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

RE: Finance Docket 32760

As a resident interested in your future and the Gulf Coast region, I am writing to speak against the merger of Union Pacific and Southern Pacific railroads. The loss of rail competition for our industries and economic development would prove detrimental. This one railroad would own all tracks and control most rail traffic involved in the petrochemical and agricultural business as vital to our state and region. Competition is a vital element of free enterprise and existing companies as well as new businesses need to count on competition for growth. Please decide against "Finance Docket 32760."

Harry, Mrs. Mildred Chance
The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
12th Street & Constitution Ave.
Washington, DC 20423

RE "Finance Docket 32760"

The Honorable Vernon A. Williams, Secretary

We are writing asking that the merger of Union Pacific and Southern Pacific not be allowed. This merger would create an unjust monopoly of the rail traffic in Texas, that is, 90% of the rail traffic between Mexico and Texas as well as in other areas of the United States. This would not be a competitive situation in the rail traffic business.

PLEASE do us a favor and vote "NO" on this item. Trackage Rights are no substitute for all-out competition.

We have already had too many large companies merge in this country as well as major companies moving out of these United States to avoid Corporate Tax payment. Competition serves the public much better.

We would appreciate anything you could do to avoid this merger taking place.

Yours truly

Mr. & Mrs. Wm. D. Brown
3210 Southland
San Angelo, TX 76904

ADVICE OF ALL PROCEEDINGS
March 21, 1996

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

RE: Finance Docket No 32760, Union Pacific/ Southern Pacific merge

Dear Mr. Williams,

The Pendleton Chamber of Commerce recognizes the role that the Union Pacific Railroad plays in the economy of Eastern Oregon.

We support the efforts of the Union Pacific and those of others whose efforts provide efficiencies of service, cost effectiveness and increased marketing opportunities for our businesses. These efforts help improve the economic climate in Oregon and the various communities where these companies operate.

We support the application of the Union Pacific Railroad and the Southern Pacific Railroad to merge their operations. It is our considered judgement that the proposed consolidation would carry an additional benefit specific to our region in that it would help expedite the development of a new engine shop at the Hinkle terminal. This new facility will create 200 new family wage plus jobs for our area.

The Board of Directors of the Pendleton Chamber of Commerce urges you to favorably approve this application in a timely manner so that the benefits from the proposed consolidation can be realized.

Sincerely,

Peggy Hodgen, President
Board of Directors

cc: Phillip Houk, Pendleton City Council
Honourable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1201 Constitution Avenue, N.W.  
Washington, D.C.  
20423

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

Dear Mr. Secretary:

Enclosed please find an original and (5) copies of the verified statement of Robert E. Elder representing Weldwood of Canada Limited.

Sincerely,

Robert E. Elder  
Manager, Transportation

RE: djh
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, SOUTH WESTERN RAILWAY COMPANY, SPCSL CORP., AND THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

COMMENTS OF:

WELDWOOD OF CANADA LIMITED
1055 WEST HASTINGS STREET
P.O. BOX 2179
VANCOUVER, B.C.
V6B 3V8

SUBMITTED BY: ROBERT E. ELDER
MANAGER, TRANSPORTATION

DATE: MARCH 21, 1996
My name is Robert E. Elder. I am the Manager of Transportation for Weldwood of Canada Limited. Weldwood of Canada Limited’s Head office is located at P.O. Box 2179, 1055 West Hastings Street, Vancouver, British Columbia, Canada. I manage all transportation functions for all manufacturing facilities and product lines controlled by Weldwood of Canada Limited.

This statement is being submitted by Weldwood of Canada Limited as an interested party.

Weldwood of Canada Limited is a major producer of forest products, with logging and manufacturing operations in British Columbia and Alberta, Canada. Weldwood operates seven sawmills producing approximately 950 million board feet of lumber, two plywood mills with total production of 336 million square (3/8” basis) and two pulp mills producing approximately 445 thousand metric tonnes annually. All production to U.S. markets account for approximately 15,000 railcar loads annually.

Weldwood conditionally supports the merger of Union Pacific and Southern Pacific. We believe SPR will continue to have operational problems and difficulty competing with other larger railroads without a merger. We also believe the merger provisions for competitive access are very progressive and the proposed trackage rights agreement will result in significant benefits, in cost and service and
provide much improved access to potential market areas for Weldwood of Canada Limited.

Weldwood of Canada Limited supports the BN/SF purchase of UP’s line from Bieber to Keddie, CA providing a single-line rail route to Southern California and Arizona. Over the past several years non-competitive pricing and service has resulted in lost business opportunities for Weldwood in Southern U.S. market areas.

We further submit our support for the proportional rate agreement which will allow UPRR/SPR to develop competitive rate and service proposals for traffic to and from Vancouver, British Columbia. This provision will improve rail access for our traffic throughout the western United States and Mexico.

We suggest however that consideration be given to an exchange involving improved BN/SF access to Mexico via perhaps Nogales, to provide more competitive access to potential Mexican destinations from Western Canadian origins.

Our past experience with the UPRR has been favourable. UPRR has had a reputation for providing its customers with consistent quality service with a focus on continuous customer satisfaction. The recent acquisition of the Chicago North Western Transportation Company did however create intolerable service problems causing undue inconvenience to our customers. This resulted in changes in rail routings to avoid UPRR service disruptions and it is important that similar conditions are not repeated in the merger which we herein support.
Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
12th Street & 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 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 be maximally served.

Thank you for your consideration.

Sincerely,

[Signature]

Mayor

[Stamp: ADVISE OF ALL PROCEEDINGS]
March 19, 1996

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

Your Honor,

Recently, I have been asked to give my opinion on the proposed merger between Southern Pacific Railroad and Union Pacific Railroad. Because of my employment with a railroad contractor, people believe that I might have some insight, but to popular belief, I am in the dark just as much as the rest of the public. If it would not inconvenience you, would it be at all possible to forward me a copy of the proposed merger plan. If this is not feasible, maybe a brief summary would be more appropriate. I would like to learn more about the merger so as then to pass on my knowledge to the others interested. Any response would be greatly appreciated.

Thank you for your time,

Tony Ray
PO Box 291
Bremond, TX 76629

ADVISE OF ALL PROCEEDINGS
The Honorable Vernon A. Williams, Sen.
Surface Transportation Bldg.
12th Street and Constitution Ave
Washington, D.C. 20423

I would like for you to vote against the proposed SP/Union Pacific merger for it would cost many jobs and damage Texas economy. For there are too many parallel tracks and putting them under one power would give the owner monopolistic shipping rights.

This is Finance Docket 32760

Sincerely,

Bennie B. Luck
Smithville, Tx

ADVISE OF ALL PROCEEDINGS
Mr. Vernon Williams  
Surface Transportation Board  
Room 3315  
12th and Constitution Avenues, N.W.  
Washington, DC 20423-0001  

Dear Mr. Williams:

Elf Atochem North America is concerned about the competitive effects that the proposed acquisition of the Southern Pacific Transportation Company by the Union Pacific Railroad would have on our Company. We have reviewed the proposed agreement between Union Pacific and Burlington Northern/Santa Fe which is intended to insure that meaningful rail competition will be maintained when the Southern Pacific is absorbed. We are not convinced that the agreement will provide this competition, especially in the state of Texas where our company has three plants that will be directly effected by the merger.

We have reviewed the proposal that the Texas Mexican Railway Company has prepared to obtain trafficage rights to points in Texas such as Houston and Beaumont to connect with the Kansas City Southern and other carriers, as a condition to approval of the UP/SP merger. Our company finds this proposal to be a realistic and viable alternative to UP/SP, as it addresses our concerns regarding the continuance of meaningful rail competition to our plants in Houston and Beaumont and the facilities of our customers in Mexico.

Elf Atochem North America supports the efforts by carriers such as the Tex Mex to maintain and enhance the competitive environment in the railroad industry.

I, John O’Leary, 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 3-22-96.

