

CHICAGO BERLIN BRUSSELS HOUSTON LONDON LOS ANGELES NEW YORK MEXICO CITY CORRESPONDENT JAUREGUI, NAVAPITTE, NADER Y ROJAS

Page Count 15

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Item No.

KELLEY E. O'BRIEN MEMBER OF THE VIRGINIA BAR NOT ADMITTED IN THE DISTRICT OF COLUMBIA 202-778-06:07

February 29, 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 (i) the original and twenty (20) copies of Responses and 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-45).

Also enclosed is 3.5-inch disk containing the text of BN/SF-45 in Wordperfect 5.1 format. I would appreciate it if you would date-stamp the enclosed extra copy of the pleading and return them to the messenger for our files.

Sincerely,

Kelley E. O'Brien

Enclosures

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WAS ... GTON, D.C. 20006-186?



RESPONSES AND 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

and

The Atchison, Topeka and Santa Fe Railway Company 1700 East Golf Road Schaumburg, Illinois 60173 (708) 995-6887 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 6, 1996

BN/SF-45

## 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. LCUIS 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 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") answer and object as follows to Brownsville and Rio Grande International's ("BRGI") "First Set of Interrogatories and Informal Requests For Production of Documents." 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 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.

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

### **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. <u>Privilege</u>. 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. <u>Relevance/Burden</u>. 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. <u>Settlement Negotiations</u>. 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

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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. <u>Scope</u>. 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 ot` 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. <u>Definitions</u>. 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; fore sts; 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.

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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 burdensom. 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.

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### RESPONSES AND 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?

Response: 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.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that, as reflected in BN/SF-1, it intends to provide competitive rail service to points and locations as set forth in the Settlement Agreement, including Brownsville, TX and the Port of Brownsville, TX.

2. If so, by what means will such service be accomplished (trackage rights/hauling rights or other arrangement)?

<u>Response</u>: 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.

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Subject to and without waiving the foregoing objections, BN/Santa Fe states that, as set forth in the Verified Statement of Neal D. Owen (page 23), BN/Santa Fe traffic between Houston and Brownsville would initially move via haulage in UP/SP trains.

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.

<u>Response</u>: 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.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that the Settlement Agreement describes all such described terms, conditions and territories.

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?

<u>Response</u>: 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

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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.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that it will have the right to interchange traffic with BRGI under the Settlement Agreement.

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?

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, B.J/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 impose<sup>4</sup> as a condition to such approval.

Subject to and without waiving the foregoing objections, BN/Santa Fe has not determined if it will seek to become a party to the described June 1982 Agreement.

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?

<u>Response</u>: 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

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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.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that, since it will initially serve Brownsville and the Port of Brownsville via haulage, it does not intend initially to establish or maintain any terminal facilities at or near Brownsville.

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.

<u>Response</u>: 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), filed December 29, 1995, and in workpapers in BN/Santa Fe's document depository, BN/Santa Fe objects to Interrogatory No. ? to the extent that it is vague and is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

6.3

Subject to and without waiving the foregoing objections, BN/Santa Fe states that, since it will initially serve Brownsville and the Port of Brownsville via haulage, it does not intend initially to station personnel at or near Brownsville.

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?

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden, privilege and scope objections, BN/Santa Fe objects to Interrogatory

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2. Identify and provide copies of any documents which constitute and/or discuss direct access for BNSF to the Mexican borde, 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. 2 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, other than the Settlement Agreement, no responsive documents have been identified.

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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.

<u>Response</u>: 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.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that, other than BN/SF-1 and the Sectement Agreement, no responsive documents have been identified.

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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.

<u>Response</u>: 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.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that responsive, non-privileged documents, if any, will be produced in accordance with the Discovery Guidelines.

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.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that the written discovery responses it has provided in connection with this proceeding have been served upon counsel identified on the Restricted Service List, including counsel for BRGI, and have been placed in BN/Santa Fe's document depository.

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Respectfully submitted,

. Jours too ruha

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. 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

March 6, 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 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-45) have been served th's 6th day of March, 1996, by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by fax and hand-delivery on counsel for Brownsville and Rio Grands International.

Kellerte O'Burg

Kelleý E. O'Brien Mayer, Brown & Platt 2000 Pennsylvania, Avenue, N.W. Washington, D.C. 20006 (202) 778-0607



61647 74.96 Item No. Page Count March #119 DEAR SHAF .: TRANSPORTATION 3 FD 32760 I AM PROTESTING THE PERCE BETWEEN THE UNION PACIFIC AND SouthERN PACIFIC RAIL ROADS! IF This MEGA MERGER 9085 THRU A MONO poly will Take PLACE AND THOUSANDS OF ON SUMERS AND SHIPPERS WILL BE ONCE AGAIN, AS HISTORY DELLS US, AT THE MORCH OF THE RAIL ROADS, NOT TO MENTION MY JOB AND PESSIBLY TAOUS ANDS of others PLEASE SEE OUR-SIDE Office of the Secretary TAMES JULIE TAMES J. LWIEI 2228 ELSINORE ST 1:AR 0 8 1996 KOS ANGELES CA. 5 Part of Public Record 90026 .3016 THANK YOU



61437 Mary. # 105 **FINANCELINGS** Office of the Secretary Surface Transportation St 12th St. and Constitution & Office of the Secretary Washington, D.C. 20423 F032760 林子 0 0 1995 Dear Sir. 5 Part of Public Record Hashington must put the brakes " the Union Pacific and Southern Jucific railroad merger or the whole western half of the U.S. will be held captive to railroad monopolies. Unless you step in and take a Stand, Jobs and hard-won pay and benefit: could be wiped out. and the future of thousands of communities and reasonable prices for consumers and shippers are at stake. at the very least, you must call on the President and Congress to give it a four hearing

He deserve to be lead This hours is bad for america It should Please send a heply regarding actions in this matter. Raymond R. Gronin CAL + 0 (2) 5707 Marine Road Alhamber, Il 2200, Retire 



41434 lage of Burnham Item No. 14450 Manistee Page Count # 106 Jurnham . Filinois 606.39 Donald J. (Red Danewicz Phone Clice 862.3521 President ADVISE OF AL ENTERED PROCEEDINGS March 1 1994 Office of the Secretary 11A7 0 0 190; The Honorable Vernon A. Williams Secretary Part of Surface Transportation Board 5 Public Record 12th Street and Constitution Aven Washington, D.C. 20423 F033760 Dear Secretary Williams:

I recently learned of the proposed merger between the Union Pacific and Southern Pacific Railroads. This merger raises some competitive concerns here in Illinois. I am writing to encourage you to consider a proposal that I think addresses these concerns: Conrail's proposal to purchase the eastern portion of the Southern Pacific Railroad (SP-East).

Many businesses and industries in our region ship their products to market via rail. In most cases, these businesses must use more than one railroad to move their goods over long distances. Usually, that involves relying on a network of trackage rights and haulage agreements.

If Conrail acquired the SP-East, the expanded system would offer many Illinois businesses efficient, single-line freight service to the southern United States. Because Conrail's proposal would reduce the number of car changes required to ship goods to the South, Illinois businesses would save on transportation costs and could become more competitive in new markets.

In addition to providing new business opportunities, Conrail's proposal to buy the SP-East would preserve competitive pricing along the two main freight lines between Chicago and St. Louis. Union Pacific's proposal, on the other hand, would erode competition by giving Union Pacific control of both of these freight lines. This could destroy competitive pricing and ultimately affect the transportation of goods between Chicago and St. Louis and on to the South.

I am also worried about the Union Pacific's long-term plans if it acquires the SP-East. What incentive would it have to keep both lines running between Chicago and St. Louis? I fear that Union Pacific eventually would close one of these crucial routes. That would mean a loss of jobs in many communities and higher transportation costs for local businesses.

Conrail's proposal offers a sensible solution to the problem - one that would maintain competitive rail transport prices for Illinois businesses. And Conrail's acquisition of the SP-East would provide more than just convenience and savings for industries. The resulting business development and investment could bring additional jobs to Illinois communities. I urge you to seriously consider the ramifications of the Union Pacific-Southern Pacific merger, particularly in terms of preserving competition along the SP-East lines. Your decision will affect many lives here in Illinois. Thanks for your consideration.

Sincerely,

DONALD .7 .

Village President

cc: David M LeVan President and Chief Executive Officer Conrail 2001 Market Street, 17N Philadelphia, PA 19101-1417



Item No.\_ 61635 108 Page Count Man:# ADVISE OF ALL Page Count\_ 100101 MAR 75. 29-94 ENTERED Office of the Secretary DEAR MR. SECRETARY MATO U 1395 F032760 I'UL SEAN WORKING Spyblic Record HHE LM. on PARitic For OUEOR Twenty years. This Mangan britugen the incore prestre and Southern PALIFIC RAILROAds Will clastroy the competition. And will thereaten thousands or hand working mil TAX paying gobs. This MERGER is cuty mother monopolie at corporate gimts. THE hord wonthing Blue COLLER WORKERS ARE BACK bone or this country. I rearly hepe you Reput this menger. DARRELL L BROTHERSON 3431 SU. 7895 WEST. magner. UTALL 84044 Darrul + Brothnam



OF ALL LILBY Item No. Page Count \_\_\_\_\_ # 108 DINGS February 28, 1996. Varryl R. Messamore MANAGENEN 6406 Deerfield court Waterloo, Illensis 62298 Office of The Secretary Surface Transportation Board 12th Street and Constitution acconce NW Washington, DC 20423 FD 32760 To whom It May Concern, Monopoly merger. This merger is far more anti-competitue than the Santa - Fe Southern Pacific merger rejected in 1988. I uge you to stop the decimation of our jobs so greedy owners can get richer. This mergen is bad for our country. There will be many jobs last. The merger should he rejected

- 2-Darryl R. Messamile 6406 Deerfield Court Tebterloo, Illinois 62298 Union Pacific Railroad



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Illinois M	edical District Pag	Man # 129	· · · · · ·
Medical Distric	t Commission, 600 S. F nology Park, 2201 W. Jamp	<u>41000.77 101</u>	I, fax: 312.633.3438, TDD 312.633.3440
Governor Jim Edgar Commissioners Kenneth D. Schmidt, M President Robert S. Fiascone Vice President Dorval R. Carter, MD Secretary Dr. Leon Dingle, Jr. Treasurer Park Livingston Deiliah Brummet Flaur	Mr. Vernon A. Williams Secretary Interstate Commerce Con 1201 Constitution Avenue Washington, D.C. 20423		MAR 5 1996

Re: Finance Docket No. 32760 Union Pacific Corporation Control and Merger-Union Pacific Corporation

Dear Mr. Secretary:

**Executive Director** 

David O. Livingston

I am the Executive Director of the Illinois Medical District Commission. The Commission was established by the General Assembly of the State of Illinois to serve the medical clinical and research needs for persons living in Chicago, Cook County and Northern Illinois.

