ii) it calls for the production of routine operating and accounting documents such as invoices and receipts.

6. Instructions. BN/Santa Fe makes the following objections to IP's instructions:

7. In responding to any request for data regarding intermodal traffic, indicate separately data for trailers and for containers.

BN/Santa Fe objects to this instruction to the extent that BN/Santa Fe's records kept in the ordinary course of business do not differentiate data regarding intermodal traffic by trailers and by containers.

RESPONSES AND OBJECTIONS TO INTERROGATORIES

1. Identify all BN employees who attended a meeting with IP employees on or about December 13, 1995 concerning service to IP mills in Camden and Pine Bluff, Arkansas. Identify all documents which relate to that meeting, including but not limited to any notes of those who attended, and any subsequent memoranda or correspondence discussing the meeting or BN's plan for servicing those mills.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 1 to the extent that it is vague, overly broad and unduly burdensome.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe will add a document to the BN/Santa Fe document depository containing the information responsive to Interrogatory No. 1. Further, BN/Santa Fe will produce non-privileged, responsive documents relating to the December 13, 1995 meeting in accordance with the Discovery Guidelines.

2. Identify all BN employees who attended a meeting with employees of Applicants on or about December 20, 1995 in Omaha concerning service to IP mills in Camden and Pine Bluff, Arkansas. Identify all documents which relate to that meeting, including but not limited to any notes of those who attended, and any subsequent memoranda or correspondence discussing the meeting or an operating plan for servicing those mills.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 1 to the extent that it is vague, overly broad and unduly burdensome.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe will add a document to the BN/Santa Fe document depository containing the information responsive to Interrogatory No. 2. Further, BN/Santa Fe will produce non-privileged, responsive documents relating to the December 20, 1995 meeting in accordance with the Discovery Guidelines.

RESPONSES AND OBJECTIONS TO REQUEST FOR DOCUMENTS

1. All documents identified in response to Interrogatory No. 1.

Response: See Response to Interrogatory No. 1.

2. All documents identified in response to Interrogatory No. 2.

Response: See Response to Interrogatory No. 2.

3. The map which, during his deposition on February 14, 1996, Carl Ice testified he was given by John Rebensdorf during their negotiations leading to the Settlement Agreement.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 3 to the extent that it requests documents protected by the settlement negotiations privilege.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe does not have a copy of the map which, during his deposition on February 14, 1996, Carl Ice testified he was given by John Rebensdorf during their negotiations leading to the Settlement Agreement.

4. All documents relating to, or used to calculate, rates recently proposed by BN to IP for single line service to IP mills in Camden and Pine Bluff, Arkansas.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 4 on the ground that it is overly broad and unduly burdensome and that it calls for the production of documents the release of which would unduly interfere with the on-going commercial negotiations between BN/Santa Fe and IP.

Respectfully submitted,

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

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

and

The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

Erika Z. Jones ^{KED}
Erika Z. Jones
Adrian L. Steel, Jr.
Roy T. Englert, Jr.
Kathryn A. Kusske

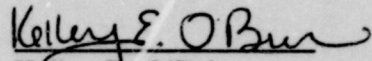
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

March 4, 1996

CERTIFICATE OF SERVICE

I hereby certify that copies of Responses and Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to International Paper Company's Second Interrogatories and Request for Documents to Burlington Northern Railroad Company (BN/SF-43) have been served this 4th day of March, 1996, by fax and by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by hand-delivery on counsel for International Paper Company.


Kelley P. O'Brien
Mayer, Brown & Matt
2000 Pennsylvania Avenue, N.W.
Suite 6500
Washington, D.C. 20006
(202) 778-0607

STB

FD

32760

2-28-96

B

61497

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO THE KANSAS
CITY SOUTHERN RAILWAY COMPANY'S SECOND DISCOVERY REQUESTS TO
BNSF CORPORATION AND ITS PREDECESSORS IN INTEREST

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

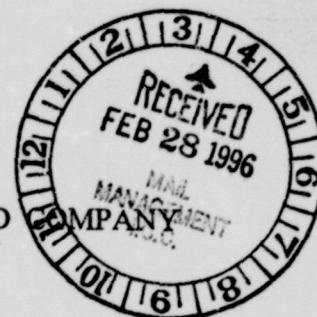
Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

and

The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

February 28, 1996



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO THE KANSAS
CITY SOUTHERN RAILWAY COMPANY'S SECOND DISCOVERY REQUESTS TO
BNSF CORPORATION AND ITS PREDECESSORS IN INTEREST

Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively "BN/Santa Fe") object as follows to The Kansas City Southern Railroad Company's ("KCS") "Second Discovery Requests to BNSF Corporation and its Predecessors in Interest." These objections are being served pursuant to the Discovery Guidelines Order entered by the Administrative Law Judge in this proceeding on December 5, 1992 ("Discovery Guidelines").

Subject to the objections set forth below, BN/Santa Fe will produce non-privileged documents responsive to KCS's Second Discovery Requests. If necessary, BN/Santa Fe is

prepared to meet with counsel for KCS at a mutually convenient time and place to discuss informally resolving these objections.

GENERAL OBJECTIONS

BN/Santa Fe objects to KCS's Second Discovery Requests on the following grounds:

1. **Parties.** BN/Santa Fe objects to KCS's Second Discovery Requests to the extent that they are directed to BNSF Corporation (now, Burlington Northern Santa Fe Corporation) rather than BN and Santa Fe. Burlington Northern Santa Fe Corporation is not a party to and has not appeared or intervened in this proceeding. Notwithstanding this objection, BN/Santa Fe will include as a part of its responses to KCS's Requests any non-privileged, responsive documents in the possession of Burlington Northern Santa Fe Corporation.
2. **Privilege.** BN/Santa Fe objects to KCS's Second Discovery Requests to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or any other legal privilege.
3. **Relevance/Burden.** BN/Santa Fe objects to KCS's Second Discovery Requests to the extent that they seek information or documents that are not directly relevant to this proceeding and to the extent that a response would impose an unreasonable burden on BN/Santa Fe.
4. **Settlement Negotiations.** BN/Santa Fe objects to KCS's Second Discovery Requests to the extent that they seek information or documents prepared in connection with, or related to, the negotiations leading to the Agreement entered into on September 25, 1995,

by BN/Santa Fe with Union Pacific and Southern Pacific, as supplemented on November 18, 1995.

5. Scope. BN/Santa Fe objects to KCS's Second Discovery Requests to the extent that they attempt to impose any obligation on BN/Santa Fe beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

6. Definitions. BN/Santa Fe makes the following objections to KCS's definitions:

7. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including: intracompany communications; electronic mail; correspondence; telegrams; memoranda; contracts; instruments; studies; projections; forecasts; summaries, notes, or records of conversations or interviews; minutes, summaries, notes, or records of conferences or meetings; records or reports of negotiations; diaries; calendars; photographs; maps; tape recordings; computer tapes; computer disks; other computer storage devices; computer programs; computer printouts; models; statistical statements; graphs; charts; diagrams; plans; drawings; brochures; pamphlets; news articles; reports; advertisements; circulars; trade letters; press releases; invoices; receipts; financial statements; accounting records; and workpapers and worksheets. Further, the term "document" includes:

- a. both basic records and summaries of such records (including computer runs);
- b. both original versions and copies that differ in any respect from original versions, including notes; and
- c. both documents in the possession, custody, or control of Applicants and documents in the possession, custody, or control of consultants or others who have assisted Applicants in connection with the Transaction.

BN/Santa Fe objects to the definition of "Document" as overly broad and unduly burdensome to the extent that it calls for the production of materials and documents that are as readily, or more readily, available to KCS as to BN/Santa Fe.

17. "Studies, analyses, and reports" include studies, analyses, and reports in whatever form, including letters, memoranda, tabulations, and computer printouts of data selected from a database.

BN/Santa Fe objects to the definition of "Studies, analyses, and reports" in that it requires subjective judgment to determine what is requested and, further, it is overly broad and unduly burdensome. Notwithstanding this objection, BN/Santa Fe will, for the purposes of responding to KCS's requests, construe "Studies, analyses, and reports" to mean analyses, studies or evaluations in whatever form.

OBJECTIONS TO INTERROGATORIES

2. Identify and produce the study (or studies) conducted by McKinsey & Company for Santa Fe or SFP referred to in the deposition by Mr. Carl Ice (see attached pages 133-38).

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 2 to the extent that it is overly broad and unduly burdensome. BN/Santa Fe further objects to Interrogatory No. 2 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence in that, inter alia, it seeks the identification and production of information and documents too remote to be relevant to this proceeding.

3. If the documents referred to in interrogatory no. 2. cannot be located, state:

- (a) the date, or if unknown, the approximate date of the study;
- (b) the identity of the person or persons who commissioned the study;
- (c) the title of the study; and

- (d) the identity of the person or persons at McKinsey & Company with whom Santa Fe or SFP dealt in preparing the study.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 3 to the extent that it is overly broad and unduly burdensome. BN/Santa Fe further objects to Interrogatory No. 3 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence in that, inter alia, it seeks the identification and production of information and documents too remote to be relevant to this proceeding.

4. Identify each person or entity to whom Santa Fe or SFP provided a copy of the study (or studies) referred to in interrogatory no. 2.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 4 to the extent that it is overly broad and unduly burdensome and to the extent that it assumes facts not in evidence. BN/Santa Fe further objects to Interrogatory No. 4 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence in that, inter alia, it seeks the identification and production of information and documents too remote to be relevant to this proceeding.

5. Identify and describe all discussions or communications between or among SF or SFP and BN, BNI, SP or UP concerning the study (or studies) referred to in interrogatory no. 2.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 5 to the extent that it is vague, overly broad and unduly burdensome. BN/Santa Fe further objects to Interrogatory No. 5 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence

in that, inter alia, it seeks the identification and production of information and documents too remote to be relevant to this proceeding.

6. Identify each person or entity (other than Santa Fe, SFP and McKinsey & Company personnel) known to BNSF who saw, read or reviewed the study (or studies) referred to in interrogatory no. 2.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 6 to the extent that it is overly broad and unduly burdensome. BN/Santa Fe further objects to Interrogatory No. 6 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence in that, inter alia, it seeks the identification and production of information and documents too remote to be relevant to this proceeding.