Name

ELF ATOCHEM N.A.

Company

cc: Texas Mexican Railway Company, c/o Central Business Services, 629 Green Bay Road, Wilmette IL 60091
Dear Sir/Madam:

I am writing to you on behalf of the Board of Directors of the Colorado Rail Passenger Association regarding the proposed Union Pacific - Southern Pacific merger. Our association is made up of Coloradans who wish to see expanded and improved intercity rail passenger service in our state and throughout the country.

Our association supports the merger as being necessary for the two railroads to successfully meet the competition posed by the Burlington Northern - Santa Fe as well as from other transportation modes such as trucking. We do not approve, however, of the abandonment of large segments of the Southern Pacific trackage between Dotsero and Canon City and between Pueblo and Towner. We have both written and spoken to Union Pacific representatives indicating that such closures are premature and would create an overload of other jointly owned lines in the region.

Since both railroads continue to find little use for this trackage, we request that you require them to sell the routes to other interested buyers in preference to abandoning them. We understand there are three transportation companies that would like part or all of these routes. We believe that keeping these routes as railroads in private hands is a much better alternative than selling the trackage to the state for either rail or non-rail use.

Thank you for your kind attention to this matter.

Sincerely,

Jonathan Esty
President,
Colorado Rail Passenger Assoc.

"A Voice for Colorado's Rail Passengers"
March 25, 1996

Secretary Vernon Williams
Surface Transportation Board
Department of Transportation
1201 Constitution Avenue NW
Washington, D.C. 20423

On 2/23/96, the Missouri Secretary of State Chartered (R422812) the LACKLAND WESTERN RAILROAD COMPANY for the purpose of acquiring, maintaining, constructing and operating a railroad for public use in the conveyance of persons and property between Centaur, MO and E. St. Louis, IL, a distance of 42 miles. The trackage (23 mi) and Operating Rights (18 mi) is owned and operated by the St. Louis Southwestern Rv. Co., a subsidiary of Southern Pacific Trans. Co. Southern Pacific has agreed to be acquired by Union Pacific currently before the Surface Transportation Board ("STB") as FD 32760.

Lackland Western has become a party to Association of American Railroads Interchange Car Service/Car Hire, and section 10706 Agreements and paid the AAR's Administration Fee to reserve "LKWR" as its reporting marks. Lackland Western has become a full carrier member of the American Short Line Railroad Association ("ASLRA").

Lackland Western has been in contact with UP's Rebensdorf and SP's Ongarth and has decided to make application to STB to become a party of record and possibly intervene in FD 32760.

This application is being FAXed to you at 202-927-6419 and 202-927-5647 at the suggestion of one of your staff members.

C. A. Mennell
President

ADVISE OF ALL PROCEEDINGS
March 12, 1996

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Twelfth Street and Constitution Avenue, N.W.
Room 1324
Washington, DC 20423


Dear Secretary Williams:

I do not wish to be on the service list mailing. Please discontinue forwarding this information.

Thank you.

Sincerely,

Guy Cameron
Wyoming State Senator

ADVISE OF ALL PROCEEDINGS
March 19, 1996

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

Re: Finance Docket 32760

Dear Secretary Williams:

I wish to register my opposition to the merger of the Union Pacific and the Southern Pacific Railroads under the proposal as covered under the above reference.

This merger as it is proposed in my estimation will not be good for the State of Texas nor the businesses or people of Texas. The merger of Union Pacific and Southern Pacific will eliminate much of the competition in the rail industry. The loss of rail competition will also result in a loss of competition for industrial and business relocation, for economic development and for JOBS. And unemployment places another burden both on the State as well as the national government.

The response of Union Pacific to these concerns about the loss of competition by the proposal of trackage rights to others is not the answer to an all-out competitive situation in the rail industry.

I urge you and your Board to act in the best interest of all Texans and Texas business to not allow this merger to take place as now proposed.

Respectfully,

George E Sheltos

cc: Railroad Commission of Texas
Dear Sir:

Please oppose the rail merger between the Union Pacific and Southern Pacific railroads. (Ref: Finance Docket 32760).

Less competition will drive up our rates and the service will deteriorate!

Thank You,

Raymond L. Balcerzewicz

CC: RR Comm/Texas
A.P.Box 12467
Austin, Tx.
78711/2967

703 Woodrow, West
Waco, TX. 76712

Advise of all proceedings
These Are The Facts about The Proposed Rail Merger.

The Surface Transportation Board in Washington is reviewing a rail merger between the Union Pacific and Southern Pacific that could have a damaging effect on the economy of Texas communities. If the merger succeeds as proposed, it will control:

- rail traffic between Mexico and Texas
- petrochemical rail shipments, and
- plastics storage capacity in the Gulf Coast region.

The merger threatens competition, fair rates and jobs.

To State Comptroller John Sharp, specific moves about a third of Texas' food products and about a quarter of its agricultural products. Union Pacific, he says, would control market share. Imagine the proposed merger will give one company.

In the face of lost rail competition, we also lose in the
- for industrial and business relocation, development... for jobs!

ackage Rights
No Substitute Competition.

Axic has responded to criticism by offering
rights agreement with the Burlington
Santa Fe Railroad. Trackage rights agreements
at railroad owns all the tracks and allows
rent them is no substitute for all-out

just take our word for it.

At Gerald Grinstein, retired Chairman of
Northern/Santa Fe Railroad says:

"it with some disability. You've got track
issues and dispatch issues. It's quite
from owning your own track."

- Forbes Magazine
December 18, 1995

You Can Make A Difference.

Texas needs another owning railroad, not another merger, to
ensure effective rail competition. An owning railroad that will
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.

Help Stop The Merger
As Proposed.

The Surface Transportation Board has the
responsibility to act in the best interests of the State
of Texas, its citizens and its industry. Let them
know how harmful you feel this merger could be.
Help keep free enterprise and competition alive in
this state's rail industry.

Jobs are on the line. Rail competition is on the line.

Act Now, Texans Do Have A Choice.

Write:

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

(Please be sure to reference “Finance Docket 32760.”
It will help make sure your letter gets where it needs
to go.)

Please send a copy of your letter to:

Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

Tell them you oppose the merger as proposed and why.

1.800.449.3004
House of Representatives  
State of Idaho

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
Twelfth Street and Constitution Avenue, N.W.  
Room 1324  
Washington, DC 20423


Dear Mr. Williams:

I, Wayne R. Meyer, am a member of the House of Representatives, representing Bonner and Kootenai Counties in the Idaho legislature.

I support the proposed merger of the Union Pacific Railroad and the Southern Pacific Lines. The merger of the UP and SP will enhance rail competition, strengthen the Idaho transportation system and help fulfill the potential for increased economic development within the State of Idaho.

In particular, this merger will provide faster, more direct and new single-line routes for many of the areas that trade by rail with Idaho. For example, eastern and northern Idaho will obtain much shorter single-line routes to many points in California and Oregon. In addition there will be a new single-line route for the Eastport, Idaho gateway to Mexico and to SP-served points in California, Arizona and Texas, as well as new single-line service from all UP-served points in Idaho to numerous points now served only by SP in Colorado, New Mexico, Louisiana, and the Midwest. Both shippers and receivers in Idaho will benefit from this streamlining.

Also important is the fact that merger will enable UP to provide a ready supply of railcars, particularly the refrigerated equipment that Idaho shippers need. By making use of backhaul opportunities and taking the best advantage of seasonal patterns, the UP could provide more reefer cars for Idaho potatoes, for example, without any corresponding increase in its fleet and the cost that would entail. In addition, more capital investment for expanded capacity would be possible with the additional cost savings from combining the operations of the two railroads.

A merged UP/SP will strengthen competition with the now-merged BN/Santa Fe and its new single-line routes. It is important to Idaho that UP/SP be permitted to compete by merging because of the benefits outlined above, and so that the UP will remain a financially strong match for BN/Santa Fe in Idaho.