This letter is written in support of the efforts of the Consolidated Rail Corporation (Conrail) to acquire certain rail routes to the Gulf Coast now owned by the Southern Pacific Railroad and sought to be acquired by the Union Pacific Corporation. I believe that economic competition would be encouraged by Conrail's acquiring such routes. Cheaper, more customer-oriented and more efficient rail service would result from the competition provided by Conrail's acquisition of these routes. Single railroad access to the gulf coast through Chicago and Northwestern Indiana, with through connections to the East coast, would substantially benefit this area.

I hope that the Interstate Commerce Commission will not approve the Union Pacific application unless it provides for Conrail's acquisition of the routes to the Gulf Coast.

VA	ADVI	SE OF	ALL	
Very truly yours,	PROCEEDINGS			
David O. Livingston Executive Director		Item No		_
Executive Director		Page Count	1	- * - * - * -
		MAR	100	

### DOL/sjv

The Illinois Medical District was created by an act of the Illinois State Legislature to foster development of the district bounded by Ashland Boulevard, Congress Street, Oakley Boulevard, and 14th and 15th: Streets at the Chicago Northwestern Transportation Company Railroad Tracks



61632

920 15TH STREET

HUNTSVILLE, TEXAS 77340

(409) 291-8441

COMMITTEES CHAIRMAN CORRECTIONS STATE RECREATIONAL RESOURCES

P O. BOX 2910 AUSTIN, TEXAS 78768-2910 (512) 463-0570

Item No.

age Count

The State of Texas House of Representatives Austin, Texas

February 28, 1996



The Honorable Vernon A. Williams, Secretary Surface Transportation Board 12th Street and Constitution Avenue Washington, DC 20423

Dear Secretary Williams: FD 32760

I am writing in regard to an application pending before you that seeks approval of a merger between the Union Pacific Railroad Company (UP) and Southern Pacific Lines (SP). I am very concerned that the merger of these two railroads will significantly reduce rail competition in Texas, seriously impacting Texas businesses and our State's economy.

As proposed, the merger would grant UP control over a reported 90% of rail traffic into and out of Mexico, 70% of the petrochemical shipments from the Texas Gulf Coast, and 86% of the plastics storage capacity in the Texas/Louisiana Gulf Region. UP acknowledges that the merger would greatly reduce rail competition and has proposed a trackage rights agreement with Burlington Northern-Santa Fe (BNSF) as the solution.

A trackage rights agreement, however, simply does not solve the problem. Owners of rail lines have incentives to invest in the track and to work with local communities to attract economic development. Owners have control over the service they provide--its frequency, its reliability, its timeliness. None of these things can be said about railroads that operate on someone else's tracks, subject to someone else's tracks, subject to someone else's control.



Williams, Page 2

Texas needs another owning railroad, not another merger, to ensure effective rail competition. An owning railroad willing to provide quality service and investment is the best solution for shippers, communities and economic development officials. An owning railroad also offers the best opportunity to retain employment for railroad workers who would otherwise be displaced by the proposed merger.

For all of these reasons I urge the Board to carefully review the proposed UP/SP merger and to recommend an owning railroad as the only means to ensure adequate rail competition in Texas.

Sincerely, Allen Hightower

State Representative District 18

ARH/srb



Item No.

(501)

Page Count 3

61431

FAX (501) 239-6350

JAEENE COUNTY 320 WEST COURT STREET . P.O. Box 364 PARAGE ...... ARKANSAS 72451

of the County Judge

DAVID LAN JE, COUNTY JUDGE



February 28, 1996

The Honorable Vernon A. Williams Secretary Interstate Commerce Commission 12th St. & Constitution Ave. Washington, DC 20423

Dear Secretary Williams: FD 32760

#11

As Chief Executive Officer of Greene County, I am opposed to the merger of Southern Facific and Union Pacific Railroad.

Another objection I have to this merger, is that one railroad will serve most of Arkansas, therefore, eliminating competition.

Enclosed you will find a copy of a resolution passed on February 26, 1996 by the Greene County Quorum Court. In the resolution they also are concerned about the proposed merger.

I would appreciate being added to your list of those who should be informed as to the official application and any proceedings in which you may require.

PROCEEDINGS

Sincerely,

David Lange Greene County Judge





BE IT RESOLVED BY THE QUORUM COURT OF THE COUNTY OF GREENE, STATE OF ARKANSAS, A RESOLUTION TO BE ENTITLED:

1996-1 **RESOLUTION NO:** 

A RESOLUTION TO AUTHORIZE THE COUNTY JUDGE TO TAKE SUCH ACTION AS HE DEEMS APPROPRIATE IN ORDER TO HAVE THE INTERSTATE COMMERCE COMMISSION DENY AND DISAPPROVE THE CONTROL AND MERGER OF THE ST. LOUIS SOUTHWESTERN RAILWAY WITH THE PACIFIC CORPORATION AND TO PROMOTE THE CONTROL AND MERGER OF THE ST. LOUIS SOUTHWESTERN RAILWAY WITH CONRAIL, INC.

- WHEREAS, the Union Pacific Corporation et. al. has filed its petition with the Interstate Commerce Commission, Finance Docket No. 32760, for control and manger with the Southern Pacific Railroad Corporation et al; and
- WHEREAS, the St. Louis Southwestern Railway is included in that petition; and
- WHEREAS, the Missouri Pacific Railroad is now owned by the Union Pacific Corporation; and
- WHEREAS, Conrail, Inc. has proposed the purchase of the St. Louis Southwestern Railway and access to Houston, New Orleans, and El Paso; and
- WHEREAS, the Missouri Pacific Railroad already has parallel tracks from St. Louis and Memphis to all three of those cities; and
- WHEREAS, the Missouri Pacific Railroad has a double track line from St. Louis to Texarkana, it has centralized traffic control on that route, it is 65.1 miles shorter than that of the St. Louis Southwestern Railway, and it never crosses the Mississippi River; but the St. Louis Southwestern Railway route crosses the Mississippi River twice, and from Thubes, Illinois to East St. Louis the St. Louis Southwestern Railway only has trackage right leased irom the Missouri Pacific Railroad; and
- WHEREAS, it is obvicus that if one of these two parallel routes is ever abandoned, it will be the St. Louis Southwestern Railway and not the Missouri Pacific Railroad Company; and
- WHEREAS, there are several regular rail shipping businesses in Greene County with the St. Louis Southwestern Railway now being the only railroad serving the County of Greene;
WEEREAS, there is now under construction a packing plant and rice mill that will cost over \$3,000,000.00 and that it will be entirely dependent of the St. Louis Southwestern Railway for its incoming and outbound rail shipments; and

WHEREAS; if the St. Louis Southwestern Railway route through Greene County is abandoned, either to St. Louis, to Memphis, or to the points south on that railway, and the Gulf Coast, these various shippers will be irreparable damaged, and if there is no excellent chance that no competitive freight rates will exist.

> NOW, THEREFORE, FE IT RESOLVED by the Quorum Court of Greene County Arkansas, that the County Judge of Greene County is hereby authorized to take such steps as he deems appropriate to induce or persuade the Interstate Commerce Commission to not approve the control and merger of the St. Louis Southwestern Railway with the Union Pacific Corporation, and to promote the control and merger of the St. Louis Southwestern Railway with Conrail, Inc.

Passed this 26 day of THE, 1996

APPROVED: David Lange

Greene County Judge

ATTEST: Dodine Jamison Nadine Jamison County Clerk

RRM



Item No Page Count PPROPRIATIONS IEALTH JUDICIARY	1 · · · #96	- Assembly alifornia Legislature	CAPITOL OFFICE: STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0001 (916) 445-7906 FAX 1916) 445-7344 Internet: George R. House#assembly ca.gov
PUBLIC SAFETY UTILITIES AND COMMERCE JOINT COMMITTEE ON FAIRS ALLOCATION AND CLASSIFICATION	ENTERED Office of the Secretary	GEORGE HOUSE	DISTRICT OFFICE: 3600 SISK ROAD, SUITE 5-D3 MODESTO, CA 95356 (209) 545-9341 FAX (209) 545-9345
	MAR 0 6 1995	ASSEMBLYMEMBER, TWENTY-FIFTH DISTRICT	DISTRICT OFFICE: 5 YOSEMITE STREET MADERA, CA 93837 (29) 661-0748 AX (29) 661-0325
	5 Part of Public Record	December 10, 1995	FINED
Secreta 12th Si	norable Vernon ary, Interstate t. and Constitu gton, D.C. 204	e Commerce Commission	SMENT ET

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

Dear Secretary Williams:

I am writing to urge the Interstate Commerce Commission to approve the proposed merger of Union Pacific Railroad with Southern Pacific Railroad.

I believe that this merger will result in an increased efficiency of our rail transportation system in California. It is proven that the efficient movement of goods in California is imperative to the healthy recovery of our State. Undoubtedly, the demand for rail movement will continue to grow in the next decade and beyond as our position on the Pacific Rim requires distribution of products throughout California and the rest of the country (in fact, throughout the world). I believe that the UP/SP merger will guarantee that California will be able to compete more effectively.

In addition, the UP/SP merger will improve service for California shippers, manufacturers and growers by providing new shipping opportunities in California. It is expected that this merger will significantly reduce delays, increase reliability and improve efficiency between California and other states in the country. Likewise, the merger is good for the nation's rail industry itself, allowing rail companies to compete on an even playing field.

For these /reasons, I urge the Commission to approve the pending merger equest. Since HOUSE SSEMBLYMAN GEORGE R. JR. District 25. GRH:jlj



61629 Item No.\_ Page\_Count # 97 anc Committees: JEFFREY DAVID JOHNSON Judiciary (Ranking Member) STATE SENATOR Rules Human Services and Aging 21st Distric - Cuyahoga County Health **Commission on Minority** Kirster, Marshall Health Anita Watkins Joint Select Committee on Secretary Legislative Aide Infant Health and Family Support Joint Legislative Medicaid **Oversight Committee** State Criminal Sentencing Commission Correctional Institution Inspection Committee **Ohio Senate** Joint Legislative Committee on Senate Building Rm 048 Juvenile Corrections Overcrowding Columbus, Ohio 43215 February 28, 1996 (614, 466-4857 (Capitol Bldg. Toll Free to Columbus ENTERED 1-800-282-0253 Office of the Secretary (614) 228-0014 FAX Home: 9024 Parkgate Avenue Cleveland, Ohio 44108 MAR 0 0 100; (216) 451-9186 Part of Public Record Hon. Vernon Williams ICC Secretary 12th St. and Constitution Avenue Washington, D.C. 20423

Dear Mr. Williams:

I am writing to share with you my concern about the potential renting of 3,000 - 4,000 miles of track to the Burlington Northern-Santa Fe by the Union Pacific and Southern Pacific Railroads as part of their merger. As the State Senator representing the eastern part of the City of Cleveland, Ohio and the surrounding suburbs, It is important to my constituents that Conrail be given the opportunity to buy the same area of track as above.