7. Identify each person or entity (other than Santa Fe, SFP and McKinsey & Company personnel) whom BNSF may have reason to believe saw, read or reviewed the study (or studies) referred to in interrogatory no. 2.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 7 to the extent that it is overly broad and unduly burdensome and to the extent that it calls for speculation. BN/Santa Fe further objects to Interrogatory No. 7 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence in that, inter alia, it seeks the identification and production of information and documents too remote to be relevant to this proceeding.

Respectfully submitted,

Erika Z. Jones VEO

Erika Z. Jones

Adrian L. Steel, Jr.

Roy T. Englert, Jr.

Kathryn A. Kusske

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

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

and

The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

February 28, 1996

CERTIFICATE OF SERVICE

I hereby certify that copies of Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to the Kansas City Southern Railway Company's Second Discovery Requests to BNSF Corporation and its Predecessors In Interest (BN/SF-36) have been served this 28th day of February, 1996, by fax and by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by hand-delivery on counsel for Kansas City Southern Railway Company.

Kelley E. O'Brien

Kelley E. O'Brien
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Suite 6500
Washington, D.C. 20006
(202) 778-0607

STB

FD

32760

2-27-96

B

61496

Item No. _____

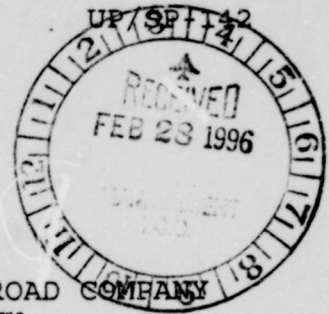
Page Count 9

F. U. I. 359

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' OBJECTIONS TO KCS' FIFTH
AND SIXTH DISCOVERY REQUESTS

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

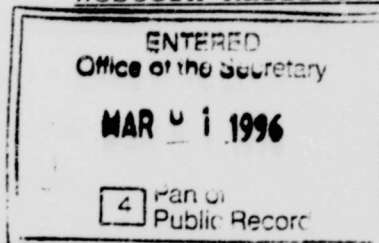
Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
The Denver and Rio Grande
Western Railroad Company

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

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

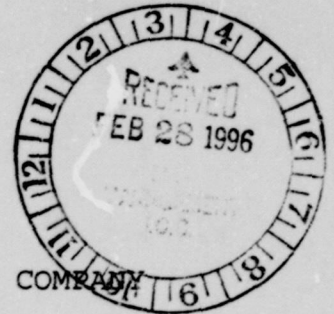
ARVID E. ROACH II
J. MICHAEL HEMMER
MICHAEL L. ROSENTHAL
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044-7566
(202) 662-5388

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



February 28, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

APPLICANTS' OBJECTIONS TO KCS' FIFTH
AND SIXTH DISCOVERY REQUESTS

0 Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and
DRGW submit the following objections to the fifth and sixth
sets of discovery requests served by KCS on February 21 and
23, 1996. These objections are made pursuant to paragraph 1
of the Discovery Guidelines applicable to this proceeding,
which provides that objections to discovery requests shall be
made "by means of a written objection containing a general
statement of the basis for the objection."

Applicants intend to file written responses to the
discovery requests. It is necessary and appropriate at this
stage, however, for Applicants to preserve their right to
assert permissible objections.

GENERAL OBJECTIONS

The following objections are made with respect to
all of the discovery requests.

1. Applicants object to production of documents or information subject to the attorney-client privilege.

2. Applicants object to production of documents or information subject to the work product doctrine.

3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Board or the Securities and Exchange Commission or clippings from newspapers or other public media.

5. Applicants object to the production of draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.

6. Applicants object to providing information or documents that are as readily obtainable by KCS from its own files.

7. Applicants object to the extent that the discovery requests seek highly confidential or sensitive commercial information (including, inter alia, contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

8. Applicants object to the discovery requests to the extent that they call for the preparation of special studies not already in existence.

9. Applicants object to the discovery requests as overbroad and unduly burdensome to the extent that they seek information or documents for periods prior to January 1, 1993.

10. Applicants incorporate by reference their prior objections to the definitions and instructions set forth in KCS' First Interrogatories.

ADDITIONAL OBJECTIONS TO SPECIFIC DISCOVERY REQUESTS

In addition to the General Objections, Applicants make the following objections to the discovery requests.

Interrogatory No. 72: "Identify and produce copies of all financial statements of Western Rail Properties, Inc., a wholly-owned carrier subsidiary of CNW (or one of its predecessor corporations, including Chicago and North Western Holdings Corp. or Chicago and North Western Transportation Company), used to increase the 'CNW(1994)' amounts found at N03-000344, et seq. and carried forward in preparation of Applicants' Appendices B through D."

Additional Objections: None.

Interrogatory No. 73: "Identify and produce copies of any Form R-1 Schedules 210, 410 and 755 which were prepared in the normal course of business by the CNW, whether or not filed with the Commission."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 4: "Produce copies of the Annual Reports Form R-1 for the UP, SP and CNW for the years 1990 through 1994."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 75: "Produce copies of the 'ICC Wage Forms A&B' for the UP, SP and CNW for the years 1990 through 1994."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 76: "Identify the relevant page numbers and produce copies of all workpapers supporting the Applicants' claimed labor savings calculations (shown at pp. C04-300379 through C04-300391 in the Applicants' workpapers), including but not limited to (a) the specific application of the number of agreement and nonagreement positions abolished, created or transferred to determine the cash labor impact, and (b) the adjustments made to exclude the effects of CNW consolidations from the labor impact claims attributed to the proposed UP/SP merger."

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Interrogatory No. 77: "Identify the relevant document page numbers and produce copies of all workpapers supporting the Applicants' claimed car miles, car hours, gross ton miles, train miles and diesel fuel consumption outputs (shown at pp. C04-300396 through C04-300404) that were used by Richard Kauders to estimate the costs of handling increased levels of traffic."

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Interrogatory No. 78: "Identify the relevant document page numbers and produce copies of all workpapers supporting the Applicants' claimed car miles, car hours, gross ton miles, train miles, and diesel fuel consumption outputs (shown at p. C04-300446) that were used by Richard Kauders to estimate the benefits of handling increased levels of traffic."

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Interrogatory No. 79: "Identify the relevant page numbers and produce copies of all workpapers supporting the Applicants' claimed savings attributable to the following items on the 'Supply Sub-Team's' 'Operating Expense Benefits - Monetary Measures' (shown at pp. C04-300048 through C04-300049):

- (a) 'Adopt Pro-Card for SP;'
- (b) 'Settegast, Tucson, El Paso, Hinkle, Colton Warehouse DE;'
- (c) 'Internal Material Transportation;'
- (d) 'Combined Vehicle Fleet;'
- (e) 'OE Budget - Savings for Sacra, Pinebluff, Houston & Gen. Off;'
- (f) 'Material Purchases Savings;'
- (g) 'Inventory Reduction - Carrying/Handling Costs;'
- (h) 'Capital Service Contracts;' and
- (i) 'Capital Purchases Material Savings.'"

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Interrogatory No. 80: "Please produce (or, if the documents are in the Applicants' depository, identify the relevant document page numbers for) the 'BN/SF and SP analysis' and workpapers referred to in document number HC32-000051 as having been used 'last May.'"

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 81: "Please produce (or, if the documents are in the Applicants' depository, identify the relevant page numbers for) all workpapers supporting the development of the trackage rights compensation schedule set forth in the Verified Statement of Mr. John H. Rebensdorf, UP/SP-22, Vol. 1, page 304, Table 1. Specifically, produce or identify workpapers supporting the development of:

- (a) the 3.0 mills per ton-mile rate for bulk traffic;
- (b) the 3.48 mills per ton-mile rate for intermodal and carload traffic on the Keddie-Stockton/Richmond segment; and
- (c) the 3.1 mills per ton-mile rate for intermodal and carload traffic on all other line segments subject to the agreement."

Additional Objections: None.

Interrogatory No. 82: "Please produce (or, if the documents are in the Applicants' depository, identify the relevant page numbers for) all workpapers supporting the development of all items appearing on lines ATSF-1 through ATSF-11, BN-1 through BN-11, UP/SP-1, and lines 7 ('Cars/Train') and 9 ('one way miles incl rights') in the service units portion of pages N04-700004 through N04-700007. Specifically, provide the following information:

- (a) the Uniform Railroad Costing System ('URCS') locations for all unit costs;
- (b) the sources for all service units;
- (c) the methodology used to develop line 2 'Gross ton mile on rights' unit cost based on line 1 'gross ton mile' unit costs (for both ATSF and BN); and

- (d) the methodology used to develop line 4 'Train mile other than crew on rights' unit cost based on Line 3 'Train mile other than crew' unit cost (for both ATSF and BN).

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Respectfully submitted,

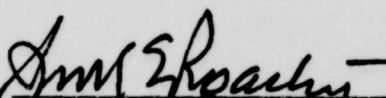
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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


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

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

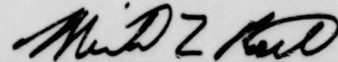
February 28, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 28th day of February, 1996, I caused a copy of the foregoing document to be served by hand on Alan E. Lubel, counsel for KCS, at Troutman Sanders, 601 Pennsylvania Avenue, N.W., Suite 640 - North Building, Washington, D.C. 20004-2609, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580



Michael L. Rosenthal

STB

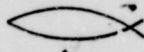
FD

32760

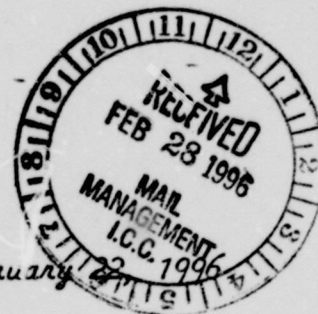
2-27-96

B

61495


Ted Addington
Box 146
Eads, Colorado 81036
(719) 438-5586

Item No. _____
Page Count 1
Feb 2 358



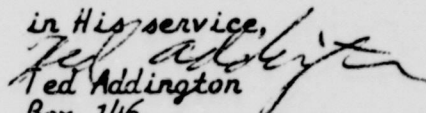
ICC Finance Docket No 32760

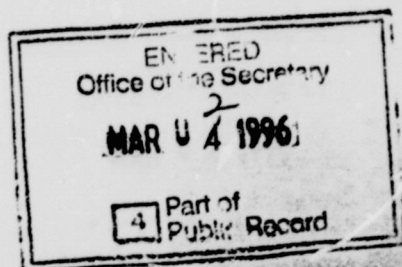
Honorable Vernon Williams
Interstate Commerce Commission
12th and Constitution aves NW
Washington, D.C. 20423

Dear Sir:

Regarding the Union Pacific Railroad/Southern Pacific Railroads request for abandonment of their line through Kiowa County, Colorado, I and many more that probably won't take the time to write, say, Let them make their business decisions, if they want to take it out, no unbearable problem.