For these reasons, the undersigned fully supports the merger and urges the Surface Transportation Board to approve the merger promptly.

March 1, 1996
Wayne Meyer

Date
Dear Mr. Williams:

I am writing to voice my opposition to the proposed merger of the Union Pacific and Southern Pacific. This would not be beneficial to anyone but the railroad moguls who want to fill their pockets a little bit fuller.

Sincerely,

Duane E. Hamann
P.O. Box 1343
Hemphill, Texas 75948
March 18, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th Constitution Avenue, N.W.
Washington, D.C. 20423

Control Merger — Southern Pacific Rail Corporation, et al.

Dear Secretary Williams:

As you are aware, Morris Scrap Metal, Inc. has three locations in Mississippi and one location in central Arkansas. All of these locations are dependent on railroad as the major means of transportation of our product to consumers located throughout the midwestern and southeastern parts of this country. Our company shares serious concerns with others in our region concerning the proposed merger of the UP and SP Railroad. We feel that the best solution would be for the UP and SP to compete with each other in order for railroad rates west of the Mississippi River to be competitive and hopefully a healthy environment for an increased level of service would exist.

Two of our scrap yards are on the BN/SF, and we have seen rates, levels of service, and availability of equipment suffer with this merger. Our firm joins with the Coalition For Competitive Rail Transportation in opposing this merger. We appreciate you and your office in aiding us to achieve lower rates, better service, and a more competitive atmosphere to exist in railroad transportation.

I, Robert Craig verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement on behalf of Morris Scrap Metal, Inc. Executed on March 18, 1996.

Sincerely,

Robert Craig
Director of Transportation

cc: Senator Thad Cochran
    Senator Trent Lott
    Congressman Sonny Montgomery
1415 E. 8th Street
Smithville, Texas 78957
March 24, 1996

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

Dear Sir:

This letter is in reference to Finance Docket 32760. I am opposed to the rail merger between the Union Pacific and Southern Pacific railroads. This could have harmful effects on the economy for Texas. The UP would control 90% of rail traffic between Mexico and Texas.

When we lose competition, we also lose in the competition for industrial and business relocation, for economic development for jobs. Texas needs another owning railroad, not another merger, to ensure effective rail competition. An owning railroad that will 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.

We need competition and I believe this merger would eliminate this and also many jobs. I hope and pray that you will vote against this merger as proposed.

Yours truly,

Virginia Fulmer

Virginia Fulmer
CC: Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967
March 22, 1996

Honorable Vernon Williams  
Surface Transportation Board  
1324 12th Street at Constitution Ave.  
Washington, D.C. 20423

Dear Mr. Williams:  
The proposed merger of the Southern Pacific and Union Pacific railroads will enhance service for the San Joaquin Valley and Sierra Foothills. It will also provide opportunities for potential transit connections with current and future transportation modes into Yosemite National Park. This will benefit the tourism economy of Mariposa County, the home of Yosemite, as well as relieve traffic congestion to and within Yosemite.

It is our understanding that the merger includes a commitment to improvement of existing Southern Pacific tracks. These capital improvements are necessary to assure service improvements. Given these understandings, I would urge you to approve this merger.

Sincerely,

EDWARD J. JOHNSON  
Executive Director  
Mariposa County Transportation Commission

cc: Mariposa County Board of Supervisors  
U.S. Congressman George Radanovich  
California Senator Dick Monteith  
California Assemblyman George House  
U.S. Senator Barbara Boxer  
U.S. Senator Diane Feinstein
March 23, 1996

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

Charles and Dinah Breeden
1405 E. 7th Street
Smithville, Texas 78957

RE: Finance Docket 32760

Dear Sir:

This letter is to inform you of our opposition to the proposed merger between the Union Pacific and Southern Pacific Railroads. We don't believe the merger is in the best interest of our nation's economy. In order for our free enterprise system to remain healthy or improve, there must be a competitive choice rather than a monopoly. The Union Pacific Railroad is always stressing family values and how they support the American way of life. They are certainly not considering what the merger would do to the moral and life styles of employees who are terminated or even forced to uproot deep family ties for transfers.

Please, do not approve this merger and help keep our free enterprise system flourishing.

Sincerely,

Charles + Dinah Breeden

cc: Railroad Commission of Texas
Re: Finance Docket 32760

Dear Honorable Williams:

I want to urge you to vote Against the proposed merger of the Union Pacific/Southern Pacific Railroads. I believe this merger would decrease competition and cost Americans more for goods and services. The effect of this merger would cause many people to lose their jobs. I also believe it makes more sense to allow Kansas City Southern and Conrail to purchase parts of Southern Pacific.

A concerned citizen

[Handwritten address]

Advise of all proceedings
March 22, 1996

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
12th St. and Constitution Ave.
Washington, D.C. 20423

Dear Mr. Williams:

I am responding to the pending merger of Union Pacific and Southern Pacific. As a life long Texan who wants fairness, competition and free trade, I oppose this merger. Competition is the key to any good business. As a business owner, even I would think it would be wrong to be the "only game in town."

Please do your best to keep America and Texas strong by adding a "no" vote to such a merger that could very well drive up the price of goods here in Texas as well as the rest of the nation.

With thanks for your time.

Sincerely,

Austin Teutsch
Businessman/Author

AT/gh

ADVISE OF ALL PROCEEDINGS.
Item No. 67036

Page Count: 1

Mar. 23, 96

Surfaced Transportation Board
(Finance Boxes 32760)

I oppose the merger of Southern Pacific and Union Pacific. merger could be the end of the line for many Texas Communities. The tracks run side by side in some part of Texas. It will force some to lose their jobs and to relocate to undefined locations. Help keep free enterprise in Texas for Competitiveness Rail —

L.M. Hooks

ADVERTISE OF ALL
PROCEEDINGS
March 19, 1996

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

Dear Secretary Williams:

The purpose of this letter is to voice my concern over the proposed Union Pacific-Southern Pacific railroad merger. The public interest in Northern Ohio would be better served if the UP-SP's eastern routes were sold to Conrail, as part of the proposed merger, not leased to another western railroad.

Our industrial companies need direct service to raw materials and markets in the Gulf and Mexico. An owner-carrier, such as Conrail, would have greater incentive to improve markets along the route. By keeping Conrail strong, a variety of service options and strong price competition among the major railroads in our region are ensured.

Most importantly, the Conrail proposal is in the best interests of the industrial, manufacturing and transportation workers of Northern Ohio. It combines efficient transportation, economic development and continued employment opportunities.

Thank you for your consideration in this matter.

Yours very truly,

CITY OF PARMA HEIGHTS

Paul W. Cassidy
Mayor

PWC:cmh
March 21, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Room 2215
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

RE: Request for Conditions from Members of the Texas Legislature Regarding
Financial Docket No. 32760

Dear Secretary Williams:

This letter is written to express my support for the request for conditions submitted to the Surface Transportation Board for consideration by Texas State Representatives Junell, Cook and Saunders. I am very concerned that a merger of Union Pacific Corporation and Southern Pacific Rail Corporation will significantly reduce rail competition in Texas and have a negative long-term impact on the business and economy of this state.

The preservation of competition is my primary concern. This merger would be a side-by-side merger giving UP/SP and BN/SF more than 4,000 miles of parallel tracks. These two railroads would control up to 70% of the petro-chemical shipments from the Texas Gulf Coast and 90% of rail traffic with Mexico. At this time, I do not see any economic incentive for competition within these two railroads. An additional concern is how competitive rates will be enforced if the merger is approved.

A merged UP/SP would control over 50% of the chemical tonnage originating from the Gulf Coast petrochemical belt and 40% of the plastics production. This extensive control of the $3 billion North American petro-chemical traffic through Texas could have a serious economic impact on these industries.

Furthermore, a merged UP/SP would control 88% of the lucrative United States-Mexico rail traffic. The availability of service by a third, unaffiliated rail carrier is essential to the preservation of competition in this area.