As you know, Conrail has made an offer to the Union Pacific and Southern Pacific Railroads to buy the track. I trust that the Interstate Commerce Commission will seriously consider Conrail's offer as part of the UP-SP merger deliberations.

Thank you for your attention to this issue. I remain available to assist in any way.

Very truly yours, ADVISE OF ALL hu Jeft er D. Johnson 21st Dist Senator PROCEEDINGS

Serving Claveland, Cleveland Heights, East Cleveland, Euclid, and the Village of Bratenahl.



Item No. Page Count . # 98

Surface Transportation Board

# FD 32760

Washington must put the brakes on the Union "Pacific and Southern Pacific railroad merger or the whole western half of the U.S. will be held captive to railroad monopolies. Unless you step in and take a stand, my job ( and hard-won pay and benefits ) could be wiped out. And the future of thousands of communities and reasonable prices for consumers and shippers are at stake. At the very least, you must call on Congress and the Surface Transportation Board (STB )\_---The ICC successor agency -- to give it a fair hearing. We deserve to be heard. This merger is had for America. It should be rejected.

Robert Em (2) oncer

Robert E. McDonnell 460 Arnos St. Space 11 Talent, OR. 97540

Employer -- Southern Pacific

# ADVISE OF ALL PROCEEDINGS



61428



# 99 Jeffrey A. Jones, CFP 606 B West Calton Roa ! Laredo, Texas 78041 February 13, 1996

Mr. Vernon Williams Interstate Commerce Commission Room 3315 12th and Constitution Avenues, N.W. Washington, D.C. 20423-0001

ENTERED Office of the Secretary MAR 0 0 19931 Part of Public Record



61627

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

Dear Mr. Williams:

Item No

Count

I write as a concerned citizen with a modest background in antitrust economics and litigation. As a Laredoan, I am concerned about the anticompetitive aspects of the proposed acquisition of the Southern Pacific by the Union Pacific.

Laredo is the number one port of entry and exit for trade between the United States and Mexico. To remain so, we have to remain competitive, both in our local warehousing and freight processing costs, and in transportation costs. The tried and true way to remain competitive is for there to be active competition, which there certainly is in the freight-forwarding, custom-brokering and warehousing sectors of trade flow.

Currently, Laredo is served by two railroads: the Union Pacific through San Antonio, and the Tex Mex which connects to the port of Corpus Christi and there to the Southern Pacific for freight to Houston and points beyond. The UP competes with the TexMex/SP connection for freight passing through Laredo; which totalled 168,76? loaded rail cars (LRC's) in 1995, 161,033 LRC's in 1994, and 145,860 LRC's in 1993. If the UP were to acquire the SP, there would be no price or service competitive forces at work on the important Laredo to Houston connection. The potential price increases would reduce Laredo's competitiveness and increase the cost of international trade. The economic gains to both countries anticipated by NAFTA could be showered solely on the shareholders of the UP!

I have heard of a potential alternative that will preserve effective competition in the Laredo -Houston corridor. The Tex Mex has indicated an interest and willingness to operate over trackage rights from Corpus Christi to Houston and to connect with the Kansas City Southern Railroad and other carriers at Houston. Trackage rights operating in such a way as to allow Tex Mex to be truly competitive are essential to maintain the competition at Laredo that could well be lost in the proposed UP-SP merger/acquisition.



The Union Pacific had 1995 revenues of \$7,486,000,000. That makes them the second largest rail transportation company in the U.S. The merged Burlington Northern Santa Fe is now the largest, since last September 22; the BNSF combined 1995 revenues were \$8,170,000,000. The Southern Pacific had 1995 revenues of \$3,151,000,000. Does the country need a ten billion dollar behemoth? Is it really in Laredo's, Texas' and the United States' best interest for there to be further consolidation in this industry? Over a century ago the "Trust-buster" movement was started largely because of oligopolistic behavior in the transportation. read "rail", industry. Just over a decade ago, the antitrust division of the Justice Department forced the break-up of AT&T due to the lack of competition in telecommunications. Somehow, the railroads snuck a law through in Washington exempting them from Justice's jurisdiction.

The prima facae case would appear to be against the merger on the basis of a lessening of competition in the Western United States. If you cannot deny the merger; I urge the Commissioners to condition it with a grant of trackage rights to the Tex Mex allowing it service to Houston. That would permit the Laredo transport sector to continue to have price competition in rail as we do in trucking, and the other aforementioned aspects of international trade.

Sincerely yours,

Jones, G

cy: Phil Gramm, Senator U. S. Senate

Kay Baily Hutchinson, Senator U. S. Senate

Henry Bonilla, Representative U. S. Congress

Saul Ramirez, Mayor City of Laredo



Item No	11,26
March # 100 RANK SCROGGINS	614
P.O. BOX 964 - LEWISVILLE, ARKANSAS 71845 - PHONE (501) 921-4858	

The Honorable Vernon A Williams Secretary Surface Transportation Board of the Interstate Commerce Commission 12th Street and Constitution Avenue Washington, DC 20423



Dear Secretary Williams:

I want to take this means and opportunity to express my opposition to the proposed merger between Union Pacific and Southern Pacific Railroads. If that merger is approved by the ICC, it will leave Arkansas with but one major owning railroad of any consequence in the state. We need more rail competition, not less. That merger is not good fro this state or for Southern Arkansas.

I am not persuaded that the "trackage rights" agreement that UP and Burlington Northern have announced as apart of the merger deal will in fact satisfy the concerns that many of us have about the anticompetitive nature of this parallel tracks merger. Rather I favor the proposal by Conrail...that is the outright purchase of the SP East tracks by a competing railroad.

For these reasons, and others too lengthy to deail in this letter, I urge the ICC to not approve the UP-SP application unless it is conditioned upon UP's agreement to accept Conrail's proposal.

Thank you for your consideration of my views.

Sincerely,

Frank Scroggins Lafayette County Judge



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Item No	
Page Count	# 101
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Phoenix, Oregon February 27, 1996



61425

Office of the Secretary Surface Transportation Board 12th Street and Constitution Ave.,N. Washington, DC 20423

Dear Mr. Secretary: FO 32760

I sm writing to voice my opposition to the UP/SP rail merger. I believe this merger is counter-productive to our society, and not in the best long-term interest of our nation.

Our country is rapidly reaching the point where the job market can no longer absorb our displaced workers. Higher unemployment means greater loss of purchasing power. These factors will eventually impact the economy.

We have reached a critical point in this nation where profit-at-any-cost should no longer be tolerated. We have to begin considering the long-term effects of these megamergers on our national economy.

For a number of reasons, many of our better-paying manufacturing jobs are now lost forever. Many jobs now are either in the high tech industry, or minimum wage, servicesector jobs. In the Pacific Northwest, we have seen thousands of jobs lost due to environmental concerss.

While the profit motive is critical to the survival of our free enterprise system, still it must be examined in the context of the greater national good.

These are some of the reasons why I am writing to protest the proposed Union Pacific/Southern Pacific merger, and I ask that it be rejected.

Thank you.

truly yours,

Dale P. Price

ADVISE OF ALL EEDINGS

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Item No.

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1,1624

#### **Zeneca Ag Products**

1800 Concord Pike P.O. Box 15458 Wilmington, DE 19850-5458

Telephone (302) 886-1000 Fax (302) 886-1553

22 February 1996

Honorable Vernon A. Williams, Secretary Surface Transportation Board 12th Street and Constitution Avenue NW Washington, DC 20432

Dear Secretary Williams: FD 32760

Zeneca Ag Products is extremely concerned about he competitive effects of the proposed acquisition of Southern Pacific (SP) by Union Pacific (UP). We have reviewed the proposed agreement between UP and Burlington Northern Santa Fe (BNSF) which is intended to remedy those effects, but do not feel it will produce effective rail competition for our traffic.

We have considered the possibility that another rail carrier acquire some of SP's eastern lines in connection with the merger, specifically those lines in Texas and Louisiana running to Chicago, Memphis, New Orleans, and Saint Louis. We understand that several carriers, including Conrail (CR), Illinois Central (IC) and Kansas City Southerm (KCS), have made proposals to UP involving the purchase of such lines.

While we are not prepared at this time to comment on the relative merits of any specific offer, we believe that these other acquisition proposals are far superior to those agreed to by UP/SP and BNSF. The BNSF proposal involves mainly trackage rights, rather than ownership. This casts doubts as to future service and competition. Operational priority will easily dominate any of their customers' service requirements.

Service to our customers and distribution terminals is of paramount importance to both our sustenance and growth. Based on the very poor service, resulting in some financial loss to our business following the merger of the CNW into the UP, we believe it questionable that the UP/SP merger can be accomplished without major impact on the economy throughout the Midwestern agricultural plains serviced from manufacturing sites in the Gulf Coast area.

I, G. Fredric Stunkard, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement, executed on  $\frac{2/26/96}{2}$ .

Rail Fleet Services Lead

I, James A. Volovich, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement, executed on \_\_\_\_\_\_\_\_\_.

Logistics Lead	ENTERED Office of the Secretary
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T PROCEEDINGS	5 Part of Public Record



61607 BN/SF-39

# BEFORE THE SUPFACE TRANSPORTATION BOARD

Item No		AA	ORI
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mar	#40	Finance Docket No. 32760	ALL.

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD

-- CONTROL AND MERGER --

SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC 611 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 SECOND 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

and

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

# 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 SECOND 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") "Second 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.

### GFT ERAL OBJECTIONS

BN/Santa Fe objects to BRGI's Second Set of Interrogatories and Informal Request For Production of Documents on the following grounds:

• 1. <u>Privitege</u>. BN/Santa Fe objects to BRGI's Second 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. <u>Relevance/Burden</u>. BN/Santa Fe objects to BRGI's Second 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. <u>Settlement Negotiations</u>. BN/Santa Fe objects to BRGI's Second 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 13, 1995.

-2-

4. <u>Scope</u>. BN/Santa Fe objects to BRGI's Second 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. <u>Definitions</u>. 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 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 workspapers 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. 19. "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".