I know they have organized a lot of write in opposition, from many that know little of what they are asked to support, like school kids. Many reasons given why it shouldn't be allowed, but the only valid one I see, is the loss of taxes paid by the railroad. Few have any hauling done, and what grain is hauled on the railroad will make little difference if abandoned. About like when the stockyards were being torn down, it made little difference. A business needs to be allowed to make business decisions, not a bunch of tax spenders.

in His service,

Ted Addington
Box 146
Eads, Co 81036



**ADVISE OF ALL
PROCEEDINGS**

STB

FD

32760

2-27-96

B

61472

Item No. _____

Page Count 7

Feb 27 335

41472

UP/SP-140

MORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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



OBJECTIONS TO INTERNATIONAL PAPER COMPANY'S
SECOND SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

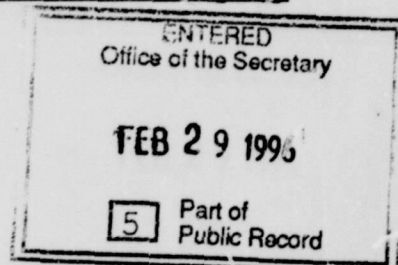
Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
The Denver and Rio Grande
Western Railroad Company

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

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

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

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



February 27, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' OBJECTIONS TO INTERNATIONAL PAPER COMPANY'S
SECOND SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and
DRGW submit the following objections to the discovery requests
served by International Paper Company on February 20, 1996.
These objections are made pursuant to paragraph 1 of the
Discovery Guidelines applicable to this proceeding, which
provides that objections to discovery requests shall be made
"by means of a written objection containing a general
statement of the basis for the objection."

Applicants intend to file written responses to the
discovery requests. It is necessary and appropriate at this
stage, however, for Applicants to preserve their right to
assert permissible objections.

GENERAL OBJECTIONS

The following objections are made with respect to
all of the interrogatories and document requests.

1. Applicants object to production of documents or information subject to the attorney-client privilege.

2. Applicants object to production of documents or information subject to the work product doctrine.

3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Board or the Securities and Exchange Commission or clippings from newspapers or other public media.

5. Applicants object to the production of draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.

6. Applicants object to providing information or documents that are as readily obtainable by International Paper from its own files.

7. Applicants object to the extent that the interrogatories and document requests seek highly confidential or sensitive commercial information (including inter alia, contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

8. Applicants object to the definition of "relating to" as unduly vague.

9. Applicants object to the definition of "Applicants" as overbroad and unduly vague.

10. Applicants object to Instructions Nos. 1, 2, 4, 5, 6, 9 and 10 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

11. Applicants object to Instructions Nos. 1, 2, 4, 5, 6, 9 and 10 as unduly burdensome.

12. Applicants object to the interrogatories and document requests to the extent that they call for the preparation of special studies not already in existence.

13. Applicants object to the interrogatories and document requests as overbroad and unduly burdensome to the extent that they seek information or documents for periods prior to January 1, 1993.

ADDITIONAL OBJECTIONS TO SPECIFIC
INTERROGATORIES AND DOCUMENT REQUESTS

In addition to the General Objections, Applicants make the following objections to the interrogatories and document requests.

Interrogatory No. 1: "Provide the date of all meetings or conversations which, at his deposition in this proceeding, Bradley King testified he had with employees or agents of the BN following the execution of the Settlement Agreement. Identify all documents relating to those meetings or conversations, including but not limited to notes generated by Mr. King or any other participant."

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Interrogatory No. 2: Identify all employees or Applicants who attended a meeting with employees or agents of the BN on or about December 20, 1995 in Omaha concerning service to IP mills in Camden and Pine Bluff, Arkansas. Identify all documents which relate to that meeting, including but not limited to any notes of those who attended, and any subsequent memoranda or correspondence discussing the meeting or an operating plan for servicing those mills."

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Document Request No. 1: "All documents identified in response to Interrogatory No. 1."

Additional Objections: See objections to Interrogatory No. 1.

Document Request No. 2: "All documents identified in response to Interrogatory No. 2."

Additional Objections: See objections to Interrogatory No. 2.

Document Request No. 3: "The map which, during his deposition on February 14, 1996, Carl Ice testified he was given by John Rebensdorf during their negotiations leading to the Settlement Agreement.

Additional Objections: None.

Respectfully submitted,

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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

Arvid E. Roach II
ARVID E. ROACH II
J. MICHAEL HEMMER
MICHAEL L. ROSENTHAL
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 1566
Washington, D.C. 20044-7566
(202) 662-5388

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

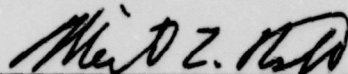
February 27, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 27th day of February, 1996, I caused a copy of the foregoing document to be served by hand on Edward D. Greenberg, counsel for International Paper Company, at Galland, Kharasch, Morse & Garfinkle, P.C., 1054 31st Street, N.W., Second Floor, Washington, D.C. 20007, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580



Michael L. Rosenthal

STB

FD

32760

2-27-96

B

61471

.

Item No. _____

Page Count 13

File # 334

BROWN & PLATT

15 PENNSYLVANIA AVENUE, N.W.

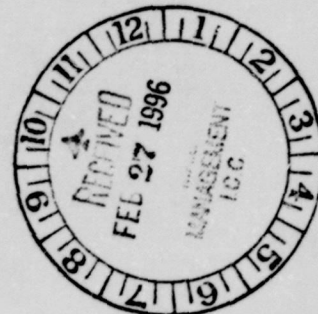
WASHINGTON, D.C. 20006-1882

CHICAGO
JERLIN
BRUSSELS
HOUSTON
LONDON
LOS ANGELES
NEW YORK
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARETTE, NADER Y ROJAS

202-463-2000
TELEX 892603
FACSIMILE
202-861-0473

KELLEY E. O'BRIEN
MEMBER OF THE VIRGINIA BAR
NOT ADMITTED IN THE
DISTRICT OF COLUMBIA
202-778-0607

February 27, 1996



VIA HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
12th Street & Constitution Ave., NW
Room 2215
Washington, DC 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty (20) copies of Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Brownsville and Rio Grande International's First Set of Interrogatories and Informal Requests For Production of Documents to the Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company ("BNSF") (BN/SF-35).

Also enclosed is 3.5-inch disk containing the text of BN/SF-35 in Wordperfect 5.1 format. I would appreciate it if you would date-stamp the enclosed extra copy and return it to the messenger for our files.

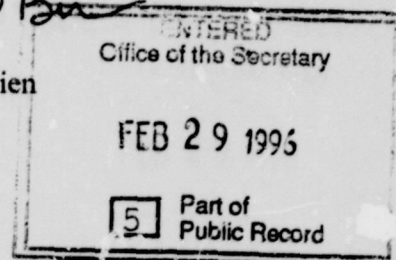
Sincerely,

Kelley E. O'Brien

Kelley E. O'Brien

Enclosures

21136632.1 022796 1241E 95210647



BEFORE THE
SURFACE TRANSPORTATION BOARD

ORIGINAL

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

- CONTROL AND MERGER -

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



OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO BROWNSVILLE
AND RIO GRANDE INTERNATIONAL'S FIRST SET OF INTERROGATORIES AND
INFORMAL REQUESTS FOR PRODUCTION OF DOCUMENTS TO THE
BURLINGTON NORTHERN RAILROAD COMPANY AND THE ATCHISON, TOPEKA
AND SANTA FE RAILWAY COMPANY ("BNSF")

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

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

Erika Z. Jones
Adrian L. Steel, Jr.
Roy T. Englert, Jr.
Kathryn A. Kusske

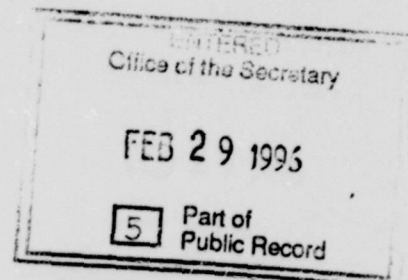
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

and

The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

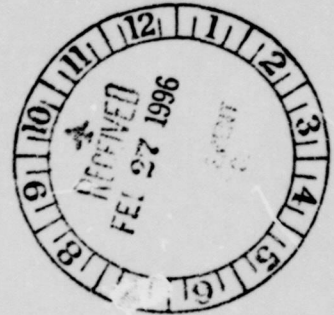
Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

February 27, 1996



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO BROWNSVILLE
AND RIO GRANDE INTERNATIONAL'S FIRST SET OF INTERROGATORIES AND
INFORMAL REQUESTS FOR PRODUCTION OF DOCUMENTS TO THE
BURLINGTON NORTHERN RAILROAD COMPANY AND THE ATCHISON, TOPEKA
AND SANTA FE RAILWAY COMPANY ("BNSF")

Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa
Fe Railway Company ("Santa Fe") (collectively "BN/Santa Fe") object as follows to
Brownsville and Rio Grande International's ("BRGI") "First Set of Interrogatories and
Informal Requests For Production of Documents." These objections are being served
pursuant to the Discovery Guidelines Order entered by the Administrative Law Judge in
this proceeding on December 5, 1995 ("Discovery Guidelines").

Subject to the objections set forth below, BN/Santa Fe will produce non-privileged documents responsive to BRGI's First Set of Interrogatories and Informal Request For Production of Documents. If necessary, BN/Santa Fe is prepared to meet with counsel for BRGI at a mutually convenient time and place to discuss informally resolving these objections.

GENERAL OBJECTIONS

BN/Santa Fe objects to BRGI's First Set of Interrogatories and Informal Request For Production of Documents on the following grounds:

1. Privilege. BN/Santa Fe objects to BRGI's First Set of Interrogatories and Informal Request For Production of Documents to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or any other legal privilege.

2. Relevance/Burden. BN/Santa Fe objects to BRGI's First Set of Interrogatories and Informal Request For Production of Documents to the extent that they seek information or documents that are not directly relevant to this proceeding and to the extent that a response would impose an unreasonable burden on BN/Santa Fe.

3. Settlement Negotiations. BN/Santa Fe objects to BRGI's First Set of Interrogatories and Informal Request For Production of Documents to the extent that they seek information or documents prepared in connection with, or related to, the negotiations leading to the Agreement entered into on September 25, 1995, by BN/Santa Fe with Union Pacific and Southern Pacific, as supplemented on November 18, 1995.