Hugo Berlanga
District 34
There are certain conditions that would make the merger more agreeable and guarantee that competitive rates prevail. In addition to access by a third, unaffiliated rail carrier, divestiture of the UP/SP parallel tracks in East and Southeast Texas would provide a viable solution.

For these reasons, I urge the board to approve the request for conditions filed by my colleagues in the Texas Legislature. The approval of this request is vital to insuring rail competition in Texas.

Sincerely,

Hugo Berlanga
State Representative
SPECIAL RESOLUTION

A SPECIAL RESOLUTION IN SUPPORT OF CONRAIL'S POSITION WITH REGARD TO THE MERGER OF THE UNION PACIFIC AND SOUTHERN PACIFIC RAILROADS

WHEREAS, the proposed merger of Union Pacific and Southern Pacific railroads is not in the public interest in Northeastern Ohio and we would be far better served if the UP-SP eastern routes were, as part of the proposed merger, sold to Conrail, not leased to another railroad, and

WHEREAS, our industrial companies, particularly in the polymers sector, need direct service to raw materials and markets in the Gulf "chemical coast" region and to Mexico and an owner-carrier such as Conrail would have greater incentive to improve markets along the route; and

WHEREAS, by keeping Conrail strong, this would insure a variety of service options and strong price competition among the major railroads in our region, namely, CSX, Norfolk & Southern and Conrail; and

WHEREAS, railroad "mega mergers" cost hardworking citizens jobs and Conrail is a major Ohio employer.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL AND ADMINISTRATION OF THE CITY OF WILLOWICK, LAKE COUNTY, STATE OF OHIO:

SECTION 1. That the Mayor and Council of the City of Willowick oppose the merger of Union Pacific-Southern Pacific railroads unless it includes the Conrail purchase of the eastern lines of the old Southern Pacific.

SECTION 2. That the Clerk of Council is hereby requested to send a Certified Copy of this Special Resolution to Mr. Vernon A. Williams, Secretary, Surface Transportation Board, 12th Street & Constitution Avenue, Washington, D.C., 20423.

PASSED: MAR 05 1996

Raymond Koehls
President of Council

Lawrence M. Fender
Mayor

Entered:
Office of the Secretary
Mar. 31 1996

Part of Public Record

The foregoing posted in each of the five places designated by council, each for a period of fifteen days commencing on

22nd of March, 1996

ADVISE OF ALL PROCEEDINGS
March 20, 1996

The Honorable Vernon A. Williams,
Surface Transportation Board
Room 1324
Twelfth Street and Constitution Avenue, N.W.
Washington, DC 20423

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

Dear Mr. Williams:

The City of Chickasha is pleased to endorse and support the proposed merger between the Union Pacific and Southern Pacific Railroads. We have had a long and efficient relationship with the local management of Union Pacific. Their contributions to this community are numerous.

The main line of the Union Pacific runs through Chickasha and with this merger, the geographic reach of Union Pacific would expand, to the benefit of Chickasha area businesses that ship and receive freight by rail.

We support the efforts of Union Pacific and those of others whose efforts provide efficiencies of service, marketing opportunities and cost effectiveness. These efforts help improve the economic climate in Oklahoma and the various communities where Union Pacific operates.

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

Yours Truly,

Harold Jackson, Mayor

cc: City Council

101 North 6th Street, Chickasha, Oklahoma 73018 - (405) 222-6000 - Fax No. (405)222-6029
Vernon A. Williams, Secretary  
Surface Transportation Board  
Room 1324  
Twelfth Street & Constitution Avenue N.W.  
Washington, D.C. 20423


Dear Secretary Williams:

As a farming cooperative representing approximately 100 independent family farms in central Utah and as a customer of both the Union Pacific and Southern Pacific Railways, we are writing this letter in support of the proposed merger between Union Pacific Railroad Company and Southern Pacific Transportation Company.

The information we have suggests that Southern Pacific's long term financial viability is in jeopardy because of the Burlington Northern and Santa Fe Railroad merger.

Further, it is our opinion that the negotiated trackage right agreement between UP & BN/SF is the most practical solution to assure that rail service competition remains in Utah.

In summary, it is our opinion that rail services will be improved and the concerns of competition will be adequately addressed by approving the proposed merger.

Sincerely,

David P. Bailey  
President  
Moroni Feed Company  
Box 368  
Moroni, Utah 84646

cc: James V. Dolan  
Steven A. Goodsell
COMMENTS AND REQUEST FOR CONDITIONS OF
YOLO SHORTLINE RAILROAD COMPANY

1. The Yolo Shortline Railroad Company (Yolo Shortline) is a Class III common carrier railroad located near Sacramento, California. The Yolo Shortline was incorporated in California in 1989 and began its first operations in February 1991. The Yolo Shortline has two branch lines, with a total mileage of 27 miles. These two branch lines were purchased (not leased) from Union Pacific Railroad Company (UP). Currently, our primary commodities hauled are processed tomatoes, gypsum, and alcohol (ethanol for gasoline additive). We also have shipments of machinery, seed, and feed grains. As with many short line railroads, we serve communities and customers which could not be economically served by our Class I partners. Our annual carloadings have ranged over the last three years from 700-1000 cars per year, which make us the second or third largest customer of UP in West Sacramento.

2. While we believe that the UP/SP\(^1\) merger will be in our Company’s and our customers’ best interests and endorse the UP/SP application for merger, the efficiency and competition of the UP/SP merger will be further enhanced by providing Burlington Northern/Santa Fe Railroad (BN/SF) access to our Yolo Shortline\(^2\). This will also place us in the same position as other West Sacramento customers of UP which provide carloads to UP, such as Farmer’s Rice Cooperative.

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\(^1\) Southern Pacific Transportation Company and its affiliates are herein referred as “SP”.

\(^2\) We also include any other railroad which will gain access to and through the Sacramento area as a result of the proceeding. Presently, we are only aware that Union Pacific has an agreement with BN/SF to serve customers in Sacramento and West Sacramento areas.
Lone Star Cement Company, Weyerhouser, and Capitol Coors each of which will gain access to BN/SF as a condition of the merger.

3. As described in more detail below, this merger will eliminate useless and uneconomic switches and switch charges between SP and UP and will provide us and our customers with much better transportation routes and lower transit times to key areas of the United States. However, unless Yolo Shortline is granted access to BN/SF, the merger will perpetuate such useless switches and uneconomic switch charges for Yolo Shortline and its customers to ship via a competing railroad to UP.

4. Presently, all of our traffic is interchanged with UP in UP’s West Sacramento rail yard. While we share trackage rights in UP’s West Sacramento rail yard with SP, our interchange and trackage rights agreement with UP does not permit interchange directly with SP. Thus to utilize SP routes, we are subject, at a minimum, to a UP switch to move cars within the West Sacramento yard from the Yolo Shortline interchange track to the SP interchange track, and a corresponding switch fee. In most cases, either the switch fee will render the transportation uneconomic or the handling time will subject the shipment to the risk of untimely delivery and the customer will choose an alternate mode of transportation or carrier. In addition, the general corporate relationship between UP and SP has led to a high degree of distrust between these carriers, which has resulted, among other things, in exorbitant switching charges and refusals to deal. The distrust between these two carriers has made many shippers wary of movements which involve both of these carriers, because of concerns about delays and mishandling.

5. Because SP has far superior routes to Southern California, the South Western part of the United States (particularly Texas), Mexico, and to the Northwest, and because SP can beat UP’s rates
and transit time to those areas, we have lost entire customers and many miscellaneous shipments to other carriers as a result of not being able to directly interchange with SP Railroad. As a specific example, we have a plastic manufacturing plan served directly with a spur from our line.