23. "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

9. Has BNSF prepared any operating or service plans (or service studies) concerning its potential access to Brownsville, TX? If so, please identify any documentation prepared in connection with such operating or service plans or studies, and identify the individual or individuals who prepared such operating or service plan(s).

Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 9 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. 9 to the extent that it is vague and is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

10. Has BNSF undertaken or prepared any marketing, service, oper using or economic assessments or studies of the Brownsvine market? If so, please identify any documentation prepared as a result of such studies or assessments, and identify the individual or individuals who prepared the assessment(s) or studies.

Subject to and without waiving the General Objections stated above, BN/Santa Fe records as follows: Assuming that Interrogatory No. 10 seeks information beyond that cortained 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. 10 to the extent that it is vague and is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

11. BRGI understands that, if the proposed UP/SP merger is approved, BNSF intends to initiate rail service to the Brownsville area via a haulage rights agreement with the merged UP/SP syste If BRGi is correct, please provide in detail a full listing of those considerations that have caused BNSF to opt to exercise haulage rights, rather than trackage rights, to serve Brownsville.

Subject to and without waiving the General Objections stated above, in particular the

burden, privilege, settlement negotiations, and scope objections, BN/Santa Fe objects to

Interrogatory No. 11 to the extent that it is vague and neither relevant nor reasonably

calculated to lead to the discovery of admissible evidence.

12. In connection with interrogatory number 11, above, does BNSF interpret its Settlement Agreement with the Applicants to enable BNSF to elect, at some later date, to convert its havlage rights service from Houston to Brownsville to trackage rights service? If so, please explain with particularity what circumstances must be met to cause BNSF to choose to initiate trackage rights service to Brownsville.

Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 12 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. 12 to the extent that it would require BN/Santa Fe to speculate as to the legal meaning of a document that is readily available to BRGI and that speaks for itself.

13. BRGI understands that, for BNSF to initiate trackage rights service to Brownsville, it will probably have to undertake certain capital commitments. Please provide in detail the various expenses and operating costs that BNSF anticipates it would incur to provide direct service to Brownsville via trackage rights, and explain how these expenses and costs would exceed the expenses and costs associated with BNSF's service to Brownsville via haulage rights.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 13 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. 13 to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

14. In determining whether, in the event the proposed UP/SP merger is approved, BNSF would opt to serve Brownsville via trackage rights or haulage rights, did BNSF review and assess the suitability and availability of rail facilities located in the Brownsville area when it considered the trackage rights option? If so, what facilities did BNSF consider, in the event that it should undertake trackage rights service to Brownsville?

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden, settlement negotiations, and scope objections, BN/Santa Fe objects to Interrogatory No. 14 to the extent that it is vague and neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

-6-

15. Assuming BNSF elects to exercise trackage rights to Brownsville (either immediately following approval of the UP/SP merger or at some later date), what rail facilities (yards, interchange tracks, etc.) would BNSF utilize to accommodate its operations in the Brownsville area?

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 15 to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

16. BRGI is particularly interested in BNSF's proposed grain transportation service to and from the Port of Brownsville. Please explain in detail: (1) how BNSF will market grain service to Brownsville; (2) what rates it intends to charge for the movement of such traffic; (3) and under what terms and conditions BNSF will make available grain cars to customers seeking to ship to and from Brownsville.

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/2 anta Fe objects to Interrogatory No. 16 to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

17. Does BNSF intend to promote or develop intermodal service to and from the Brownsville area? If so, please identify and describe all of the studies and marketing research conducted on this topic, and describe how such service would be implemented following the merger of the UP and SP.

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 17 to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

-7-

18. Does BNSF contend that it should not be made a party to the 1982 Memorandum of Understanding? If so, please explain the grounds for your position.

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 18 to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 18 to the extent that it calls for a legal conclusion.

19. Has BNSF undertaken any studies which, in whole or in part, concern the rail service it plans to provide to the various poins it will serve along the Gulf of Mexico, following the proposed merger? If so, please identify any documentation prepared in connection with such studies, including any proposed or existing marketing plans or operating strategies resulting therefrom, and identify the individual or individuals who prepared such studies and related documents.

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 19 to the extent that it is ague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

20. BRGI understands that BNSF will be accorded access to the Mexican rail system at Brownsville (Matamoros, Mexico), in the event that the subject merger is approved. Following the merger, will BNSF be entitled to provide switching services to BRGI in order to move cars from the Port of Brownsville to the interchange with the Mexican rail system? If not, please describe those restrictions that would prohibit BNSF from providing such switching and interchange service.

<u>Response</u>: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 20 to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 20 to the extent that it calls for a legal conclusion.

-8-

# **OBJECTIONS TO REQUEST FOR PRODUCTION OF DOCUMENTS**

6. Produce all documents identified in response to any of the foregoing interrogatories, and provide all documents relied upon in responding to the foregoing interrogatories.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 6 to the extent that it is overly broad and burdensome.

Respectfully submitted,

Eriha My. Jones 100

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. 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 Fc 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

March 4, 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 Brownsville and Rio Grande International's Second Set of Interrogatories and Informal Requests for Production of Documents BN/SF (BN/SF-39) have been served this 4th day of March, 1996, by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by fax and hand-delivery on counsel for Brownsville and Rio Grande International.

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



Item No. 41404 Count **BN/SF-42** BEFORE THE **ICE TRANSPORTATION BOARD** Cilics of the Secretary MAR 0 6 1996 Finance Docket No. 32760 Pari of PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPA 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 THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS FIRST SET OF INTERROGATORIES UPON BURLINGTON NORTHERN RAILROAD COMPANY AND THE ATCHISON TOPEKA AND SANTA FE RAILWAY COMPANY

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

March 4, 1996

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

BN/SF-42

# 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

R<sup>T</sup>SPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS FIRST SET OF INTERROGATORIES UPON BURLINGTON NORTHERN RAILROAD COMPANY AND THE ATCHISON TOPEKA AND SANTA FE RAILWAY 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 The International Brotherhood of Teamsters ("IBT") "First Set of Interrogatories." 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 IBT's First Set of Interrogatories. If necessary, BN/Santa Fe is prepared to meet with counsel for IBT 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 Latein, but is willing to discuss with counsel for IBT any particular response in this regard.

#### **GENERAL OBJECTIONS**

BN/Santa Fe objects to IBT's First Set of Interrogatories on the following grounds:

1. <u>Privilege</u>. BN/Santa Fe objects to IBT's First Set of Interrogatorier 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. <u>Relevance/Burden</u>. BN/Santa Fe objects to IBT's First Set of Interrogatories 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. <u>Settlement Negotiations</u>. BN/Santa Fe objects to IBT's First Set of Interrogatories 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.

-2-

4. <u>Scope</u>. BN/Santa Fe objects to IBT's First Set of Interrogatories 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 thic case.

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

(c) The term "document(s)" as used herein is synonymous with that term as it is used in Federal Rule of Civil Procedure 34 (a), and includes without limitation all writings and other compilations of information made in any form or for any purpose, including without limitation computer disks, internal computer memory storage devices, computer back-up tapes or disks, electronic mail, photographs, photocopies, maps, pictures, books and every other method of physically or electronically recording information.

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 IBT as to BN/Santa Fe.

(g) "Relating to," "relate to" and "concerning" mean supports, evidences, describes, discusses, mentions, refers to, contradicts and/or comprises.

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 IBT's interrogatories, construe "Relate to" or "Relating to" to mean "make reference to" or "mention".

6. <u>Instructions</u>. BN/Santa Fe makes the following objections to IBT's instructions:

-3-

9. The time period covered by these Interrogatories and Requests for Production shall commence five years prior to the date of their service unless otherwise explicitly stated or the context requires a different period.

BN/Santa Fe objects to Instruction No. 9 to the extent that it calls for the production of documents created on or before January 1, 1993, on the ground that such documents are not relevant to this proceeding and not calculated to lead to the discovery of admissible evidence.

#### **OBJECTIONS TO INTERROGATORIES**

1. What was the total volume of intermodal rail traffic carried by the Burlington Northern and Atchison Topeka and Santa Fe railroads combined for the twel 'e-month period immediately preceding the approval of the BN/Santa Fe r orger?

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. BN/Santa Fe further objects to Interrogatory No. 1 on the grounds that

it is neither relevant nor reasonably calculated to lead to the discovery of admissible

evidence.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that information responsive to Interrogatory No. 1 is contained on the BN and Santa Fe 1994 waybill tapes located in the BN/Santa Fe document depository.

2. What was the total volume of intermodal rail traffic carried by the Burlington Northern/Santa Fe railroad in the twelve-month period immediately following the approval of the BN/Santa Fe merger?

<u>Response</u>: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 2 to the extent that it is vague, 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.

3. What was the total volume of intermodal rail traffic carried by the BN/Santa Fe in the most recent twelve-month period?

<u>Response</u>: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 3 to the extent that it is vague, 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.

-5-

Subject to and without waiving the foregoing objections, see Response to Interrogatory No. 1.

Respectfully submitted,

Eritia 3. Jours KED

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

he Atchison, Topeka and Santa Fe Railway Company 1700 East Golf Road Schaumburg, Illinois 60173 (708) 995-68 7 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 The International Brotherhood of Teamsters First Set of Interrogatories Upon Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company (BN/SF-42) 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 The International Brotherhood of Teamsters.

Keller F. O'Bruni

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



Item No.

Page Count

#### 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 IBT'S THIRD 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 SouthernARVID E. ROACH IIPacific Rail Corporation,<br/>Southern Pacific Transportation<br/>Company, St. Louis Southwestern<br/>Railway Company, SPCSL Corp. and<br/>The Denver and Rio Grande<br/>Western Railroad CompanyARVID E. ROACH IIDataJ. MICHAEL HEMMER<br/>J. MICHAEL L. ROSENTHAN<br/>Covington & Burling<br/>1201 Pennsylvania Av<br/>P.O. Box 7566

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

# 86544

JAMES V. DOLAN PAUL A. CONLEY, JR. LOUISE A. RINN Law Department Union Pacific Railroad Company Missouri Pacific Pailroad 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 an Missouri Pacific Railroad Company

MAR 0 5 1996

### BEFORE THE SURFACE TRANSPORTATION BOARD

MAR & 1996

Finance Docket No. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPAN 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 IBT'S SECOND JET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Applicants UPC, UPRR, MPRR, SPR, SFT, SSW, SPCSL and DRGW submit the following objections to the discovery requests served by International Brotherhood of Teamsters on 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."

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 IBT's second set of interrogatories and requests for documents. 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.