4. Scope. BN/Santa Fe objects to BRGI's First Set of Interrogatories and Informal Request For Production of Documents to the extent that they attempt to impose any obligation on BN/Santa Fe beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

5. Definitions. BN/Santa Fe makes the following objections to BRGI's definitions:

11. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including: intracompany communications; electronic mail; correspondence; telegrams; memoranda; contracts; instruments; studies; projections; forecasts; summaries, notes, or records of conversations or interviews; minutes, summaries, notes, or records of conferences or interviews; minutes, summaries, notes, or records of conferences or meetings; record or reports of negotiations; diaries; calendars; photographs; maps; tape recordings; computer tapes; computer disks; other computer storage devices; computer programs; computer printouts; models; statistical statements; graphs; charts; diagrams, plans; drawings; brochures; pamphlets; news articles; reports; advertisements; circulars; trade letters; press releases; invoices; receipts; financial statements; accounting records; and workpapers and worksheets. Further, the term "document" includes:

- (a) both basis records and summaries of such records (including computer runs);
- (b) both original versions and copies that differ in any respect from original versions, including notes; and
- (c) both documents in the possession, custody, or control of BNSF and documents in the possession, custody, or control of consultants or others who have assisted BNSF in connection with this proceeding.

BN/Santa Fe objects to the definition of "Document" as overly broad and unduly burdensome to the extent that it calls for the production of materials and documents that are as readily, or more readily, available to BRGI as to BN/Santa Fe.

18. "Relating to" a subject means making a statement about, referring to, or discussing, the subject, including, as to actions, any decisions to take, not take, defer, or defer decision on the action.

BN/Santa Fe objects to the definition of "Relating to" in that it requires subjective judgment to determine what is requested and, further, that it potentially calls for the production of documents that are not directly relevant to this proceeding. Notwithstanding this objection, BN/Santa Fe will, for the purposes of responding to BRGI's interrogatories, construe "Relating to" to mean "make reference to" or "mention".

22. "Studies, analyses, and reports" include studies, analyses, and reports in whatever form, including letters, memoranda, tabulations, and computer printouts of data selected from a database.

BN/Santa Fe objects to the definition of "Studies, analyses, and reports" in that it requires subjective judgment to determine what is requested and, further, it is overly broad and unduly burdensome. Notwithstanding this objection, BN/Santa Fe will, for the purposes of responding to BRGI's requests, construe "Studies, analyses, and reports" to mean analyses, studies or evaluations in whatever form.

OBJECTIONS TO INTERROGATORIES

1. Has BNSF committed to institute competitive rail service to and from Brownsville, TX, and the Port of Brownsville in the event that the UP/SP merger as proposed in Finance Docket 32760 is approved and consummated?

Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 1 seeks information beyond that contained in BN/Santa Fe's Comments on the Primary Application (BN/SF-1), filed December 29, 1995, and in workpapers in BN/Santa Fe's document depository, BN/Santa Fe objects to Interrogatory No. 1 to the extent that it is vague and is neither relevant nor

reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 1 to the extent that it calls for a legal conclusion.

2. If so, by what means will such service be accomplished (trackage rights/hauling rights or other arrangement)?

See Response to Interrogatory No. 1. Further, subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 2 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval.

3. Specify the terms, conditions (duration) and any territories on trackage rights, haulage rights or other arrangement pursuant to which BNSF would be available to provide competitive rail service to and from Brownsville, TX, and the Port of Brownsville in the event the UP/SP merger is approved and consummated.

Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 3 to the extent that it is vague and neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 3 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval.

4. Will BNSF have the right to interchange traffic with BRGI under trackage rights, haulage rights or other arrangement pursuant to which it would be enabled to provide competitive rail service to and from Brownsville and the Port of Brownsville in the event the UP/SP merger is approved and consummated?

Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 4 to the extent that

it is vague and neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 4 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval. BN/Santa Fe further objects to Interrogatory No. 4 to the extent that it calls for a legal conclusion.

5. Will BNSF seek to become a party to the June 1982 Agreement for Relocation of Railroad Facilities and for Related Improvements at or near Brownsville, TX, in connection with commencement of competitive rail service to and from Brownsville, TX, and the Port of Brownsville in the event the UP/SP merger is approved and consummated?

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 5 to the extent that it is vague and neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 5 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval.

6. Will BNSF establish and maintain terminal facilities at or near Brownsville, TX, upon undertaking competitive service to and from Brownsville and the Port of Brownsville in the event the UP/SP merger is approved and consummated?

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 6 to the extent that it is vague and neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 6 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed

consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval.

7. Has BNSF committed to station personnel at Brownsville to promote competitive rail service and to service customer accounts in the event competitive rail service is instituted upon approval and consummation of the UP/SP merger.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 7 seeks information beyond that contained in BN/Santa Fe's Comments on the Primary Application (BN/SF-1), dated December 29, 1995, and in workpapers in BN/Santa Fe's document depository, BN/Santa Fe objects to Interrogatory No. 7 to the extent that it is vague and is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

8. If BNSF has determined to institute competitive rail service for Brownsville and the Port of Brownsville through haulage rights arrangements with UP/SP, will BNSF undertake to ensure that such rights can be assigned to BRGI should BNSF subsequently decide not to continue haulage rights service to and from Brownsville and the Port of Brownsville?

Response: Subject to and without waiving the General Objections stated above, in particular the burden, privilege and scope objections, BN/Santa Fe objects to Interrogatory No. 8 to the extent that it is vague and neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 8 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval.

OBJECTIONS TO REQUEST FOR PRODUCTION OF DOCUMENTS

1. Identify and provide copies of any documents which constitute and/or discuss terms, duration and fee payments for trackage rights and/or haulage rights arrangements as between UP/SP and BNSF regarding institution of competitive rail service to and from Brownsville and the Port of Brownsville.

Response: Subject to and without waiving the General Objections stated above, in particular the burden, scope and settlement objections, BN/Santa Fe objects to Request No. 1 to the extent that it is vague, overly broad and unduly burdensome. BN/Santa Fe further objects to Request No. 1 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

2. Identify and provide copies of any documents which constitute and/or discuss direct access for BNSF to the Mexican border crossing at Brownsville and rights to interchange traffic with FNM at Brownsville (Matamoros, Mexico).

Response: Subject to and without waiving the General Objections stated above, in particular the scope and settlement negotiations objections, BN/Santa Fe responds as follows: Assuming that Request No. 2 seeks information beyond that contained in BN/Santa Fe's Comments on the Primary Application (BN/SF-1), filed December 29, 1995, and in workpapers in BN/Santa Fe's document depository, BN/Santa Fe objects to Request No. 15 to the extent that it is vague, overly broad and unduly burdensome.

3. Identify and provide copies of any documents that constitute or discuss BNSF commitment to provide competitive rail service to and from Brownsville and the Port of Brownsville upon approval of appropriate trackage rights agreements.

Response: Subject to and without waiving the General Objections stated above, in particular the burden, scope, privilege and settlement objections, BN/Santa Fe objects to Request No. 3 to the extent that it is overly broad and unduly burdensome and uses terms such as "appropriate trackage rights agreement" which are vague. BN/Santa Fe further

objects to Request No. 3 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

4. Identify and provide copies of any documents that discuss trackage and/or haulage rights options through which BNSF would be able to provide competitive rail service to and from Brownsville and the Port of Brownsville.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Request No. 4 to the extent that it is vague, overly broad, unduly burdensome and calls for speculation. BN/Santa Fe further objects to Request No. 4 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

5. Produce all written discovery responses provided by applicants to any person in connection with the subject proceeding (whether such responses were provided formally or informally, and whether offered in the form of a pleading, a letter or otherwise), and copies of all documents provided by Applicants to any person in connection with this proceeding. This is a continuing request and is effective throughout the pendency of this proceeding.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Request No. 5 to the extent that it requests information of Applicants, and, as such, is more appropriately directed to Applicants than to BN/Santa Fe. BN/Santa Fe further objects to Request No. 5 on the grounds that it is overly broad and unduly burdensome.

CERTIFICATE OF SERVICE

I hereby certify that copies of Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Brownsville and Rio Grande International's First Set of Interrogatories and Informal Requests For Production of Documents to the Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company (BN/SF-35) have been served this 27th day of February, 1996, by fax and by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by hand-delivery on counsel for Brownsville and Rio Grande International.

Kelley E. O'Brien

Kelley E. O'Brien

Mayer, Brown & Platt

2000 Pennsylvania Avenue, N.W.

Suite 6500

Washington, D.C. 20006

(202) 778-0607

STB FD 32750 2-27-96

B 61470

Item No. _____

Page Count 10

Feb # 333

61470

UP/SP-141

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

APPLICANTS' OBJECTIONS TO BROWNSVILLE AND RIO GRANDE'S
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

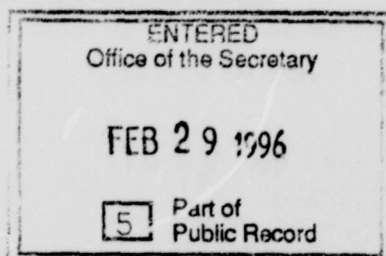
Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
The Denver and Rio Grande
Western Railroad Company

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

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

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

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



February 27, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32700

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



APPLICANTS' OBJECTIONS TO BROWNSVILLE AND RIO GRANDE'S
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW submit the following objections to the discovery requests served by Brownsville and Rio Grande International Railroad on February 20, 1996. These objections are made pursuant to paragraph 1 of the Discovery Guidelines applicable to this proceeding, which provides that objections to discovery requests shall be made "by means of a written objection containing a general statement of the basis for the objection."

Applicants intend to file written responses to the discovery requests. It is necessary and appropriate at this stage, however, for Applicants to preserve their right to assert permissible objections.

GENERAL OBJECTIONS

The following objections are made with respect to all of the interrogatories and document requests.

1. Applicants object to production of documents or information subject to the attorney-client privilege.

2. Applicants object to production of documents or information subject to the work product doctrine.

3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Board or the Securities and Exchange Commission or clippings from newspapers or other public media.

5. Applicants object to the production of draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.

6. Applicants object to providing information or documents that are as readily obtainable by Brownsville from its own files.