However, this plastic manufacturing plant receives their plastic, which originates in Texas, from SP by truck from a railcar-to-truck transload at Roseville, California (30 miles from the plant). This traffic is approximately 400 cars per year. It is transloaded and moves by truck because of the UP switch charge and SP’s and the customer’s concern about UP’s transit reliability and switch requirement. We have worked with other potential customers (cement, lumber products and fencing materials as commodities), only to find that UP’s switch charge renders SP routes to the southwest uneconomic compared to other alternatives.

6. SP has much better access to the Northwest from California than does UP. We have lost traffic to and from the northwest due to SP’s direct routes compared to UP’s. We have worked with customers to move lumber products, wood chips, and feed grain only to find that they will use SP because of transit time and lower rates.

7. UP has been a very good interchange partner and has been very helpful to our railroad. However, UP has carefully arranged that our traffic will be interchanged solely with UP, so that UP can control the economics of any of our traffic going to other carriers. Coupled with the hostile relationship between SP and UP, this has impeded our ability to arrange and provide our customers economic transportation for numerous shipments. We do not want a perpetuation of this type of condition after the merger when trying to access a competing carrier such as BN/SF.

8. We believe that a UP/SP will be able to combine their strengths and eliminate many of the inefficiencies in and between their operations. We believe that single line haul service via the
combined UP/SP system will increase the transportation opportunities and efficiency for our
customers and result in shorter transit times and greater access to key areas of the United States,
Canada and Mexico.

9. In addition, the efficiency and competition of the UP/SP merger would be further enhanced by
providing BN/SF access to our railroad. This would provide even greater the transportation
opportunities and efficiencies for our company and our customers by giving them the opportunity
to access a competitive carrier. It will also avoid a perpetuation of the inefficient and uneconomic
switches and switch charges which create market restrictions and uncompetitive transportation
rates for our Company and our customers. Lastly it will place Yolo Shortline and its customers in
a position similar to that of customers served at the same interchange (West Sacramento, CA) and
with other short line railroads in Northern and Central California which will have interchange rights
with both UP/SP and BN/SF.

10. The Yolo Shortline has been solicited and has offered to provide service on branch lines in areas
jointly served by UP and SP. While there was no question that this would be more efficient and
cost effective for the companies and the respective customers served, UP and SP, due to their
strained relationship, could never come to any agreement on how to arrange for the transfer of the
trackage and service.

11. One area in particular which Yolo Shortline is seeking to gain operation is the entire West
Sacramento area where we currently interchange traffic with UP. Yolo Shortline could clearly
provide more economical and efficient rail service to the customers of that switching area while
interchanging with the Class I carriers at convenient points on their main lines. This will result in
faster, safer and more efficient service to the customers in these yard and switching areas,
including getting our own traffic to the Class I main lines. It will avoid having three or more
 carriers operating in this small yard and switching area which is the present situation and will be
 the situation after the merger until Yolo Shortline can get an agreement to operate the West
 Sacramento area from UP and other carriers having rights to serve customers in that area. It will
 also reduce the number of local trains entering and leaving the West Sacramento area which utilize
 the SP’s main line through Sacramento.

12. In conclusion and for the reasons stated above, our company supports UP/SP application and the
 proposed merger, but for the reasons set forth above, we respectfully request that the Surface
 Transportation Board include the following conditions when approving the merger application:

a. Yolo Shortline shall have the right to interchange with UP, BN/SF and any other railroad
 having access to customers in the West Sacramento area in order provide Yolo Shortline
 and its customers competitive access to alternative rail carriers and rates.

b. Yolo Shortline, UP and BN/SF (and other carriers which may have access to West
 Sacramento area as a result of this merger) shall enter into good faith negotiations to
 provide for one carrier (Yolo Shortline) to operate the West Sacramento area to create a
 safer, more efficient and economical means of serving the customers of that area.

Dated: March 22, 1996

by: \[Signature\]
David Magaw
President and General Manager
Yolo Shortline Railroad Company
1965 East Main Street
Woodland, CA 95776
VERIFICATION

I, David Magaw, 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 March 22, 1996.

by: David Magaw

CERTIFICATE OF SERVICE

Pursuant to 49 C.F.R. 1104.12, I certify that I have this day served copies of the foregoing statement upon all parties of record in this proceeding, by first class, postage prepaid U.S. mail.

Date: March 22, 1996. Signature: David Magaw
The Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
12th Street and Constitution Avenue  
Washington, D.C. 20423

Re: Finance Docket 32760

Dear Secretary Williams:

As Chairman of the House Transportation Committee, I have followed with great interest the debate over the UP/SP merger in Texas. It seems to me that divestiture of the parallel lines must be accomplished in order to provide the kind of competitive choice that the Texas economy requires.

I must say I am skeptical about the arrangement between Burlington Northern and Union Pacific and whether it would provide realistic competition. I am also concerned that if this merger goes through, one of the results will be increased truck traffic on an already overburdened highway system in this state. While I recognize the truck competition is not a viable alternative for many kinds of commodities, especially for long distance shipments, I am concerned that this merger might push prices to a level where more trucks will be employed on our state’s highway system.

Increased truck traffic would also occur if abandonments happen as I fear will follow in the wake of this merger in a number of areas if it is approved.

Sincerely,

Clyde Alexander, Chairman  
House Transportation Committee

cc Chairman Rob Junell
Please take notice that Railco, Inc., a Utah corporation engaged in loading coal from Utah coal mines onto the rail at a location in Carbon County, Utah, opposes the proposed merger of Union Pacific Railroad with Southern Pacific Railroad and intends to participate in these proceedings. Railco opposes the proposed merger because the merger as presently contemplated will substantially reduce competition among coal load out facilities in the Carbon and Emery County area and will unlawfully and unfairly discriminate against Railco.

Railco, Inc. is an independent load out operation situated on real property contiguous to the Savage Coal Terminal, near Price, Utah. Savage uses the same rail spur as Railco, Inc. and both companies compete for the privilege of loading coal for rail shipment from the surrounding coal mines. Union Pacific recently reached an agreement with Utah Railway Company that would allow Utah Railway access to the Savage Coal Terminal but will not allow Utah Railway access to Railco's facility, even though it is right next to Savage. Coal contracts between producers and users typically specify that
the coal will be shipped via a particular railroad. Because of this disparate treatment, Railco will be precluded from obtaining any loading contracts from coal producers that specify shipment of their coal via Utah Railway. Such discriminatory treatment will eliminate fair competition and should not be condoned.

In addition, Railco is advised that Union Pacific has also made concessions regarding price and shipping terms of coal to some coal producers in the Carbon and Emery County area, but will not grant these same terms and concessions to other coal producers. Such favorable terms and concessions made to only some producers will discriminate unfairly among the coal producers and will reduce or eliminate fair competition in the market. Any such unfair treatment among Railco's customers that adversely affect that customer's ability to compete in the market place, will also adversely affect Railco.

Railco requests that its opposition be noted and that counsel be advised at the address below, of all further proceedings in this matter.

Dated this 2 day of March, 1996.

Carl E. Kingston
3212 South State Street
Salt Lake City, Utah 84115
Phone: (801) 486-1458

Counsel for Railco, Inc.
21 March, 1996


I declare under penalty of perjury that the foregoing is true and correct. Executed this __21___ day of ____March____, 1996.

Brian E. Volkert  
President  
WOSCA Shippers Cooperative

Barbara Phillips  
Notary for King County, WA  
Commission Expires Feb. 1, 2000
Dear Sir

As a Texas citizen I am deeply opposed for the rail merger between the Union Pacific and Southern Pacific railroads. The concern of the damaging effect it could have on the economy through all the coal, Union Pacific will also control 2/5th of the Gulf petrochemical Traffic and 34% of the plastic storable area in the gulf region. This is not a situation that is not a posture of competition, fair play, and jobs. According to the Project Competitively, John Sharp, Southern Pacific moves about a third of Texas Chemicals and food products and about a quarter of Texas agricultural products. Union Pacific, he says, has an even greater market share. Imagine the rail what this
The sup. has an even greater
market share. Imagine the full
control this merger will give
them.