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.

 Applicants object to providing information or cocuments that are as readily obtainable by IBT from its own files.

7. Applicants object to the extent that the interrogatories and document requests seek highly confidential or sensitive commercial information (including <u>inter alia</u>, contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

- 2

8. Applicants object to the interrogatories and document requests to the extent that they call for the preparation of special studies not already in existence.

9. Applicants incorporate by reference their prior objections to the definitions and instructions set forth in IBT's first set of interrogatories and document requests.

# ADDITIONAL OBJECTIONS TO THE INTERROGATORIES AND DOCUMENT REQUESTS

In addition to the General Objections, Applicants make the following objections to the second set of interrogatories and requests for documents.

<u>Interrogatory No. 71</u>: "Identify all studies and analyses conducted by Reebie Associates at any time addressing the impacts on labor of diversion of traffic from truck to rail." <u>Additional Objections</u>: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

<u>Interrogatory No. 72</u>: "To what extent does the TRANSEARCH database used by Reebie Associates in preparing its diversion study in this proceeding rely on the Commodity Flow Survey conducted by the United States government? What are the relative percentages of traffic flows in the TRANSEARCH data base that are derived from, respectively, (i) the Commodity Flow Survey and (ii) all other sources?

Additional Objections: Applicants object to this

interrogatory as unduly vague.

<u>Interrogatory No. 73</u>: "Describe how Reebie Associates has updated its TRANSEARCH database from 1977 until the present. Does Reebie Associates extrapolate from data for certain lanes in order to update traffic volume levels for lanes for which

- 3 -

it does not have data? How many such extrapolations were involved in establishing the 1994 TRANSEARCH database used in the diversion study conducted by Reebie Associates for this proceeding?"

Additional Objections: None.

Interrogatory No. 74: "Has Reebie Associates revised its TRANSEARCH database in order to incorporate the 1993 Commodity Flow Survey data? If so, identify each market pair included in Appendix A to Mr. Ainsworth's Verified Statement for which such revision resulted in a traffic flow increase for dry van cargo of greater than ten percent (10%) in either direction. For each such market pair for which revision to the TRANSEARCH database using 1993 Commodity Flow Survey data resulted in a traffic flow increase in dry van cargo of greater than ten percent (10%), identify the amount of each such increase."

Additional Objections: 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.

<u>Interrogatory No. 75</u>: "For each of the following market pairs, indicate the yearly volume of traffic carried in both directions by UP and SP, separately, for United Parcel Service: Seattle to/from the Bay Area; Chicago to/from the Bay Area; Portland to/from Los Angeles; Seattle to/from Los Angeles; Chicago to/from Los Angeles; Los Angeles to/from Dallas.

Additional Objections: Applicants object to this interrogatory in that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 18: "Produce all documents identified in response to Interrogatory No. 71."

Additional Objections: See objections to Interrogatory No. 71.

- 4

#### Respectfully submitted,

- 5 -

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

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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

<u>Strorneys for Union Pacific</u> <u>Corporation, Union Pacific</u> <u>Railroad Company and Missouri</u> <u>Pacific Railroad Company</u>

February 26, 1996

#### CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 4th March, 1996, I caused a copy of the foregoing document to be served by facsimile and first-class mail on Marc J. Fink, counsel for Teamsters, at Sher & Blackwell, 2000 L Street, N.W., Suite 612, 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 Premerger Notification Office Bureau of Competition Room 303 Federal Trade Commission Washington, D.C. 20580

Michael L. Rosenthal



	61576
TRANSPORTATION · COMMUNICATIONS	ENTERED Office of the Secretary
AFL-CIO. CLC LEGISLATIVE DEPARTME	MAR 0 6 1995
February 27. 1996 Page Court Mar. #82	Part of
Office of the Secretary Surface Transportation Board 12th Street and Constitution Ave N.W. Washington, D.C. 20423 Dear Madam or Sir: F0 37760	HIM WALLS

In 1988 the proposed Santa Fe - Southern Pacific merger was rejected as being too anti-competitive. And yet this year the proposed Union Pacific - Southern Pacific merger, while being even more anti-competitive, is perilously close to becoming a reality.

Proponents of the merger hail "efficiency" as the name in which the merger is being undertaken. But "for UP and SP employees, efficiency means the loss or transfer of more than 5,500 jobs, representing 12% of the railroad's combined work force." (<u>The Journal of Commerce</u> December 4, 1995 -- article entitled: "The \$9 Billion Question"). Moreover, while the effects of this merger on UP employees are obvious, the merger has repercussions for rail labor at large, affecting as it does, the solvency of the Railroad Retirement program, the Railroad Unemployment Insurance Account, and the strength of rail labor overall.

Accordingly, the Transportation Communications Union is calling upon the Surface Transportation Board to oppose the UP/SP merger, not just because of the antitrust problems it poses for the country at large, but also to prevent the decimation of our jobs.

Sincerely,

ad Itainer

Chad Trainer Legislative Representative TCU District 1351

ADVISE OF ALL

PROCEEDINGS

1006 Davids Run Phoenixville, PA 19460 (215) 628-1824



61515

#### MISSOURI REPRESENTATIVES Item No. 2 Count Page 194 ST ENTERED Office of the Secretary HRISTOPHER A. LIESE EIGHTY-FIFTH DISTRICT MAR 0 0 1995 February 28, 1996 Part of 5 Public Record

STATE CAPITOL JEFFERSON CITY, MO 65101 314-751-1832



The Honorable Vernon A. Williams, Secretary Interstate Commerce Commission 12th Street and Constitution Ave NW Washington, D.C. 20423 FU 32760

Dear Mr. Williams:

I am writing to strongly support the pending merger between the Union Pacific and Southern Pacific Railroads. The Missouri Pacific Railroad, as predecessor to today's Union Pacific Railroad, has a long history and presence in our state, and has contributed greatly to our state's economic development. The merger of the Union Pacific and Southern Pacific Railroads will continue that tradition by strengthening competition with the recently-merged Burlington Northern Santa Fe Railroad.

Missouri shippers will benefit from faster, more reliable intermodal service to and from California, saving bundreds of miles over current routes. New, single-line service to northern California, the intermountain region and the Pacific Northwest will also provide greater speed, reliability and frequency for Missouri carload shippers.

\$360 million will be spent to upgrade the lines between Kansas City and southern California, to increase capacity and improve service. \$16.7 million will be spent to develop a new intermodal terminal in the Kansas City area. Almost \$38 million will be spent to expand UP's Dupo intermodal terminal. Increased traffic as a result of the merger should result in increased jobs for Missouri.

Southern Pacific has significant shipper coverage in Missouri, and many of SP's customers are exclusively served by SP. These customers have had to cope with service problems and uncertainties as to Sp's finances. The merger of Unions Pacific and Southern Pacific will provide SP shippers with the assurance of top-quality service with a financially strong railroad that can afford the capital investments necessary to build new capacity, implement new technology, and continue to improve its operations.

# ADVISE OF ALL

PROCEEDINGS

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I strongly urge approval of the merger of Union Pagific and Southern Pacific Railroads.

Since iese Christoph



Item No.\_

Page Count

23RD DISTRICT

412 BROADWAY MARKED TREE, ARKANSAS 72365

March 1, 1996



61574

Committees Member: Agriculture, Economic & Industrial Development Judiciary Joint Retirement & Social Security Rules

## THE SENATE STATE OF ARKANSAS

Secretary Vernon A. Williams Interstate Commerce Commission 12th St. and Constitution Ave. Washington, D.C. 20423

Re: Finance Docket 32760

#### Secretary Williams:

I hereby withdraw my opposition to the Union Pacific - Southern Pacific merger as set forth in my letter to you of November 22, 1995. I have now heard both sides of the story and am not so convinced of the position I expressed in that letter. More specifically, I am not convinced that the merger with its attendant rail leasing is an insufficient method of insuring long term service, nor that Conrail's plan is more conducive to such long term service.

Note that I do not take a position either supporting or opposing the merger.

Yours truly,

Mike Everett







Dear Sir or Madam:

Prins Recycling is one of the largest processors of recyclables in the United States. Our raw material products are shipped domestically and internationally via trailers, containers and rail cars. These products are used in a variety of industries, such as paper (newsprint, linerboard, tissue), plastic and aluminum.

Mexico is the second largest country to consume wastepaper as a raw material. We have been a shipper into this Mexican market, via rail, for over five years. Annually, our shipments .otal approximately 700 rail cars.

Prins Recycling is extremely concerned about competitive rail rates between the United States and Mexico. The Laredo/Nuevo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the midwest and eastern United States.

Our company depends on competition to keep prices down and to spur improvements in products and services. For many years, Union Pacific and Southern Pacific have competed for our traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's partner in reaching Laredo in competition with Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in



# PRINS RECYCLING CORP.

Parker Plaza 400 Kelby Street Fort Lee, NJ 07024 (201) 886-1600 • FAX: (201) 886-1601

the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Surface Transportation Board to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Best regards, Prins Recygling Corp.

Eric R. Harfenist Executive Vice President

ERH/Ibd

cc: Tex Mexican Railway Co.



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HAR 0 6 1995 Part of Public Record



61572

**CITY OF ROCHELLE** 

OFFICE OF THE MAYOR

6th Street & 5th Avenue, Rochelle, Illinois 61068-0601

**Robert Gingerich** Mayor

Telephone (815) 562-4484

February 12, 1996

Mr. Vernon Williams Secretary Surface Transportation Board 12th Street and Constitution Avenue, NW Washington, DC 20423

Finance Docket 32760 - Union Pacific/Southern Pacific RE:

Dear Mr. Williams:

Currently, the Union Pacific and the BN/Santa Fe have routes through Rochelie. Both are extremely important to local shippers.

The purposed merger of the Union Pacific and the Southern Pacific is in the public interest and would enhance access and delivery schedules for our local shippers. The merger would provide direct access via a single line service reducing costs and speeding deliveries. The merger would also increase competition between the UP and BN/Santa Fe and provide operating efficiencies.

Failure to approve the merger would probably lead to the Southern Pacific's demise adversely affecting shippers and reducing competition. On behalf of the City of Rochelle, may I express our support for the purposed merger.

Very truly yours,

Kobert Since

Robert Gingerich Mayor

Thomas Zapler cc: Special Representative Union Pacific Railroad 165 N. Canal, 8-N Chicago, IL 60606

advise of Al

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Item No	61571
Page Count # 71	ENTERED Office of the Secretary
	MAR 0 6 1995
Honorable Vernon A. Williams	Part of Public Record
Surface Transportation Board 12th Street & Constitution Avenu	ie RECEIVED
Washington, D.C. 20423 Dear Secretary Williams: FD 32	noo Manier F
Loui coorciary minarits. PD -	CONTENS -

I am concerned that the proposed Union Pacific-Southern Pacific railroad merger is not in the public interest in Northeast Ohio. We would be far better served if the UP-SP's eastern routes were, as part of the proposed merger, sold to Conrail, not leased to another western railroad.