7. Applicants object to the extent that the interrogatories and document requests seek highly confidential or sensitive commercial information (including inter alia, contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

8. Applicants object to the definitions of "relating to" "applicants," "SP" and "UP" as unduly vague.

9. Applicants object to Instructions Nos. 1, 3, 4, 5, 6, 7, 8, 9, 13, 15 and 17 and the definition of "provide" when used with reference to documents to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

10. Applicants object to Instructions Nos. 1, 3, 4, 5, 6, 7, 8, 9, 13 and 17 and the definition of "provide" when used with reference to documents as unduly burdensome.

11. Applicants object to the interrogatories and document requests to the extent that they call for the preparation of special studies not already in existence.

12. Applicants object to the interrogatories and document requests as overbroad and unduly burdensome to the extent that they seek information or documents for periods prior to January 1, 1993.

ADDITIONAL OBJECTIONS TO SPECIFIC
INTERROGATORIES AND DOCUMENT REQUESTS

In addition to the General Objections, Applicants make the following objections to the interrogatories and document requests.

Interrogatory No. 1: "Specify any changes Applicants plan, after consummation of the merger, to the frequency and number of train operations presently conducted to and from Brownsville, TX and the Port of Brownsville."

Additional Objections: None.

Interrogatory No. 2: "Under the Settlement Agreements between Applicants and BNSF, will BNSF be accorded direct physical access to both Brownsville, TX and BRGI to institute competitive rail service in the event the merger is approved and consummated?"

Additional Objections: None.

Interrogatory No. 3: "If BNSF will not be accorded direct physical access to BRGI -- either via BNSF-exercised trackage rights or haulage rights -- as a result of the proposed merger, will Applicants impose a switching charge upon the movement of traffic to and from BRGI and BNSF? If such an additional charge will be imposed by the Applicants, how much will this charge be?"

Additional Objections: None.

Interrogatory No. 4: "If the response to interrogatory (2) above is in the affirmative, will such access be accomplished through a grant of trackage rights to BNSF?"

Additional Objections: None.

Interrogatory No. 5: "Specify the terms and conditions, including compensation and any limitations on service and access, which would be attached to a grant of trackage rights to BNSF between Houston (Algoa) and Brownsville."

Additional Objections: None.

Interrogatory No. 6: "(a) What form of access to Brownsville industries will be accorded to BNSF?"

(b) What, if any, limitations would be placed on such access to existing industries and to any new industries locating in Brownsville in the future?"

Additional Objections: None.

Interrogatory No. 7: "What terminal facilities will be available to BNSF for purposes of meeting local service requirements for traffic moving to and from BRGI and the City of Brownsville, TX?"

Additional Objections: None.

Interrogatory No. 8: "Have applicants offered to handle BNSF business to and from Brownsville and BRGI on a haulage basis as an alternative to direct access via trackage rights between Houston (Algoa) and Brownsville?"

Additional Objections: None.

Interrogatory No. 9: "Has BNSF manifested a commitment to provide competitive service to and from Brownsville and the Port of Brownsville by means of access through utilization of trackage rights?"

Additional Objections: None.

Interrogatory No. 10: "In lieu of undertaking to provide competitive service to and from Brownsville and the Port of Brownsville by means of trackage rights, has BNSF requested Applicants to facilitate provision of post-merger competitive service to and from Brownsville by handling BNSF business on a haulage basis from Houston? If so what are the terms and extent of such service including price and duration?"

Additional Objections: None.

Interrogatory No. 11: "If BNSF or UP should determine not to commence or perpetuate operations consistent with trackage or haulage rights arrangements pursuant to which Brownsville and BRGI shippers would have access to BNSF service, will Applicants commit to extend similar rights from BRGI, whereby Brownsville shippers would be assured of competitive rail service alternatives via a connection with a class I railroad other than the Applicants?"

Additional Objections: None.

Interrogatory No. 12: "(a) Have Applicants committed to accord BNSF direct access to the Mexican border crossing at Brownsville and the right to interchange traffic with the FNM at Brownsville (Matamoros, Mexico)?"

(b) Is such access contingent upon BNSF opting to accept trackage rights access to Brownsville and the Port of Brownsville?"

Additional Objections: None.

Interrogatory No. 13: "Will Applicants agree to accord BRGI direct access to the Mexican border crossing at Brownsville and the right to interchange traffic with FNM at Brownsville (Matamoros, Mexico) in order to assure Brownsville shipper and receivers traffic moving to and from Brownsville and to Port of Brownsville?"

Additional Objections: None.

Document Request No. 1: "Identify and provide copies of any traffic and/or market studies conducted to access the impact of this merger on Brownsville and the Port of Brownsville including diversion of traffic to other ports."

Additional Objections: Applicants object to this request as unduly burdensome.

Document Request No. 2: "Identify and provide copies of any documents which constitute and/or discuss terms [sic] duration and fee arrangements for trackage rights and/or haulage rights options proposed as between Applicants and BNSF regarding service to and from Brownsville and the Port of Brownsville."

Additional Objections: Applicants object to this request as unduly burdensome.

Document Request No. 3: "Identify and provide copies of any documents which constitute and/or discuss direct access for BNSF to the Mexican border crossing at Brownsville and rights to interchange traffic border crossing at Brownsville and rights to interchange traffic with the FNM at Brownsville (Matamoros, Mexico)."

Additional Objections: Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 4: "Identify and provide copies of any documents that constitute and/or discuss BNSF commitment to provide competitive rail service to and from Brownsville and the Port of Brownsville upon approval of appropriate trackage rights agreement(s), or execution of appropriate haulage rights arrangements."

Additional Objections: Applicants object to this request as unduly burdensome.

Document Request No. 5: "Identify and provide copies of any documents that discuss trackage and/or haulage rights options through which BNSF would be able to provide competitive rail service to and from Brownsville and the Port of Brownsville."

Additional Objections: Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 6: "Produce all written discovery responses provided by Applicants to any person in connection with the subject proceeding (whether such responses were provided formally or informally, and whether offered in the form of a pleading, a letter or otherwise), and copies of all documents provided by Applicants to any person in connection with this proceeding. This is a continuing request and is effective throughout the pendency of this proceeding."

Additional Objections: Applicants object to this document request as unduly burdensome.

Respectfully submitted,

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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

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

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

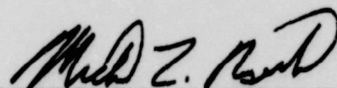
February 27, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 27th day of February, 1996, I caused a copy of the foregoing document to be served by hand on Keith G. O'Brien, counsel for the Brownsville and Rio Grande International Railroad, at Rea, Cross & Auchincloss, 1920 N Street, N.W., Suite 420, Washington, D.C. 20036, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

Premarmer Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580



Michael L. Rosenthal

STB

FD

32760

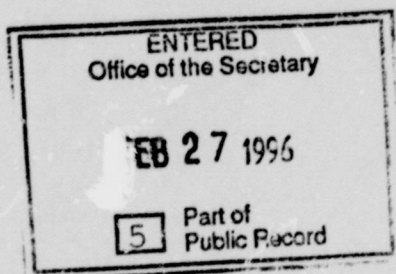
2-26-96

B

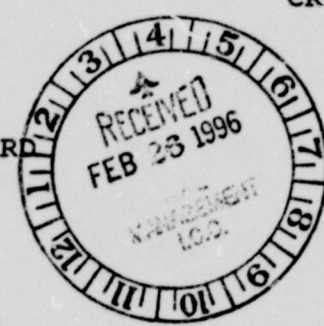
61453

61453 B

CR-14



BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

CONSOLIDATED RAIL CORPORATION'S
FIRST REQUEST TO BURLINGTON NORTHERN RAILROAD COMPANY,
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY,
AND BURLINGTON NORTHERN SANTA FE CORPORATION
FOR INSPECTION OF PROPERTY

Pursuant to 49 C.F.R. § 1114.30(a)(2) and the Discovery
Guidelines entered pursuant to order dated December 5, 1995
("Discovery Guidelines"), Consolidated Rail Corporation
("Conrail") hereby requests permission to enter the property of
Burlington Northern Railroad Company, Atchison, Topeka and Santa
Fe Railway Company, and Burlington Northern Santa Fe Corporation
set forth below for the purpose of inspecting by means of a "hi-
rail" vehicle, and measuring, surveying, photographing, testing,
or sampling the property or any designated object or operation

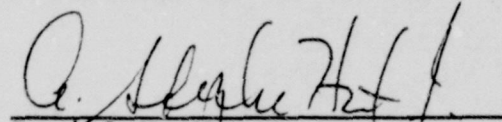
thereon, during daylight business hours at the earliest possible opportunity and, in any event, on or before March 12, 1996.

Conrail hereby incorporates by reference the Definitions and Instructions contained in its First Request for Production of Documents to BNSF Corporation (designated as document CR-5), served December 28, 1995, and its First Set of Interrogatories and Second Request for Production of Documents to BNSF Corporation (designated as document CR-7), served February 2, 1996, as if fully set forth herein.

Property Identified for Inspection

The direct BN/Santa Fe line between Memphis, Tennessee and St. Louis, Missouri.

Constance L. Abrams
Jonathan M. Broder
Anne E. Treadway
CONSOLIDATED RAIL CORPORATION
2001 Market Street
Philadelphia, PA 19101


Daniel K. Mayers
William J. Kolasky, Jr.
A. Stephen Hut, Jr.
Steven P. Finizio
Alex E. Rogers
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037

February 26, 1996

CERTIFICATE OF SERVICE

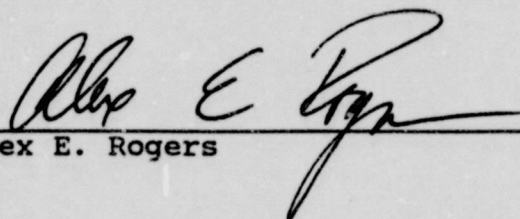
I certify that on this 26th day of February, 1996, a copy of the foregoing Consolidated Rail Corporation's Fourth Request to Applicants for Production of Documents was served by hand delivery to:

Erika Z. Jones
Mayer, Brown and Platt
2000 Pennsylvania Avenue, N.W.
Suite 6500
Washington, D.C. 20006

Arvid E. Roach II
S. William Livingston, Jr.
Michael L. Rosenthal
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044

Paul A. Cunningham
Richard B. Herzog
James M. Guinivan
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

and served by first-class mail, postage pre-paid, to all parties on the Restricted Service List.