When all the rail competition
is lost, we also lose in the
overall competition for all
industrial and business
 relocation, for economic
development, Railwood Retention,
... for jobs.

I am using for a annotated
reference "Finance Docket 32760."

Sincerely Yours,
C.H. Lanell
March 22, 1996

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

Ref: Finance Docket 32760

Dear Mr. Williams:

I want to go on record as strongly opposing the proposed rail merger between the Union Pacific and Southern Pacific railroads. This merger would not foster fair rates, competition and jobs. If this merger is successful Union Pacific will control approximately 90% of the rail traffic between Mexico and Texas.

If we lose our rail competition, we will also lose competition for industrial relocation, for economic development and jobs! I feel this merger can't do anything but be harmful for free enterprise and competition in the state of Texas.

This merger could ultimately spell demise for many Texas communities.

Thank you for your consideration.

Sincerely,

Rick Watkins
711 Chimney Rock
Lufkin, Tx. 75904

cc: Railroad Commission of Texas
March 30, 1996

Surface Transportation Board
U.S. Department of Transportation
12th Street & Constitution Ave.
Washington, D.C. 20423

To Whom it may concern:

The Town of Fernley would like to be included in consultations and negotiations involving the Southern Pacific Railroad merger. This merger will have a large impact as the railroad runs the length of our town. There are two ways of crossing the railroad tracks; an overpass at the East end of town and an underpass at the West end of town. The railroad separates several residential areas from schools.

A small child was recently killed on the tracks. Children cross the tracks on a daily basis as the only alternative is walking to either end of Town. There is always emergency response time to be considered as well as the possibility of a hazardous material spill. Concerns have been expressed about trains seen passing through our town with speeds in excess of 65 m.p.h. The noise of the increased train traffic is also an issue.

Thank you for your consideration in this matter. If you have any questions or require additional information, please contact me at 575-5455.

Sincerely,

Gerald Kane, Chairman
Fernley Town Board

xc: Richard Bryan, Senator
   Harry Reid, Senator
   Barbara Vucanovich, U.S. Representative
   John Ensign, U.S. Representative
   Marvin Carr, Lyon County Emergency Management
March 19, 1996

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

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

Dear Sir,

My name is Larry Madsen. I am currently Vice President and Chief Financial Officer of Black Hills Bentonite, LLC. I have been directly or indirectly involved in Company affairs since 1980. Our Company mines, processes and ships approximately 450,000 tons of clay each year. We ship by truck, intermodal and bulk rail. In 1995 we shipped to forty-two states, Canada, Germany, Italy, Taiwan and Japan. Approximately sixty percent of our product is shipped by rail and intermodal.

I have reviewed the above application and the related BN/Santa Fe- UP/SP Settlement Agreement. I support both. The success of our Company is heavily dependent on efficient, competitive rail service. We currently originate on both BN/SF and UP/SP. Competition is vital to efficient rail service. Approval of the agreements would allow us opportunities for complete line hauls competed for by both railroads and open up new market opportunities on the West Coast, Texas and Louisiana, and a possible rail link to Mexico.

In conclusion, I can see nothing but benefits for both railroads, ourselves and our customers.

Sincerely,

Larry Madsen
Vice President, CFO
State of Wyoming

County of Natrona

Subscribed to before me by Larry Madsen, Vice President and Chief Financial Officer for Black Hills Bentonite, LLC, this 19th day of March, 1996.

Sonya Morgareidge, Notary Public
MARCH 22, 1996

THE HONORABLE VERNON A. WILLIAMS, SECRETARY
SURFACE TRANSPORTATION BOARD
12TH STREET & CONSTITUTION AVENUE
WASHINGTON, DC 20423

RE: FINANCE DOCKET 32760

DEAR SIR:

PLEASE DON'T DO THIS TO TEXAS! WE AS A STATE DO NOT NEED TO LOOSE RAIL COMPETITION. THINK OF FUTURE ECONOMIC DEVELOPMENT AND JOBS FOR THOSE FAMILIES DEPENDING UPON THE RAIL TRAFFIC.

I AM NOT AGAINST UNION PACIFIC OR ANY COMPANY UNLESS THEY ARE TRYING TO MONopolize THE MARKET. PLEASE HELP KEEP FREE ENTERPRISE AND COMPETITION ALIVE IN THIS STATE'S RAIL INDUSTRY.

THANK YOU FOR YOUR TIME AND CONSIDERATION IN THIS MATTER.

RESPECTFULLY,

STARKEY SORRELL, JR., LUTCF
P.O. BOX 3711
LUFKIN, TEXAS 75903

ADVISE OF ALL PROCEEDINGS
March 22, 1996

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
12th & 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 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, and most important, we believe the Conrail proposal is in the best interests of the industrial, manufacturing and 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.

If you have any questions, please do not hesitate to contact me at 216-475-4388. Thank you for your consideration.

Sincerely,

THE CITY OF GARFIELD HEIGHTS

Thomas J. Longo
Mayor

TJL:ps
Navarro County
Farm Bureau
Board of Directors

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

Subject: Against merger of Rail Road Companies.

Dear Sir:

Our Farm Bureau Board of Directors of Navarro County is against all mergers of these Rail Road Companies, reference, Finance Docket 32760.

We need competition and more jobs.

Sincerely,

President Frank Commiato, Jr.
Rt. 1, Box 103
Kerens, Texas 75144
Ph. 903 396 2867

copy to:
Railroad Commission of Texas
P. O. Box 12967
Austin, Texas 78711-2967

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

Dear Mr. Williams:

I support the proposed merger between the Union Pacific and the Southern Pacific Railroads.

Illinois is in a unique position as being the rail hub of the Midwest and the nation. I believe that this merger will result in improved service for both intermodal and carload traffic between California and Chicago. It will provide shippers in the Midwest with greater flexibility and improved service.

The proposed merger will provide more open competition which is crucial to economic growth for Illinois' expanded routes, improved schedules and improved transit times for shippers of carload traffic. I believe that this merger will open the market to stronger competition and increase services to shippers throughout the State of Illinois.
I appreciate your consideration of these concerns.

Very truly yours,

Larry Wennlund
Assistant Majority Leader

LW:plc
cc: Thomas Zapler
    Special Representative
    Union Pacific Railroad
March 20, 1996

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

Dear Sir:

I have just finished reading an advertisement in the March 19th issue of the Tyler Morning Telegraph regarding the proposed rail merger between the Union Pacific and Southern Pacific railroads.

To be perfectly honest, I was totally unaware of this proposal until I read the ad. This advertisement was against the merger but it brought up several strong points. It raised questions in my own mind, even though I do not have all the facts and have not studied them from both points of view.

I question whether it is wise, however, for one company (no matter who it may be) to own the entire railroad system. It seems that this would allow a company to become a controlling entity (i.e. someone able to regulate what ever fee(s) they wish to impose on those who wish, or need, to rent/use their system). This does not seem fair to those who need the railroad service to market their goods or products.

With only one company in control what regulations are there that tracks, signals, etc. will be perfectly maintained? Does the merger imply that there is assurance that they will be maintained as well or better than they are now? And what of dispatch? Will there be confusion over who is in charge and is responsible for the coming and going of the trains? Will there be confusion in the method/type of dispatch communication used? Or is it standard throughout the railroad system? Lord knows we don't need any train derailments or train related accidents!

As I said, I know I do not have all the facts. But I wonder whether this merger is something both rail companies want and are working toward, or just a larger one trying to take over a smaller one. Is it in the best interest of our state? Either way I am concerned.

I strongly feel we need free enterprise and competition in our state. I believe that this could greatly harm those endeavors. I

ADVISE OF ALL
PROCEEDINGS
believe this merger will leave the door open for higher costs for businesses; thus, higher costs to us, the consumer. Higher costs will mean less spending, less investment, less jobs, etc. At this time I feel very strongly against allowing such a merger.

I do want what will be best our state and ask that you please consider your decision very carefully. What is best for the state, for the majority?