My reasoning is straightforward. First, our industrial companies, particularly in the booming polymers sector, need direct service to raw materials and markets in the Gulf "chemical coast" region and to Mexico. Second, we believe that an owner-carrier, such as Conrail, would have greater incentive to improve markets along the route. Third, by keeping Conrail strong, we ensure a variety of service options and strong price competition among the major railroads in our region, namely CSX, Norfolk and Southern, and Conrail.

Finally, I am concerned that railroad "mega mergers" cost hardworking citizens jobs – as they have in other industries. Conrail is a major Ohio employer, and their success is in the public interest here.

For those reasons I would oppose the proposed merger unless it includes the Conrail purchase of the eastern lines of the old Southern Pacific. Only with the Conrail acquisition will Northeast Ohio economies by maximally served.

ADVISE OF ALL

PROCEEDINGS

Thank you for your consideration.

Sincerely,

Connie S. Coffman Frisident, Vielage Council of Fairport Alar.



Item No Page Count/. Mar. #72		N	41570	
CITY CHARLES E. BOX	OF ROCKFOR OFFICE OF THE MI 425 EAST STATE STA ENTERED Office of the Secretary	· a		
Mr. Vernon Williams, Secretary Surface Transportation Board 12th Street and Constitution Avenue, Washington, DC 20423	5 Part of Public Record	The state of the s	ACCIVED AND	
RE: Finance Docket 32760 - Union F	Pacific/Southern Pacific	•	Star D	
Dear Mr. Williams:		2	TITE	

Dear Mr. Wilijams:

As the Mayor of the City of Rockford, I urge the Surface Transportation Board to support the Union Pacific (UP) and Southern Pacific (SP) railroad merger. The merger of these two railroads will meet the current demands of the UP and SP users and will allow for the financial resources to meet any possible increase service in the future years.

The City of Rockford and its surrounding area are currently served by the Union Pacific Railroad. I view this service as important to the area's overall economy. The ability of an expanded rail network to offer services to Illinois will increase and strengthen the Rockford economy, as well as the State of Illinois. With improvements in service that will be accomplished by this merger, the Illinois economy will continue to grow and will allow the State to ship its products to the rest of the United States and other North American markets.

The merger of the UP and SP will increase the competitiveness in the California - Chicago corridor. As a believer in making the railroad market more competitive. I believe this merger will strengthen the overall railroad network and service in this corridor. Also, other corridors to and from Illinois should improve their effectiveness as competition is strengthened.

On behalf of the City of Rockford, we support the merger of the Union Pacific and Southern Pacific railroads.

ADVISE OF ALL Sincerely 4 EBr han PROCEEDINCS Charles E. Box Mayor

Thomas Zapler **Special Representative** Union Pacific Railroad

2:



61569

### **KREHER STEEL CO., Inc.** E PARK, ILLINOIS 60160 Item No JR Count ENTERED Office of the Secretary February 29, 1996 HAR 0 6 1995 Mr. Vernon A. Williams Secretary Part of Surface Transportation Board Public Record 12th & Constitution Avenue, NV Washington, D.C. 20423



RE: F.D.32760: Union Pacific-Southern Pacific RR Acquisition

Dear Mr. Williams:

FD 32760

I am the Traffic Manager of Kreher Steel Co. and have held that position for the past two years. I am responsible for the movement of 172,000 net tons of steel bars and billets annually by rail, truck, and water transport.

Kreher Steel Co. Is a Service Center of steel bars and billets. We own warehouses in Melrose Park, IL and Houston, TX and own a distribution yard in Midlothian, TX. In addition we maintain inventories in publicly-owned warehouses in Ambridge, PA, Cleveland, OH, Wayne, MI, Laredo, TX, Fontana, CA, Portland, OR, and Fort Smith, AR. Inventories are also maintained at various processors located within the United States. We utilize the rail services of numerous Class I railroads, including the Norfolk Southern, the Burlington Northern Santa Fe, the Southern Pacific, and Conrail. In addition to the rail service, we have been able to utilize the rail-truck delivery and truck-rail delivery services now offered by many of the railroads. Most of our rail movements originate at our steel suppliers or ports of New Orleans, LA and Houston, "X for movement into our warehouses.

We are extremely concerned about the competitive effects on us of the proposed acquisition of the Southern Pacific by the Union Pacific. We have reviewed the proposed agreement between the UP and the BNSF and do not believe it will produce the effective competition for our traffic.

We have also considered the possible Conrail acquisition of some of the SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Texas and Louisiana. We find that this possibility to be much more appropriate and effective in addressing our concerns. Conrail's proposal of ownership, rather than trackage rights, eliminates the uncertainty of priorities of traffic and maintenance of way. It would reduce handling between carriers, decrease transit times and increase car supply, which are important actors is meeting our customers delivery requirements.







LLAS, TELLAS . DETPOIT, MICHIGAN . HOUSTON, TEXAS . MEXICO CITY, MEXICO

Finally, we believe Conrail's proposal will help to assure that we and other rail customers will have multiple rail options. We are extremely concerned about the trend toward only a few giant railroads and the reduction of competition. This is definitely not in the shipper's interest.

For these reasons, we actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Very tooly yours.

Paul E. Hackett Traffic Manager

cc: Honorable Mr. Paul Simon, 462 Dirksen Bldg., Washington, D.C. 20510
Honorable Ms. Carol Mosley-Braun, 320 Hart Bldg., Washington, D.C. 20510
Honorable Mr. Michael Flanagan, 1407 Longworth Bldg., Washington, D.C. 20510
Mr. John Sammon, Conrail, 201 Market St., Two Commerce Square, Philadelphia, PA 19101
Mr. Edward Johnston, Conrail, 300 S Riverside Plaza, #2050S, Chicago, IL 60606



61566 Item No. Page Count ENTERED Office of the Secretziy MAR 0 6 1995 February 14, 1996 Part of 5 Public Rec ad Office of the Secretary Surface Transportation Board 12th St. and Constitution Ave. Washington, DC 20500 ED 32760 Dear Secretary,

My name is Ted Popivchak, I have worked on Conrail for 18 years. I would like to share my feelings on the Southern Pacific and Union Pacific merger with you.

This mega-merger is bad for America. It is anti-worker, anti-shipper and just plainly anti-competitive. It will result in a huge loss of jobs, not only on the two railroads involved, but also in other industries as well. It seems to me that all the reasons to stop this merger now are the same reasons this nation enacted laws in the 19th century to halt the railroads' economic abuses such as rate-fixing.

In their merger plan SP and UP have designed 782 miles of railroad for abandonment. In fact, over 3,000 miles of SP and UP main line tracks run parallel to each other. The carriers admit to a reduction of 4,000 jobs. Besides the immediate impact of the lost jobs on the individuals and communities involved, this will also be a great negative impact on the Railroad Retirement Fund. However, it is entirely likely that number will balloon if the merger is approved. All the while, high level SP officials are protecting themselves with obscene severance packages, ranging from \$1.7 million to \$3.6 million along with retirement benefits. Little wonder SP management is working hard to cooperate with the UP.

In an unprecedented move, SP and UP have unabashedly announced plans to abrogate existing collective bargaining agreements that, as the Carriers see it, stand in the way of fulfilling the merger plan.

I am asking for your help to defeat this merger.

Thank You

Ted Popivchak 200 Modern Ave. Carnegie PA 15106

# ADVISE OF ALL PROCEEDINGS



Item No.

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	Mayor Gary F. Barna	
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February 28, 1996

The Honorable Vernon Williams Secretary Surface Transportation Board 12th Street and Constitution Avenue Washington, D.C. 20423

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Item No		7
Page Count_ MAR	#	17
MAIL		

Dear Secretary Williams: FO 32760

As someone who represents working families and consumers in the City of North Royalton, I am concerned about the proposed Union Pacific-Southern Pacific merger. I do not believe it is in the public's best interest for the following reasons:

- 11 It would result in unnecessary layoffs and job losses among the affected railroad workers; and
- It would weaken Northeast Ohio's economy by weakening 2] eastern and midwestern railroads. and threatening industrial jobs here; and
- By concentrating so many resources, it could negatively 31 affect prices and service - potentially hurting area families at the market and in the workplace.

I therefore find that the merger is not in the public's best interest, and ask that it be disallowed by the Surface Transportation Board.

Sthcerely.

F.150

Gary F. Barna Mayor

GFB/mt





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	OFFICE OF THE MAYO	DR

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DALE J. RICHARDS HOME (414) 762-0025

(414) 768-6548 FAX (414) 768-9587

February 23, 1996

Mr. Vernon Williams Secretary, Surface Transportation Board 12th Street and Constitution Avenue, NW Washington, DC 20423

8640 S HOWELL AVE . OAK CREEK, WI 53154

RE: Finance Docket 32760 - Union Pacific / Southern Pacific

Dear Mr. Williams:

My name is Lawrence A. Prochnow. I am the Acting Mayor of the City of Oak Creek, Wisconsin.

The purpose of this letter is to formally advise you that I, on behalf of the City of Cak Creek, support the Union Pacific and Southern Pacific merger. The Union Pacific currently operates on two separate sets of tracks through the City of Oak Creek that were previously owned by the Chicago and Northwestern Transportation Company. These tracks provide a valuable commercial service to numerous companies both north and south of Oak Creek, as well as serving the Oak Creek. Power Plant, owned by the Wisconsin Electric Power Company, with its required coal deliveries. Good rail service is a necessary part of any community's economic development program as a means of attracting and retaining viable rail-served businesses. Such is the case with the City of Oak Creek. This merger should ensure the continuation of this enviable municipal attribute.

Very truly yours,

Lawrence A. Prochnow, Acting Mayor of the City of Oak Creek

ENTERED Office of the Secretary 1996 Part of Public Record

PROCEEDINGS

C: Robert L. Kufrin, City Admin.istrator



Item No. 61549 Page Count MAR # The Ohio Senate 32nd District ENTERED Office of the Secretary MAR 0 8 1996 A Per I Percid MAR Senator ANTHOMY A. LATELL, JR.

February 22, 1996

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

Dear Secretary Williams:

I would like to offer my support for Conrail's proposed purchase of several thousand miles of eastern track from Southern Pacific Railroad.