Alex E. Rogers

STB

FD

32760

2-26-96

B

61408

Item No. _____

Page Count 5

FEB 26 1996 263

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESTATED RESPONSE TO STRICT'S
FIRST SET OF INTERROGATORIES AND DOCUMENT REQUESTS

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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

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

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

ENTERED
Office of the Secretary

FEB 29 1996

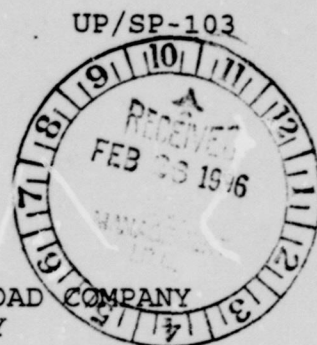
5 Part of
Public Record

February 26, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESTATED RESPONSE TO STRICT'S
FIRST SET OF INTERROGATORIES AND DOCUMENT REQUESTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby restate their response to
Strict's Interrogatory No. 6 as follows:

Interrogatory No. 6

"For each line rail line [sic] segment listed in
Attachments 13-7 and 13-8 to the Operating Plan which shows
'Adj. 1994 Base Tons' of traffic greater than zero and shows
zero 'Post Merger Tons,' and that is not the subject, in its
entirety, of a merger-related abandonment or discontinuance
of service application or petition for exemption contained in
Volume 5 of the Application, state in detail why Applicants
are not requesting abandonment or discontinuance of service
authorization for the entire line segment as part of the
merger application process."

Response

Applicants object to this interrogatory as unduly
burdensome, and in that it seeks information that is neither
relevant nor reasonably calculated to lead to the discovery of
admissible evidence. Without waiving this objection, and
subject to the General Objections stated above, Applicants
respond as follows:

The post-merger gross ton miles shown in Attachment 13-8 were derived from the output of the MultiRail model described in the Operating Plan and base-year tonnage shown on Applicants' density charts. Traffic volumes were rounded to the nearest million gross ton miles, so traffic volumes less than one-half million gross tons per mile were rounded to zero. In addition, the base-year traffic data differed marginally from the gross ton miles generated by the model, resulting in minor overstatements and understatements of post-merger tonnage. Finally, in terminal areas, such as the greater St. Louis area, reciprocal switch traffic within the terminal area, such as Conrail traffic to Lackland, was not modeled. On line segments that are not proposed for abandonment, but from which all through traffic will be rerouted, such as the Owensville-St. Louis segment, local traffic will not be affected.

Respectfully submitted,

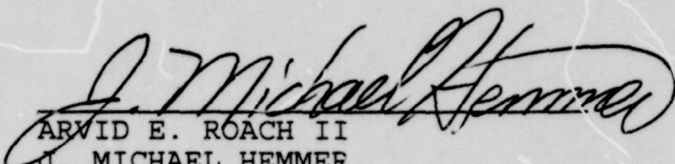
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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


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

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

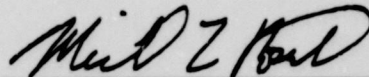
February 26, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 26th day of February, 1996, I caused a copy of the foregoing document to be served by hand on William P. Jackson, Jr., at Jackson & Jessup, 3426 North Washington Blvd., Arlington, Virginia 22210-0540, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

Premarmer Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580



Michael L. Rosenthal

STB

FD

32760

2-26-96

B

61407

Item No. _____

Page Count 15
Fee \$ 285

61407
UP/SP-108

BEFORE THE
E TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

APPLICANTS' FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO THE CHEMICAL MANUFACTURERS ASSOCIATION

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

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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

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

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

February 26, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO THE CHEMICAL MANUFACTURERS ASSOCIATION

Pursuant to 49 C.F.R. §§ 1114.26 and 1114.30, and
the Discovery Guidelines entered in this proceeding on
December 7, 1995, Applicants UPC, UPRR, MPRR, SPR, SPT, SSW,
SPCSL and DRGW direct the following interrogatories and
document requests to the Chemical Manufacturers Association
("CMA").

Responses should be served as soon as possible, and
in no event later than 15 days from the date of service
hereof. CMA is requested to contact the undersigned promptly
to discuss any objections or questions regarding these
requests with a view to resolving any disputes or issues of
interpretation informally and expeditiously.

DEFINITIONS AND INSTRUCTIONS

- I. "Applicants" means UPC, UPRR, MPRR, SPR, SPT,
SSW, SPCSL and DRGW.
- II. "Board" means the Surface Transportation Board.

III. "BN/Santa Fe" means the Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company.

IV. "The BN/Santa Fe Settlement Agreement" means the agreement between UP and SP and BN/Santa Fe dated September 25, 1994, as supplemented by the November 18, 1995 agreement between those parties.

V. "The BN/Santa Fe Settlement Agreement Lines" means the lines that BN/Santa Fe will receive trackage rights over or purchase under the BN/Santa Fe Settlement Agreement.

VI. "CMA" means the Chemical Manufacturers Association.

VII. "CNW" means Chicago and North Western Railway Company.

VIII. "DRGW" means The Denver and Rio Grande Western Railroad Company.

IX. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including but not limited to intra-company communications, correspondence, telegrams, memoranda, contracts, instruments, studies, projections, forecasts, summaries or records of conversations or interviews, minutes or records of conferences or meetings, records or reports of negotiations, diaries, calendars, photographs, maps, tape

recordings, computer tapes, computer disks, other computer storage devices, computer programs, computer printouts, models, statistical statements, graphs, charts, diagrams, plans, drawings, brochures, pamphlets, advertisements, circulars, trade letters, press releases, invoices, receipts, financial statements, accounting records, worksheets, drafts, revisions of drafts, and original or preliminary notes.

Further, the term "document" includes

- (a) both basic records and summaries of such records (including computer runs);
- (b) both original versions and copies that differ in any respect from original versions; and
- (c) both documents in the possession, custody or control of CMA and documents in the possession, custody or control of consultants or others who have assisted CMA in connection with this proceeding.

X. "The IC Settlement Agreement" means the agreement between UP and SP and Illinois Central Railroad Company dated January 30, 1996.

XI. "Identify," when used in relation to an individual, corporation, partnership or other entity, means to state the name, address and telephone number thereof.

"Identify," when used in relation to a document, means to

- (a) state the nature of the document (e.g., letter, memorandum, etc.);
- (b) state the author, each addressee, each recipient, date, number of pages, and title of the document; and
- (c) provide a brief description of the contents of the document.

XII. "MPRR" means Missouri Pacific Railroad Company.

XIII. "Produce" means to make legible, complete and exact copies of responsive documents and send them by expedited delivery to the undersigned counsel. The originals of responsive documents should be retained in the files of CMA, its counsel, or the consultants or others who have assisted CMA in connection with this proceeding and have documents in their possession, and made available if requested. Applicants will pay all reasonable costs for duplication and expedited delivery of documents to their attorneys.

XIV. "Relating to" a subject means referring to, discussing, describing, dealing with, consisting of, or constituting, in whole or in part, the subject.

XV. "SP" means SPT, SSW, SPCSL and DRGW.

XVI. "SPCSL" means SPCSL Corp.

XVII. "SPR" means Southern Pacific Rail Corporation.

XVIII. "SPT" means Southern Pacific Transportation Company.

XIX. "SSW" means St. Louis Southwestern Railway Company.

XX. "Shipper" means any user of rail services, including but not limited to a consignor, a consignee, and a receiver.

XXI. "Southern Pacific" means SPR and SP.

XXII. "This proceeding" means Finance Docket No. 32760 and all subdockets and related dockets.

XXIII. "UP" means UPRR and MPRR, including the former CNW.

XXIV. "UPC" means Union Pacific Corporation.

XXV. "UPRR" means Union Pacific Railroad Company.

XXVI. "The UP/SP merger" means the transactions proposed in this proceeding, including all related applications.

XXVII. "Union Pacific" means UP and UPC.

XXVIII. "The Utah Railway Settlement Agreement" means the agreement between UP and SP and Utah Railway Company dated January 17, 1996.

XXIX. Discovery responses should be supplemented when a supplemental response is required pursuant to 49 C.F.R. § 1114.29.

XXX. Documents need not be produced if they have been produced by Applicants in this proceeding.

XXXI. Produce a privilege log in accordance with the guidelines established at the December 20, 1995 discovery conference (Tr., pp. 313-14).

XXXII. References to railroads, shippers, consultants or companies (including CMA) include affiliates, subsidiaries, officers, directors, employees, attorneys, agents and representatives thereof.

XXXIII. All uses of the conjunctive include the disjunctive and vice versa. Words in the singular include the plural and vice versa.

XXXIV. Unless otherwise specified, these requests cover the period January 1, 1993 and thereafter.

INTERROGATORIES

1. Identify and describe in detail any agreements that CMA has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be identified. If CMA contends that any

such agreement is privileged, state the parties to, date of, and general subject of the agreement.

2. Identify all members of CMA.

DOCUMENT REQUESTS

1. Produce no later than April 1, 1996 (a) all workpapers underlying any submission that CMA makes on or about March 29, 1996 in this proceeding, and (b) all publications, written testimony and transcripts, without limitation as to date, of any witnesses presenting testimony for CMA on or about March 29, 1996 in this proceeding.

2. Produce all documents relating to benefits or efficiencies that will result from the UP/SP merger.

3. Produce all documents relating to potential traffic impacts of the UP/SP merger.

4. Produce all documents relating to competitive impacts of the UP/SP merger, including but not limited to effects on (a) market shares, (b) source or destination competition, (c) transloading options, or (d) build-in options.

5. Produce all documents relating to the BN/Santa Fe Settlement Agreement.

6. Produce all documents relating to the IC Settlement Agreement.

7. Produce all documents relating to the Utah Railway Settlement Agreement.

8. Produce all documents relating to conditions that might be imposed on approval of the UP/SP merger.

9. Produce all studies, reports or analyses relating to actual or potential competition between UP and SP.

10. Produce all studies, reports or analyses relating to competition between single-line and interline rail transportation.

11. Produce all studies, reports or analyses relating to the benefits of any prior rail merger or rail mergers generally.

12. Produce all studies, reports or analyses relating to the financial position or prospects of SP.

13. Produce all communications with other parties to this proceeding relating to the UP/SP merger or the BN/Santa Fe Settlement Agreement, and all documents relating to such communications. This request excludes documents already served on Applicants.

14. Produce all presentations, solicitation packages, form verified statements, or other materials used to seek support from shippers, public officials, railroads or others for the position of CMA or any other party in this proceeding.