Thank you for allowing me to express my option.

Sincerely,

Mrs. Diane Baker

cc: Railroad Commission of Texas
P.O. Box 12967
Austin, TX  78711-2967
Mr. Vernon Williams  
Surface Transportation Board  
12th and Constitution, N.W., Room 3315  
Washington, D.C. 20423-0001

"FINANCE DOCKET NO. 32760
Union Pacific Corp., et al, Control Merger
Southern Pacific Rail Corp., et al."

Attached is a Verified Statement from Darling International, Inc., total pages including cover page is three.
VERIFIED STATEMENT
OF
JEFFREY L. GUNN

on behalf of

DARLING INTERNATIONAL

My name is Jeffrey L. Gunn and I am the Transportation Manager of Darling International, with headquarters located at 251 O'Connor Ridge Blvd., Suite 300, Irving, Texas 75038. I am responsible for managing all freight transportation service. I am also responsible for negotiating rail equipment leases for 750 rail cars. I have over 23 years of experience in the transportation industry and have been employed by Darling International for 9 years. I have a vast understanding of how to get food waste product from mill origins to customer destinations.

Darling International is the largest recycler of food waste products in the United States. We have 31 plants in the U.S. and we ship food waste products in tank cars mainly to OLEO chemical companies in the United States. In addition, we export our products worldwide. Darling International is a $400 million per year company and is publicly traded on the NASDAQ stock exchange. We spend over $10 million per year on rail freight transportation. Approximately 60% of our rail shipments are over the CNW/UP, 20% SP, and 20% other railroads. Truck and barge service is not an effective substitute for shipment of our products.
We believe that the proposed merger will impact the following areas:

The proposed merger of the UP and the SP will limit our alternative rail service availability unless other carriers are allowed unrestricted trackage rights access to our facilities or to provide us with competitive service over the tracks being eliminated by the merger. Rather than abandoning the tracks, which will no longer be needed by a combined UP/SP company, they should be sold to other rail companies at a very minimum price, as they are a national infrastructure resource which should not be lost.

Our rail costs will continue to rise as a result of the combined UP/SP. Since the acquisition of the CNW by the UP, we have had many problems. Our accessorial charges have doubled and in some cases risen by 400%. In addition, we have seen cost increases in crossings, easement and general freight shipment. We are very concerned that this trend will continue.

The UP expressed a total unwillingness to negotiate with us. The UP has indicated to us that the merger is a "done deal" and their most recent cost quote has come within one cent/hundred weight of that quoted by the SP. Due to the UP/SP monopoly on 80% of our shipping routes, our ability to negotiate competitively will be severely limited.

Darling International believes that the proposed merger between the UP and SP would not be in our best interest, or in the interest of our suppliers and customers. Therefore, we strongly oppose the UP/SP merger. We are also deeply concerned about the trend towards consolidation and accordingly we embrace and fully support efforts by carriers such as the Tex Mex Railroad to enhance the competitive environment.
The Honorable Vernon C. Williams, Director
Surface Transportation Board
12th St. + Constitution Ave.
Washington, DC 20423

This letter is in reference to Fisene
Docket 32720 - acquisition/merger of the
Union Pacific (UP)/Southern Pacific (SP)
Railroad.

I wish to register my opposition to
this merger. I survived a railroad
merger that took place in 1969 - the Chicago
North Western/Chicago Great Western. Contrary
to promised service improvements they
deteriorated. It was also a calamity for
many employees of the Chicago Great
Western.

I am retired from the Kansas City Southern
Line (KCS) after working many years in
Topeka and Aschenbrenner and back to Topeka.
There is no doubt in my mind that the US
merger would result in elimination of
competition and ultimately poorer service.
The impact on people, employees of Southern Pacific and other transportation facilities will be far greater than those envisioned by the CEP. Many, many families will suffer.

Please give this very important matter your heartfelt consideration.

Respectfully,

Richard C. Dobman
40 Lengham Rd.
Blaumont, TX, 77707

cc. Railroad Commission of Texas
P.O. Box 12967
Austin, Tx. 78711-2967
March 13, 1996

Mr. Vernon Williams
Secretary
Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

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

Dear Mr. Williams:

I am writing on behalf of the Texas Grain Sorghum Association in reference to the proposed merger of the Union Pacific and Southern Pacific railroads. Rail mergers and acquisitions are of great importance to Texas sorghum producers and to U.S. sorghum producers as a whole. On average, Texas ships 14,000 rail cars of sorghum a year and the U.S. ships some 75,000 cars of sorghum. Often rail freight is the difference between a profitable sale and a loss.

Therefore, please note our opposition to the proposed merger of the Union Pacific and Southern Pacific railroads based upon its effects on competition and ultimately upon rail transportation costs. As a sorghum industry, most of our production is in remote, rural areas in the Plains states. Therefore, water transportation is immediately eliminated as a source of competition. With the average length of rail haul of sorghum being in excess of 500 miles, this also eliminates most truck traffic. Therefore, our competitiveness against other U.S. feed-grains and against foreign competition is greatly impacted by rail rates and rail competition.

The Burlington Northern/Santa Fe agreement, which extends rail service through trackage rights to some shippers now served by SP or UP will not effectively solve the loss of competition caused by the merger. Among the problems with trackage rights are the delays for the user railroad caused by the owner railroad giving priority to its rail cars as well as the increased prices from track usage fees. Competition between BN/SF and UP/SP will not be vigorous in critical sorghum markets. In high volume markets with easy access by both railroads, competition will be adequate, however, in many less attractive markets competition will basically be non-existent and freight rates will be set accordingly.

A typical Texas sorghum shipment from the Ft. Worth area to Houston now has a choice of UP or SP routes. This UP/SP competition keeps the rail price down and the shipping schedule options and service more customer service oriented.
We have questions and concerns about the impact that the merger would have on prices and profitability for our industry. We particularly worry about increased freight rates and less customer service in movements of sorghum to our export markets in Mexico.

I certify that I am qualified and authorized to file this statement on behalf of the Texas Grain Sorghum Association. Executed on the 20th of March, 1996.

Best regards,

Mr. Pat George
President

cc: Senator Trent Lott
Representative Susan Molinari
Senator Phil Gramm
Senator Kay Bailey Hutchison
Representative William Thornberry
Representative Larry Combest
TGSA Board of Directors
My dear Secretary,

This letter is written to you asking you to oppose the merger of the Union Pacific and Southern Pacific railroads for the following reasons:

1. Such a merger would be a virtual monopoly in the states of Utah and Nevada;

2. Such a merger would also be a virtual monopoly of the interchange points of the United States-Mexico Border;

3. With the plan to abandon the present SP trackage between Dotsero and Canon City, Colorado and between Pueblo, Colorado to the Colorado-Kansas border or beyond would eliminate a direct East-West through service for Pueblo and other communities in Colorado and possibly Utah. At the present time the Southern Pacific has direct service from St. Louis, Mo. to San Francisco, Ca., through Pueblo and Grand Junction, Co. They run a number of trains on this route over Tennessee Pass and I see no reason why this route is not profitable when the original Rio Grande made money on this route at a time when steam locomotives were used as helper service requiring far more man power than at present.

4. Such proposed abandonment as mentioned above would mean a great economic injury to the many communities along this portion of the railroad and a very large number of employees would be deprived of their livelihood of adequate employment. I believe much more business could be obtained if a sincere effort was made. With the growth of population in this area, the potential is very promising.

5. Finally I believe this is a violation of the Sherman Anti-Trust Act. In 1988 the Santa Fe-Southern Pacific was rejected on the grounds of being anti-competitive. A close study, I believe, would be more anti-competitive if the UP/SP merger should be approved.

I am asking you to give the above points very serious study or give such lines as the Norfolk Southern or Kansas City Southern the right to provide service from Kansas City to San Francisco through Bads, Pueblo, Salida and Dotsero, Colorado and routes through Utah and Nevada.