It is my understanding that a possible merger of Southern Pacific and Union Pacific Railroads is currently under your agency's review. If the merger is approved, the track sought by Conrail would be rented to UP-SP's primary competitor, Burlington-Sante Fe. I, along with several other Ohio legislators, believe this track rental would be detrimental to our state.

As a leading manufacturing state, Ohio is very interested in developing new export markets. With Conrail in control of the track in question, Ohio industries would have direct rail access to several important markets, including Mexico and Canada. These lines of access would allow Ohio to take full advantage of the favorable trading conditions established by the North American Free Trade Agreement.

Your consideration of Conrail's track purchase proposal is appreciated. If you have any questions or concerns, please do not hesitate to contact me.

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PROCEEDINGS

Sincerely,

Senator Anthony A. Latell, Jr.

AAL/mjm

Ohio Senate Statehouse Columbus, OH 43215 614-466-7182 614-456-4120 Fax 1-800-282-0253 Toll Free Conmittees Economic Development Technology & Aerospece, Ranking Minority Membe Highwsys & Transportation State & Local Government & Veterans Affaits Financial Institutions, Insurance & Commerce




No.

GOVERNOR'S OFFICE OF PLANNING AND BUDGET Resource Development Coordinating Committee

Michael O. Leavitt Governor Brad T. Barber State Planning Coordinator James L. Dykmann Committee Chairman John A. Harja Executive Director

116 State Capitol Building Salt Lake City, Utah 84114 (801) 538-1027

Fax: (801) 538-1547

February 23, 1996

Elaine K. Kaiser UP/SP Environmental Project Director Section of Environmental Analyses Surface Transportation Board 12th and Constitution Avenue, Room 3219 Washington, DC 20423-0001



SUBJECT: Potential Environmental Impacts of the Control and Merger between Union Pacific/Southern Pacific Railroads (Finance Document No. 32760) State Identification Number: UT951208-040

Dear Ms. Kaiser:

The Resource Development Coordinating Committee (RDCC) has reviewed this proposal. The Governor has previously expressed his severe concerns about the proposed merger. Consequently, these State agency comments are to be considered technical comments on the Environmental Assessment only.

### **Division of Water Quality**

Facilities that could present potential or actual deleterious impacts to ground water includes the modification, consolidation, or phase out of the rail yards and intermodal facilities. In particular, these concerns center on the Roper Yard, Clearfield Maintenance Facility and the Salt Lake City Intermodal facility.

To address the potential for the presence of ground water contamination at these facilities and the need for remediation, if present, a program for evaluating the ground water quality and possible associated and related soil contamination should be developed. Data from these evaluations should be provided to the Utah Department of Environmental Quality. If the evaluation has resulted in the development of a corrective action program, this should also be furnished to the Department of Environmental Quality.

The Department and component Divisions would work with the merger partnership in accessing and correcting environmental problems at their facilities. If working relationships are established early-on, necessary work can be done in a cooperative effort and result in a lower cost, more efficient and more effective result.

Elaine K. Kaiser

Merger between Union Pacific/Southern Pacific Railroads (Finance Document No. 32760) 2

### **Division of Air Quality**

The Utah Division of Air Quality has reviewed Finance Docket No. 32760 and provides comments regarding air quality impacts based on the following information presented in the referenced document:

#### 16.1 PROPOSED ACTIONS AND NO-ACTION ALTERNATIVES

The proposed action in Utah would involve the construction of the project described below which would be constructed generally as described in Section 2.0. The proposed construction is necessary to the efficiency of the merged operations and will result in the benefits discussed in Section 1 of this Part. The no-action alternative assumes that the projects would not be constructed.

<u>Salt Lake</u> - The operation of the merged systems anticipates consolidation of intermodal traffic from SP's existing facility into the U:'s intermodal facility which require the expansion of existing facilities at the North Yard, including additional parking and conversion to crane operations.

The North Yard is located in an area of nonattainment for fine particulate ( $PM_{10}$ ), carbon monoxide (CO) and ozone ( $O_3$ ) pollution. The DAQ operates a National Air Monitoring System (NAMS) for  $PM_{10}$  and a State/Local Air Monitoring Station for sulphur dioxide (SO<sub>2</sub>) at 1800 North 100 West (NSL2), in close proximity to the North Yard, where exceedances of the annual  $PM_{10}$  standard have occurred for four years (91-94). Air pollution associated with North Yard activities and "building trains" activity also impacts a DAQ NAMS for  $PM_{10}$  at 251 West 500 South (AMC), but to a lesser extent than the impact on NSL2. Periodic exceedance of the 24-hour  $PM_{10}$  standard occur at the AMC site during winter inversion periods.

It is difficult to determine the ambient air impacts from construction activities without more details on the proposed construction activities in the North Yard. Construction activities near the NSL2 monitoring site have contributed significantly to the past exceedances of the annual PM<sub>10</sub> standard. Significant fugitive dust/emissions control strategies need to be implemented during construction activities in the North Yard to minimize PM<sub>10</sub> impact in the area.

Additional parking suggests an increase in  $PM_{10}$ , CO, and  $O_3$  precursor emissions. The potential impact cannot be determined without additional information. Increased locomotive and switching activities in the North Yard will result in an increase in  $PM_{10}$  emissions unless old diesel engine technology is replaced by new diesel/turbine engine technology. Activity patterns in the North Yard as a result of the merger would need to be determined to access the ambient air quality impact.

Elaine K. Kaiser '

Merger between Union Pacific/Southern Pacific Railroads (Finance Document No. 32760) 3

It conversion to crane operations is not offset by reduction in emissions from other or former activities in the North Yard, the crane operations may represent a new, additional source of emissions impacting air quality in the area.

If the merger occurs and the proposed actions in the North Yard are to become a reality, the DAQ requests that appropriate personnel representing the UP/SP Railroads meet with the DAQ and address these issues prior to construction in the North Yard.

The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Utah State Clearinghouse at the above address or call Carolyn Wright at (801) 538-1535 or John Harja at (801) 538-1559.

Sincerely,

Brad T. Barber State Planning Coordinator

BTB/ar



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## **CORPUS CHRISTI GRAIN CO.**

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Februar/ 27, 1996

FD 32760

The Honorble Vernon A. Williams, Secretary Surface Transportation Board 12th Street and Constitution Avenue Washington, D.C. 20423

Dear Hon. Williams,

Corpus Christi Grain Co. is opposed to the Union Pacific-Southern Pacific rail merger until the Tex-Mex Railway Co. has some access to Houston other than UP/SP or BN-SF.

I am President and part owner of Corpus Christi Grain Company located at 100 Talbert Road in Corpus Christi. I am not being forced to testify by any railroad or company favoring a certain position. I am testifying because I am very concerned for our business because, if the merger is approved as proposed by UP-SP, we will lose our Mexico markets.

Corpus Christi Grain Co. is a country/terminal elevator that buys the local milo and corn crop from the farmers and exports it to Mexico by rail. At times we have been able to bring milo and corn into Corpus Christi from as far away as Nebraska and export it to Mexico. We have exported to Mexico for 18 years on the Tex-Mex Railway. During these 1.8 years we have been able to utilize the Union Pacific only about 4 years. Our success as a grain elevator is reliant on the Tex-Mex Railway being a strong and viable railroad. S''2.

Laredo is the Union Pacific's largest port into Mexico. The International Bridge to Mexico is owned by the Tex-Mex Railway and the Mexican railway. In 1951 the ICC ruled that' () the bridge crossings had to be shared 50-50 between the Tex-Mex and the Union Pacific. If one railroad could not utilize its 50% share, the other railroad could use any portion of that unused percentage. The International Bridge at Laredo can cross approximately 500 cars per day Northbound and 500 cars per day Southbound. The Union Pacific needs to move more than 250 cars per day (their 50% share), so they are interested in being able to utilize some of the Tex-Mex Railway's portion of daily crossings.

With the Tex-Mex Railway consisting of one 157 mile rail line (Laredo-Corpus Christi) they rely heavily on freight from other railroads (interline traffic) which

accounts for 70% of their total traffic. The Tex-Mex can not survive only on traffic originating on their line as historically this has been 30% of their total traffic. If the flow of freight to the Tex-Mex from other railroads becomes non existent, the UP-SP will be allowed to increase their share of the Laredo bridge above their 50% share. (This is because the Tex-Mex can not originate 250 cars per day of freight on their own line). The BN-SF trackage rights won't help the Tex-Mex bring freight across Corpus Christi to Laredo because they have their own crossing at El Paso, and they also have a crossing at Eagle Pass by using their trackage rights from Caldwell, Texas to Eagle Pass, Texas cver the Southern Pacific. BN-SF's first priority will be to use the El Paso crossing and keep all the revenue. BN-SF's second priority will be to use the Eagle Pass crossing, because they only have to pay trackage rights revenue to the UP-SP. BN-SF's last priority will be to use the Laredo crossing because they would have to pay trackage rights revenue on the Caldwell-Corpus Christi portion to the UP-SP, and they would also have to pay the Interline freight charge on the Corpus Christi-Laredo portion to the Tex-Mex.

If the Tex-Mex is not a viable railroad, we will not be able to compete with rail grain to Mexico because the UP is not an alternative for us. The UP has proven over the past 18 years that they are more interested in a \$2400 dollar long haul to Laredo (approximately 900 miles) than a \$700 dollar short haul to Laredo (150 miles). With the long turntime per car in Mexico the same, whether the load originated in Nebraska or Corpus Christi, the Union Pacific is probably making a sound economic decision to favor the longer hauls. For this reason we feel that we would not be competitive in the Mexican rail market.

My summation is that if the merger is approved without some agreement to allow Tex-Mex access to Houston, then two things will happen:

(1) There will not be any freight to Laredo via Tex-Mex from other railroads causing financial hardships on the Tex-Mex.

(2) UP will not offer Corpus Christi Grain Co. a competitive alternative route to Mexico in the absence of the Tex-Mex Railway.

Sincerely,

Will E. Barley

William E. Bailey President



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Page Count

## **AYBROOK TOWNSHIP TRUSTEES**

\_ 7247 Center Road ASHTABULA, OHIO 44004

> Phone 216, 969-1106 Fax (316 969-1605

E1) -32760



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February 28, 1996

Honorable Vernon Williams Secretary Surface Transportation Board 12th Street and Constitution Avenue Washington, D.C. 20423

Dear Secretary Williams:

As someone who represents working families and consumers, I am concerned about the proposed Union Pacific-Southern Pacific merger. I do not believe it is in the public interest for the following reasons:

- I believe it would result in unnecessary layoffs and job losses among the affected railroad workers;
- It would weaken Northeast Ohio's economy by weakening eastern and midwestern railroads, and threatening industrial jobs here: and
- 3. By concentrating so many resources, it could negatively affect prices and service--potentially hurting area families at the market and in the workplace.