15. Produce all presentations, letters, memoranda, white papers, or other documents sent or given to DOJ, DOT, any state Governor's, Attorney General's or Public Utilities

Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

16. Produce all notes of, or memoranda relating to, any meetings with DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

17. Produce all documents relating to shipper surveys or interviews concerning (a) the UP/SP merger or any possible conditions to approval of the merger, or (b) the quality of service or competitiveness of any railroad.

18. Produce all documents relating to the price to be paid for, or the value of, any UP or SP lines that might be sold as a condition to approval of, or otherwise in connection with, the UP/SP merger.

19. Produce all documents relating to trackage rights compensation for any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be

the subject of a proposed trackage rights condition in this proceeding.

20. Produce all documents relating to actual or estimated maintenance-and-operating costs, taxes and return-to-capital costs with respect to any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding.

21. Produce all documents relating to any agreement or understanding that CMA has with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Documents relating to routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be produced.

22. Produce all presentations to, and minutes of, the board of directors (or other governing body) of CMA relating to the UP/SP merger or conditions to be sought by any party in this proceeding.

23. Produce all studies, reports or analyses relating to collusion among competing railroads or the risk thereof.

24. Produce all studies, reports or analyses relating to the terms for or effectiveness of trackage rights.

25. Produce all studies, reports, analyses, or surveys or other data compilations in the possession of CMA or any of its members relating to (a) the use of water transportation by Gulf Coast chemicals producers, (b) the use of truck transportation by Gulf Coast chemicals producers, (c) source or destination competition for chemicals produced on the Gulf Coast, (d) the rates of return realized by Gulf Coast chemicals producers on their Gulf Coast chemicals business or their business generally, (e) shipment volumes (in the aggregate and by mode), by chemical and plant, from Gulf Coast chemicals plants, and (f) present production capacity and future expansion plans, by chemical and plant, of Gulf Coast chemicals plants.

26. Produce all studies, reports or analyses relating to (a) transport pricing or competition for chemicals or petrochemicals (i.e., any STCC 28 or STCC 29 commodity, or such commodities generally), (b) the handling of such commodities by railroads, (c) the handling of such commodities by other modes, (d) storage-in-transit of such commodities, or (e) source or destination competition, shifting of production or shipments among facilities, modal alternatives or shipper leverage as constraints on rail rates or service for such commodities.

27. Produce all documents relating to (a) the extent to which any particular 7-digit STCC Code within the

STCC 28 or STCC 29 range includes different commodities that are not substitutable in use, and (b) the extent to which manufacturers can shift existing production capacity between, or use the same facilities to produce, such commodities (e.g., high-density and linear low-density polyethylene).

28. Produce all studies, reports, analyses, compilations, calculations or evaluations of market or competitive impacts of the UP/SP merger or the BN/Santa Fe Settlement, or of trackage rights compensation under the BN/Santa Fe Settlement, prepared by L.E. Peabody & Associates, and all workpapers or other documents relating thereto.

Respectfully submitted,

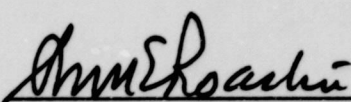
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

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

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


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

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

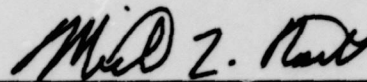
February 26, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 26th day of February, 1996, I caused a copy of the foregoing document to be served by hand on Scott N. Stone, counsel for the Chemical Manufacturers Association, at Patton Boggs, L.L.P., 2550 M Street, N.W., Washington, D.C. 20037-1350, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

Premarmer Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580



Michael L. Rosenthal

STB FD

32760

2-26-96

B

61406

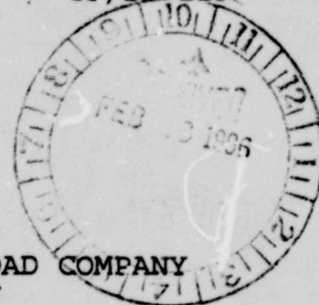
Item No. _____

Page Count 12

Feb 22 225

BEFORE THE
TRANSPORTATION BOARD

61486
UP/SP-113



Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

Docket No. AB-3 (Sub-No. 130)

MISSOURI PACIFIC RAILROAD COMPANY

-- ABANDONMENT --

TOWNER-NA JUNCTION LINE
IN KIOWA, CROWLEY AND PUEBLO COUNTIES, COLORADO

Docket No. AB-8 (Sub-No. 38)

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

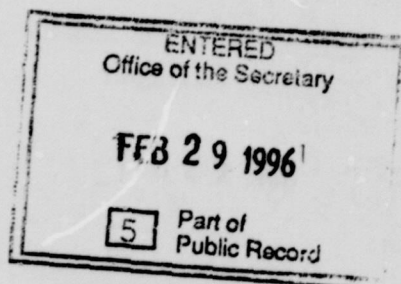
-- DISCONTINUANCE OF TRACKAGE RIGHTS --

TOWNER-NA JUNCTION LINE
IN KIOWA, CROWLEY AND PUEBLO COUNTIES, COLORADO

APPLICANTS' FIRST SET OF INTERROGATORIES AND
DOCUMENT REQUESTS TO EADS CONSUMERS SUPPLY CO.

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

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



PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

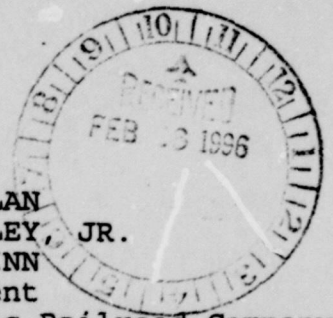
Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
The Denver and Rio Grande
Western Railroad Company

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

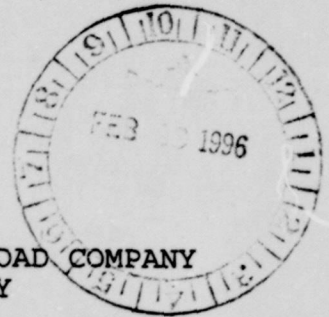
ARVID E. ROACH II
J. MICHAEL HEMMER
MICHAEL L. ROSENTHAL
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044-7566
(202) 662-5388

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

February 26, 1996



BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

Docket No. AB-3 (Sub-No. 130)

MISSOURI PACIFIC RAILROAD COMPANY

-- ABANDONMENT --

TOWNER-NA JUNCTION LINE
IN KIOWA, CROWLEY AND PUEBLO COUNTIES, COLORADO

Docket No. AB-8 (Sub-No. 38)

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

-- DISCONTINUANCE OF TRACKAGE RIGHTS --

TOWNER-NA JUNCTION LINE
IN KIOWA, CROWLEY AND PUEBLO COUNTIES, COLORADO

APPLICANTS' FIRST SET OF INTERROGATORIES AND
DOCUMENT REQUESTS TO EADS CONSUMERS SUPPLY CO.

Pursuant to 49 C.F.R. §§ 1114.26 and 1114.30, and
the Discovery Guidelines entered in this proceeding on
December 7, 1995, Applicants UPC, UPRR, MPRR, SPR, SPT, SSW,
SPCSL and DRGW direct the following interrogatories and
document requests to Eads Consumers Supply Co. ("Eads").

Responses should be served as soon as possible, and
in no event later than 15 days from the date of service
hereof. Eads is requested to contact the undersigned promptly
to discuss any objections or questions regarding these

requests with a view to resolving any disputes or issues of interpretation informally and expeditiously.

DEFINITIONS AND INSTRUCTIONS

I. "Applicants" means UFC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW.

II. "Board" means the Surface Transportation Board.

III. "BN/Santa Fe" means the Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company.

IV. "The BN/Santa Fe Settlement Agreement" means the agreement between UP and SP and BN/Santa Fe dated September 25, 1994, as supplemented by the November 18, 1995 agreement between those parties.

V. "The BN/Santa Fe Settlement Agreement Lines" means the lines that BN/Santa Fe will receive trackage rights over or purchase under the BN/Santa Fe Settlement Agreement.

VI. "CNW" means Chicago and North Western Railway Company.

VII. "DRGW" means The Denver and Rio Grande Western Railroad Company.

VIII. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including but not limited to intra-company communications, correspondence, telegrams, memoranda,

contracts, instruments, studies, projections, forecasts, summaries or records of conversations or interviews, minutes or records of conferences or meetings, records or reports of negotiations, diaries, calendars, photographs, maps, tape recordings, computer tapes, computer disks, other computer storage devices, computer programs, computer printouts, models, statistical statements, graphs, charts, diagrams, plans, drawings, brochures, pamphlets, advertisements, circulars, trade letters, press releases, invoices, receipts, financial statements, accounting records, worksheets, drafts, revisions of drafts, and original or preliminary notes.

Further, the term "document" includes

- (a) both basic records and summaries of such records (including computer runs);
- (b) both original versions and copies that differ in any respect from original versions; and
- (c) both documents in the possession, custody or control of Eads and documents in the possession, custody or control of consultants or others who have assisted Eads in connection with this proceeding.

IX. "Eads" means Eads Consumers Supply Co.

X. "The IC Settlement Agreement" means the agreement between UP and SP and Illinois Central Railroad Company dated January 30, 1996.

XI. "Identify," when used in relation to an individual, corporation, partnership or other entity, means to state the name, address and telephone number thereof.

"Identify," when used in relation to a document, means to

- (a) state the nature of the document (e.g., letter, memorandum, etc.);
- (b) state the author, each addressee, each recipient, date, number of pages, and title of the document; and
- (c) provide a brief description of the contents of the document.

XII. "MPRR" means Missouri Pacific Railroad Company.

XIII. "Produce" means to make legible, complete and exact copies of responsive documents and send them by expedited delivery to the undersigned counsel. The originals of responsive documents should be retained in the files of Eads, its counsel, or the consultants or others who have assisted Eads in connection with this proceeding and have documents in their possession, and made available if requested. Applicants will pay all reasonable costs for duplication and expedited delivery of documents to their attorneys.

XIV. "Relating to" a subject means referring to, discussing, describing, dealing with, consisting of, or constituting, in whole or in part, the subject.

XV. "SP" means SPT, SSW, SPCSL and DRGW.

XVI. "SPCSL" means SPCSL Corp.

XVII. "SPR" means Southern Pacific Rail Corporation.

XVIII. "SPT" means Southern Pacific Transportation Company.

XIX. "SSW" means St. Louis Southwestern Railway Company.

XX. "Shipper" means any user of rail services, including but not limited to a consignor, a consignee, and a receiver.

XXI. "Southern Pacific" means SPR and SP.

XXII. "This proceeding" means Finance Docket No. 32760 and all subdockets and related dockets.

XXIII. "UP" means UPRR and MPRR, including the former CNW.

XXIV. "UPC" means Union Pacific Corporation.

XXV. "UPRR" means Union Pacific Railroad Company.

XXVI. "The UP/SP merger" means the transactions proposed in this proceeding, including all related applications.

XXVII. "Union Pacific" means UP and UPC.

XXVIII. "The Utah Railway Settlement Agreement" means the agreement between UP and SP and Utah Railway Company dated January 17, 1996.