Yours very truly,

Liberty Lodge 663—20 of America.
Office of the President
The White House
1600 Pennsylvania Avenue, NW
Washington, D. C. 20500.

My dear Mr. President,

I am very convinced that Washington must put the brakes on the Union Pacific and Southern Pacific railroad merger of the entire western half of the United States will be held captive to the monopoly of two railroads. In addition to this fact, two states, Utah and Nevada, would be under the control and mercy of one railroad by such a merger. Much of the area of Arizona, Colorado, New Mexico, Wyoming and Western Texas would be under the monopoly of one railroad. To allow such a merger would also mean that the entire area of the United States from Canada and Mexico and west of the Mississippi to the west coast would be monopolized by two railroads (the Burlington Northern—Santa Fe merger and the Union Pacific—Southern Pacific merger) and many large areas these two would not be real competition in much of the involved.

In the reading of many news items I believe many areas would also find themselves without adequate or, perhaps, without rail service. The authorities of both the Southern Pacific and Union Pacific have made it quite clear that over two hundred miles of main line trackage in Colorado would be a candidate for abandonment. This would be a very serious economic blow to at least two communities (Grand Junction and Pueblo, Colorado) plus other communities with a population of well over 200,000 in the area affected.

Finally unless you step in and take a stand, many jobs (and hard-won pay and benefits) could be wiped out. The future of thousands of communities and reasonable prices for consumers' and shippers are at stake. At the very least, Congress and the Surface Transportation Board (STB)—the ICC successor agency—should be asked to get a merger a complete and fair hearing in many areas concerned. The shippers and workers deserve to be heard. A few years ago the ICC (1986) rejected the Santa Fe—Southern Pacific merger on the grounds of being anti-competitive. In a close review, I believe, the Union Pacific—Southern Pacific would be even more anti-competitive and therefore would be a violation of the Sherman Anti-Trust Act.

In closing I wish to advise you that I am a railroad retiree and in my many years of observation I wish to help prevent many active workers from facing the uncertainty such a merger would cause. To help avoid such a possibility I would like to have the Department of Justice investigate this hearing for possible anti-trust violations. Would you be willing to consider this?

Thanking you for your consideration in regard to the above, I remain

Yours very sincerely,

Robert F. Stebbins, Legislative Rep.
Liberty Lodge 665—TCU of America

P.S. I have enclosed correspondence to others I feel should be involved in this issue mentioned above.
The Honorable Hank Brown, Senator
716 Hart Senate Office Building
Washington, D.C. 20510

My dear Senator:

I am writing you to ask you to intervene in the proposed merger of the Union Pacific and Southern Pacific railroads. Enclosed with this letter are copies of letters I have written to the Secretary of the Surface Transportation Board and the President of the United States spelling out in detail my reasons for opposing such a merger. Therefore I will not repeat these arguments here, but ask that you read them in the letters enclosed. I have also enclosed a news item which may be of interest to you.

I will present one additional argument. The Union Pacific and the Southern Pacific have practically parallel routes between Ogden-Salt Lake City points and San Francisco. This is very anti-competitive and therefore not in the best interests of the shippers living in this area.

In view of the facts presented I believe it would be very appropriate to request that the United States Department of Justice be asked to intervene to prohibit this merger or to allow another party to purchase the original Rio Grande Lines in Colorado, Kansas and Utah and also the original Western Pacific Lines between Salt Lake City and San Francisco to allow shippers to have a choice.

Please give this matter you immediate attention in view of the fact the Union Pacific and Southern Pacific are pressing for a quick approval before opposition becomes stronger.

Thanking you for you consideration in regard to the above, I remain,

Yours very truly,

Liberty Lodge 665—TOU of America
The Honorable Ben Nighthorse Campbell, Senator
380 Russell Senate Office Building
Washington, D. C., 20510

My dear Senator:

I am writing you to ask you to intervene in the proposed merger of the Union Pacific and Southern Pacific railroads. Enclosed with this letter are copies of letters I have written to the Secretary of Surface Transportation Board and the President of the United States spelling out in detail my reasons for opposing such a merger. Therefore I will not repeat these arguments here, but ask you to read the arguments in the enclosed letters. I have also enclosed a news item which may of interest to you.

I will present one additional argument. The Union Pacific and the Southern Pacific have practically parallel routes between Ogden-Salt Lake City points and San Francisco. This is very anti-competitive and therefore not in the best interest of the shippers located in this area.

In view of the facts presented I believe it would be very appropriate to request that the United States Department of Justice be asked to intervene to prohibit this merger or to allow another party to purchase the original Rio Grande Lines in Colorado, Kansas and Utah and also the original Western Pacific Lines between Salt Lake City and San Francisco to allow shippers on this route to have a choice.

Please give this matter your immediate attention in view of the fact the Union Pacific and the Southern Pacific are pressing for a quick approval before opposition becomes stronger.

Thanking you for your consideration in regard to the above, I remain,

Liberty Lodge 663--TOU of America
The Honorable Scott McInnis, M. C.
215 Cannon House Office Building
Washington, D. C. 20515

My dear Congressman:

I am writing you to ask you to intervene in the proposed merger of the Union Pacific and Southern Pacific railroads. I am enclosing copies of letters I have written to the Secretary of the Surface Transportation Board and the President of the United States spelling out in detail my reason for opposing such a merger. I will not repeat these arguments, but I do ask you to please read the arguments in the enclosed letters. I have also enclosed a news item from the Grand Junction Daily Sentinel which may be of interest to you.

I present another argument. The Union Pacific and Southern Pacific generally parallel each other between Ogden-Salt Lake City and San Francisco. This is an anti-competitive and is not, in my opinion, in the best interest of shippers in this area.

In review of these facts, I believe it would be appropriate to request the United States Justice Department be ask to intervene and to prohibit this merger or a third party be permitted to purchase the original Rio Grande Lines between Salt Lake City and Kansas City and the original Western Pacific Lines between Salt Lake City and San Francisco giving shippers a choice.

I ask you to give this matter your immediate attention as there is evidence the merging parties are pressing for quick approval before opposition grows. I certain you are aware of the economic impact such a merger could have in the Congressional District you represent. Thank you for your consideration.

Yours very truly,

Liberty Lodge 663--TCU of America
Rail line attempts hostile takeover

DENVER — A Montana rail line has launched a hostile attempt to buy the Denver & Rio Grande Western Railroad.

If the long shot is successful, it would create a third big railroad in the West, with service from Kansas City, Mo., to California and from Spokane, Wash., south to Pueblo.

Mergers, one still pending, are cutting the number of Western railroads from four to two.

The move by Montana Rail Link also would keep open two key D&RGW rail lines in Colorado, which are now scheduled for closure.

The line from Dotseno to Canon City over Tennessee Pass and from Pueblo to Towner in southeastern Colorado are to be abandoned if the D&RGW's parent company, Southern Pacific, is acquired, as proposed, by Union Pacific.

But Southern Pacific spokesman Larry Kaufman said Monday that the D&RGW "is not for sale." Therefore, Missoula-based Montana Rail Link will have to persuade the federal Surface Transportation Board to force Southern Pacific to sell the D&RGW to win approval for the merger.

Montana Rail Link has told the board that a third Western railroad is critical to maintain competition in the Western two-thirds of the nation.

"But it's only going to happen if the shippers and states want it to happen," Simpson said. "We're leaving it to them to take the lead" in asking the board to insist on a third Western railroad.

Numerous Colorado towns and companies have complained that they will lose all rail service under the proposed merger.
Speaking from the heart of this 3rd generation Texan, born and raised, we do need to keep jobs in Texas, for Texas well being. So we do need Texas railroades for Texas. I beg of you to say "No" to this merger.

Reference: Finance Docket 32740

Sincerely,

Maudie B. Richardson
2406 Colorado Ave.
San Angelo, Texas 76901

ADVISE OF ALL PROCEEDINGS