We therefore find that the merger is not in the public interest, and ask that it be disallowed by the Surface Transportation Board.

Sincerely BY ORDER OF SAYBLOOK TOWNSHIP TRUSTEES ADVISE OF ALL ATERFO Unice of the Secretary arc Pope Saybrook Township Clerk PROCEEDINGS \$ 1996 MAR O Part of MP/rr Public Record



#### Item No.

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41544

Telephone (216) 943-7100 Fax (216) 943-7107

Economic Development Coordinator 28730 Ridge Road Wickliffe, Ohio 44092

February 28, 1996

Honorable Vernon A. Williams Secretary Surface Transportation Board 12th St. & Constitution Avenue Washington, D.C. 20423



Dear Secretary Williams:

I am concerned that the proposed Union Pacific-Southern Pacific railroad merger is not in the best interest of the people of Northeast Ohio. We as an economic center would be far better served if the UP-SP's eastern routes were, as part of the proposed merger, sold to Conrail, not leased to another western railroad.

My reasoning is straightforward. First, our industrial companies, particularly in the booming polymers sector, need direct service to raw materials and markets in the Gulf "chemical coast" region and to Mexicc. Second, I believe that and owner-carrier, such as Conrail, would have greater incentive to improve markets along the route. Third, by keeping Conrail strong, we ensure a variety of service options and strong price competition among the major railroads in our region, namely CSX, Norfolk and Southern, and Conrail.

Finally and most important, I believe the Conrail proposal is in the best interest of the industrial, manufacturing a id transportation workers of our region. It combines efficient transportation, economic development, and continued employment opportunities. These are keys to the public interest.

For those reasons I would oppose the proposed merger unless it includes the Conrail purchase of the eastern lines of the old Southern Pacific. Only with the Conrail acquisition will Northeast Ohio economies be maximally served.

Thank you for your consideration. ENTERED Office of the Secretary MAR 0 \$ 1996 Sincerely, CITY OF WICKLIFFE Part of Public Ro **VISE OF ALL** Thomas W. Thielman Economic Development Coordinator PROCEEDINGS



Item No.

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MAR # 15

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AREA CODE 216

city of Fairview Park

FAIRVIEW PARK, OHIO 44126

MAYOR

FD 32760



February 28, 1996

Honorable Vernon Williams Secretary Surface Transportation Board 12th Street and Constitution Avenue Washington, D.C. 20423

Dear Secretary Williams,

As someone who represents working families and consumers, I am concerned about the proposed Union Pacific-Southern Pacific merger. I up not believe it is in the public interest for the following reasons:

- I believe it would result in unnecessary layoffs and job losses among the affected railroad workers;
- It would weaken Northeast Ohio's economy by weakening eastern and midwestern railroads, and threatening industrial jobs here; and
- 3. By concentrating so many resources, it could negatively affect prices and service--potentially hurting area families at the market and in the workplace.

Sincerely.

Karl Kú Mayor

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We therefore find that the merger is not in the public interest, and ask that it be disallowed by the Surface Transportation Board.

ADVISE OF ALL PROCEEDINGS ENTERED Chice Rt. HB Secretary AR 0 5 1996

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41542 Item No. Page Count COMMITTEES #16 D MAR Budget ocretary Appropriations • General 573 • 751-2948 MAR 0 8 Administration & Transportation Banks & Financial Institutions DISTRICT OFFICE Part of Public Recorr 1366 East Smith Transportation Springfield, MO 65803 Workers Compensation & 417 • 833-0854 PHILIP WANNENMACHER **Employment Security** State Representative Distri 139 32760 FD The Honorable Vernon A. Williams Secretary Interstate Commerce Commission 12th Street and Constitution Ave NW

Dear Mr. Williams:

Washington, DC 20423

I am writing to strongly support the pending merger between the Union Pacific and Southern Pacific Railroads. The Missouri Pacific Railroad, as predecessor to today's Union Pacific Railroad, has a long history and presence in our state, and has contributed greatly to our state's economic development. The merger of the Union Pacific and Southern Pacific Railroads will continue that tradition by strengthening competition with the recently-n.erged Burlington Northern Santa Fe Railroad.

Missouri shippers will benefit from faster, more reliable intermodal service to and from California, saving hundreds of miles over current routes. New, single-line service to northern California, the Intermountain region and the Pacific Northwest will also provide greater speed, reliability and frequency for Missouri carload shippers.

\$360 million will be spent to upgrace the lines between Kansas City and southern California, to increase capacity and improve service. \$16.7 million will be spent to develop a new intermodal terminal in the Kansas City area. Almost \$38 million will be spent to expand UP's Dupo intermodal terminal.

Increased traffic as a result of the merger should result in increased jobs for Missouri.

Southern Pacific has significant shipper coverage in Missouri, and many of SP's customers are exclusively served by SP. These customers have had to cope with service problems and uncertainties as to SP's finances. The merger of Union Pacific and Southern Pacific will provide SP shippers with the assurance of top-quality service with a financially strong railroad that can afford the capital investments necessary to build new capacity, implement new technology, and continue to improve its operations. I strongly urge approval of the merger of Union Pacific and Southern Pacific Railroads.

Sincerely, S-

Representative Phil Wannenmacher District 139



6159 Item No. Page Count\_ MAR . # Sice a) the relau un re llans )th Joand Constitution Iven DW, Washington Chice of the Secretary 20423 MAR 0 \$ 1995 )ear )is, Public Record lease do not let the marger en Union Pacific RR + Southern acific RR tope place. This yell cost untold number of jobs for both sides. This would so effect the economy in a recative was showed in the fincific Mercer with Messouri toute. Status now after starting is back on The extra I cannot hold a realor oard ob. Please do not let this mercer ADVISE OF ALL NFFDINGS

Our Country is getting deeper in trouble Every day, on Diser more & more companies closing and more people out of jobs. We depend on you to make the right decision by Turning This merger application down. ····) Thank you, Ravan J. Chopman 8218 Corn Rd Oak Grove, Mo 64075



Item No	
Page Count_	1
MAR	#18

# 61540



February 26, 1996

Surface Transportation Board 12th Street and Constitution Avenue, NW Washington, D.C. 20423

Gentlemen:

FD 327(0

The Lake Charles Harbor and Terminal District ("Port of Lake Charles, Louisiana") would like to express its overwhelming support of the proposed merger between the Union Pacific and Southern Pacific Railroads.

We feel this merger will be a tremendous benefit to our port, and also, will result in stronger rail competition throughout the United States.

We urge the Board to approve this merger at the earliest possible date.

Very truly yours,

Glenwood W. Wiseman

GWW:ef

cc: Board of Commissioners

Mr. Michael Dees General Counsel

Mr. Warren C. Wilson Senior Manager, Rail Line Planning Union Pacific Railroad Company





PROCEEDINGS



Harbor & minal

Post Office Box 3753 Lake Charles, LA 70602 Phone 318-439-3661 Facsimile 318-493-3523

Glenwood D. Wiseman Executive Director



Item No Page Count_1 MAR.# 27	ENTERED Office of the Secretary MAR 0 \$ 1995	41539
THE FOR City of S	The Part of Publik Recorr	FRED T.L. NORRIS
February 27, 1996		MAR ECENTED
Mr. Vernon Williams, Secre Surface Transportation Boar 12th Street and Constitution	d let	ANAGEMENT

Re: Finance Docket 32760 - Union Pacific/Southern Pacific

Dear Mr. Williams:

Washington, DC 20423

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

My reason for supporting this acquisition includes the following very specific reasons:

Service improvement. It is my understanding the new system routes will 1. shorten the lengths for the various corridors including the Chicago-Oakland corridor. Additionally, as a result of alternative routing due to the merger, it would provide for the flexibility for re-routing traffic and cause service improvements again.

Stronger competition. As a result of the merger, competition will strengthen all markets. A merger of the UP/SP will provide intense competition among the UP/SP and the BN/Santa Fe, IC, Soo, and the KCS.

We appreciate your consideration of the above interests from the City of St. Charles. If I can be of further service to you, please contact me accordingly.

Sincerely,

2.

Fred T. L. Norris Mayor

MK:nlw

Thomas Zapler, Special Representative PROCEEDINGS Union Pacific Railroad 165 N. Canal, 8-N Chicago, IL COM pc: Chicago, IL 60606

CITY OF ST. CHARLES 2 EAST MAIN STREET ST. CHARLES, ILLINOIS 60174 708/377-4444



MAR 0 8 1996 Themas Nornel Item No. 61538 55 South Vellegel alperen (a 91991 Page Count MAR #9 4 Tel 25,1996 Writing in rounds to T megeny of Anite Pacific & Joutten Pacific R.R. Jama retired railroad worker 43 ups of service It's a disgrace what they are doing to hailroad workers job lagot es C Will you look ento this merger tend see what it means the country " Newsiber Magazine Feb 26, 96 Corporate filler Wall ST. Loves day offo But the Public is Seared as Hell Places arole against the Thank you CEEDINGS thomas Donnel OF A



February 26, 1996

Item No

Page Count

Mr. Vernon A diams Surface Transportation Board Room 3315 12th and Constitution, N.W. Washington, D.C. 20423-0001

Re: Finance Docket No. 32760, Union Pacific Corp., et al. -Control and Merger - Southern Pacific Rail Corp., et al. Ciba-Geigy Corporation 520 White Plains Road P.O. Box 2005 Tarrytown, NY 10591-9005 Telephone 914 785 2000

61537



Dear Mr. Williams:

Ciba-Geigy is a leading U. S. biological and chemical company with annual sales in excess of \$5 billion annually. We have facilities in both the United States and Mexico and have a strong interest in competitive rail transportation between these two countries. We currently ship rail to Mexico and the Laredo/Nuevo Laredo gateway is a route for shipments between the two countries.

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Our company depends on competition to keep prices down and to spur improvements in products and services. The TexMex has been Southern Pacific's partner in reaching Laredo in competition with the Union Pacific, as Southern Pacific does not reach Laredo directly.

A merger of the Union Pacific and Southern Pacific would reduce, if not eliminate competition via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad (BNSF), we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this route.

The TexMex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. We would therefore ask the Surface Transportation Board to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Thank you for your attention in this matter.

100 100 10.1 200 EEDINGS

ENTERED Cilica of the Secretary erely Part of Joe Recoraro Public Record Manager - Corporate Transpo



## cc: M. O'Hare

Central Business Services 629 Green Bay Rd. Wilmatte,IL 60C91