XXIX. Discovery responses should be supplemented when a supplemental response is required pursuant to 49 C.F.R. § 1114.29.

XXX. Documents need not be produced if they have been produced by Applicants in this proceeding.

XXXI. Produce a privilege log in accordance with the guidelines established at the December 20, 1995 discovery conference (Tr., pp. 313-14).

XXXII. References to railroads, shippers, consultants or companies (including Eads) include affiliates, subsidiaries, officers, directors, employees, attorneys, agents and representatives thereof.

XXXIII. All uses of the conjunctive include the disjunctive and vice versa. Words in the singular include the plural and vice versa.

XXXIV. Unless otherwise specified, these requests cover the period January 1, 1993 and thereafter.

INTERROGATORIES

1. Identify the business facilities that are owned or operated by Eads, or affiliated with Eads, and describe the type of business they conduct. Your answer should cover all such facilities (including facilities which are not located on

the Towner-NA Junction rail line), provide the business name and address of each one, and provide a short description of the business conducted there (for example "grain elevator," "fertilizer distributor").

2. State, by year and type of grain (wheat, corn, etc.), the number of bushels of grain moved out of each of the grain elevators listed in your response to Interrogatory No. 1 during 1994 and 1995.

3. State, by year and type of grain (wheat, corn, etc.), the number of bushels of grain bought or sold by Eads during 1994 and 1995 which was not moved through one of the elevators listed in the answer to Interrogatory No. 1.

4. List the specific locations and types of facilities to which Eads shipped the grain identified in response to Interrogatories Nos. 2 and 3.

5. If any of the grain identified in response to Interrogatories Nos. 2 and 3 was not shipped over the Towner-NA Junction rail line, how was it shipped (for example, owned or leased truck, commercial motor carrier, etc.)?

6. List the names and addresses of the motor carriers or truck operators that trucked grain from any of the elevators listed in your response to Interrogatory No. 1 during 1994 and 1995. If there are too many to list separately, you may answer "numerous."

7. State, by year and type of fertilizer (dry, liquid, anhydrous ammonia, etc.), the tons of fertilizer Eads purchased in 1994 and 1995.

8. List the names and addresses of the motor carriers or truck operators that moved fertilizers for Eads during 1994 and 1995. If there are too many to list separately, you may answer "numerous."

9. State, by year and type of fertilizer (dry, liquid, anhydrous ammonia, etc.), the tons of fertilizer purchased by Eads in 1994 and 1995 that were (a) shipped to Eads' facility by truck and (b) shipped by rail over the Towner-NA Junction rail line.

10. If Eads presently owns or leases any trucks (including truck tractors or trailers), list the type and what you normally use each truck for. You may exclude small vehicles such as pickup trucks and vans from your answer.

11. State the names and business addresses of the facilities which you believe to be your competitors for your facilities on the Towner-NA Junction rail line. If the number of competitors is greater than five, so indicate and state the names and addresses of the firms you believe to be your five principal competitors.

DOCUMENT REQUESTS

1. Produce copies of your annual report for the most recent two years available. If you do not produce annual

reports, you may produce any existing financial reports or statements that show the financial results of your operations for these years. This document production request covers only financial reports or statements that already exist, and does not require you to create any such reports or statements.

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

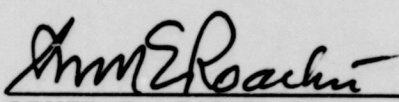
PAUL A. CUNNINGHAM
RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
(202) 973-7601

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

Respectfully submitted,

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

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


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

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

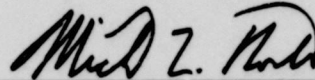
February 26, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 26th day of February, 1996, I caused a copy of the foregoing document to be served by overnight delivery on Mike Weirich, President, Eads Consumers Supply Co., P.O. Box 98, Eads, CO 81036, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580



Michael L. Rosenthal

STB

FD

32760

2-26-96

B

61405

.

61405

BN/SF-29

BEFORE THE
TRANSPORTATION BOARD

Page Count 7

Feb # 268

Docket No. 32760



UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO
CONSOLIDATED RAIL CORPORATION'S FOURTH REQUEST TO BURLINGTON
NORTHERN RAILROAD COMPANY, ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY, AND BURLINGTON NORTHERN SANTA FE
CORPORATION FOR THE PRODUCTION OF DOCUMENTS

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

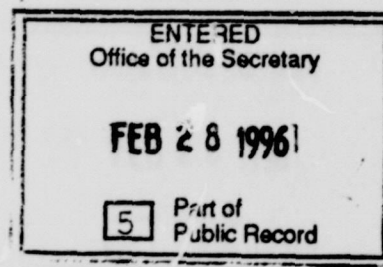
Erika Z. Jones
Adrian L. Steel, Jr.
Roy T. Englert, Jr.
Kathryn A. Kusske

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

and

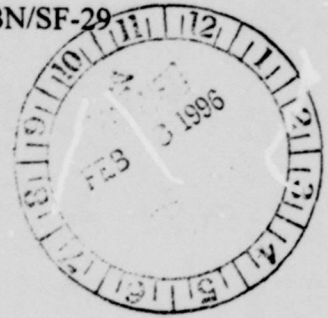
The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887



Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

February 26, 1996

BN/SF-29



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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

OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO
CONSOLIDATED RAIL CORPORATION'S FOURTH REQUEST TO BURLINGTON
NORTHERN RAILROAD COMPANY, ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY, AND BURLINGTON NORTHERN SANTA FE
CORPORATION FOR THE PRODUCTION OF DOCUMENTS

Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively "BN/Santa Fe") object as follows to Consolidated Rail Corporation's ("Conrail") "Fourth Request For the Production of Documents." These objections are being served pursuant to the Discovery Guidelines Order entered by the Administrative Law Judge in this proceeding on December 5, 1995 ("Discovery Guidelines").

Subject to the objections set forth below, BN/Santa Fe will produce non-privileged documents responsive to Conrail's Fourth Request For the Production of Documents. If

necessary, BN/Santa Fe is prepared to meet with counsel for Conrail at a mutually convenient time and place to discuss informally resolving these objections.

GENERAL OBJECTIONS

BN/Santa Fe objects to Conrail's Fourth Request For the Production of Documents on the following grounds:

1. Parties. BN/Santa Fe objects to Conrail's Fourth Request For Production of Documents to the extent that it is directed to Burlington Northern Santa Fe Corporation, rather than BN and Santa Fe. Burlington Northern Santa Fe Corporation is not a party to and has not appeared or intervened in this proceeding. Notwithstanding this objection, BN/Santa Fe will include as a part of its responses to Conrail's Fourth Request For Production of Documents documents in the possession of Burlington Northern Santa Fe Corporation.

2. Privilege. BN/Santa Fe objects to Conrail's Fourth Request For the Production of Documents to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or any other legal privilege.

3. Relevance/Burden. BN/Santa Fe objects to Conrail's Fourth Request For the Production of Documents to the extent that they seek information or documents that are not directly relevant to this proceeding and to the extent that a response would impose an unreasonable burden on BN/Santa Fe.

4. Settlement Negotiations. BN/Santa Fe objects to Conrail's Fourth Request For the Production of Documents to the extent that they seek information or documents

prepared in connection with, or related to, the negotiations leading to the Agreement entered into on September 25, 1995, by BN/Santa Fe with Union Pacific and Southern Pacific, as supplemented on November 18, 1995.

5. Scope. BN/Santa Fe objects to Conrail's Fourth Request For the Production of Documents to the extent that they attempt to impose any obligation on BN/Santa Fe beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

6. Definitions. BN/Santa Fe incorporates all the objections to definitions set forth in BN/Santa Fe's Objections to Consolidated Rail Corporation's First Set of Interrogatories and Second Set of Requests for the Production of Documents (BN/SF-12).

7. Instructions. BN/Santa Fe incorporates all the objections to instructions set forth in BN/Santa Fe's Objections to Consolidated Rail Corporation's First Set of Interrogatories and Second Set of Requests for the Production of Documents (BN/SF-12).

OBJECTIONS TO REQUEST FOR PRODUCTION OF DOCUMENTS

1. Provide (in document form or by computer disk), or make available for review, all DigiCon train sheet records for all trains from New South Yard to Dobbin, TX, for the 60 days preceding February 15, 1996 (or any other representative consecutive 60 day period identified by agreement of counsel).

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 1 to the extent that it is vague, overly broad and unduly burdensome. BN/Santa Fe further objects to Document Request No. 1 on the

grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

2. Provide (in document form or by computer disk), or make available for review, all of the Houston Belt Terminal Railway's Centralized Traffic Control ("CTC") logs for the route from New South Yard via Tower 26 to Belt Junction for the 60 days preceding February 15, 1996 (or any other representative consecutive 60 day period identified by agreement of counsel).

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 2 to the extent that it is vague, overly broad, unduly burdensome and calls for the production of documents not in BN/Santa Fe's possession, custody or control. BN/Santa Fe further objects to Document Request No. 2 on the grounds that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Respectfully submitted,

Erika Z. Jones KEO

Erika Z. Jones

Adrian L. Steel, Jr.

Roy T. Englert, Jr.

Kathryn A. Kusske

Mayer, Brown & Platt

2000 Pennsylvania Avenue, N.W.

Washington, D.C. 20006

(202) 463-2000

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

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

and

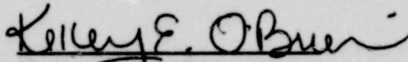
The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

February 26, 1996

CERTIFICATE OF SERVICE

I hereby certify that copies of Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Consolidated Rail Corporation's Fourth Request to Burlington Northern Railroad Company, Atchison, Topeka and Santa Fe Railway Company, and Burlington Northern Santa Fe Corporation for The Production of Documents (BN/SF-29) have been served this 26th day of February, 1996, by fax and by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by hand-delivery on counsel for Consolidated Rail Corporation.


Kelley E. O'Brien
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Suite 6500
Washington, D.C. 20006
(202) 778-0607