

STB FD

32760

1-3-96

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60740

# Ohio House of Representatives



**JAY HOTTINGER**  
State Representative  
77th House District

77 S. High Street  
Columbus, OH 43266  
(614) 466-1482  
(614) 349-7784 (Home)  
(614) 644-9494 (Fax)

**COMMITTEES**  
Ways and Means  
Education  
Financial Institutions  
Insurance

**Christy Paul**  
Administrative Assistant

December 29, 1995

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



**FD 32760**

Dear Secretary Williams:

I am writing to inform you of my support for the Conrail initiative to acquire a portion of the Southern Pacific Railroad.

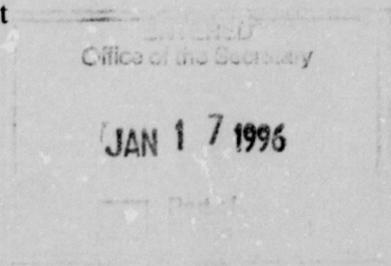
As you know, Conrail is very interested in acquiring the eastern routes of Southern Pacific. Conrail's plan would give Ohio direct rail access to the growing Gulf Coast and Mexican markets. Ohio is the second largest auto manufacturing state in the country as well as a major producer of auto parts, glass, steel, paper, and several other products.

It is my hope that the ICC will look favorably on the Conrail alternative to the Union Pacific/Southern Pacific merger.

Sincerely,

Jay Hottinger  
State Representative  
77th House District

JH/csp



STB FD 32760

1-2-96

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RECEIVED  
Office of the Secretary  
JAN 03 1996



OFFICE OF  
**COUNTY COMMISSIONERS**

P.O. BOX 116  
BACA COUNTY  
SPRINGFIELD, COLORADO 81073



December 27, 1995

Mr. Vernon A. Williams  
Interstate Commerce Commission  
1201 Constitution Avenue, N. W.  
Washington, D. C. 20423

Subject: Docket No. 32760  
NOTICE OF INTENT TO ABANDON AND DISCONTINUE  
SERVICE

Certified Return Receipt Requested (#Z 711 755 495)

Dear Secretary:

Pursuant to the Interstate Commerce Commission procedural schedule adopted by Decision No. 6 in the above outlined Docket, please accept this original and twenty (20) copies as our official "Notice of Intent to Participate" in the Subject Docket as listed above.

Please direct all future correspondence and/or telephone or FAX transmissions with respect to the Subject Dockets to:

Baca County  
P. O. Box 116  
Springfield, Co 81073  
ATTN: Charles Wait  
(719) 523-6532  
FAX: (719) 523-6584

We are aware of the schedule dates applicable for the filing of subsequent "comments, protests, requests for conditions

December 27, 1995

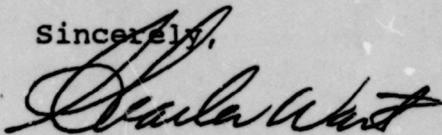
Page 2

and any other opposition evidence and arguments due" and/or  
"Briefs due", and will meet those required deadlines.

Please advise if any questions or changes occur in these  
proceedings.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles Wait".

Charles Wait,  
Chairman

CERTIFICATE OF SERVICE

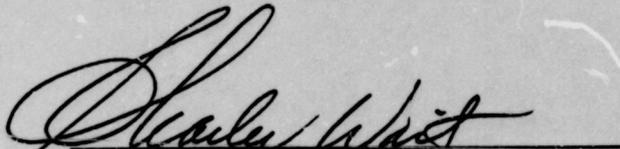
I hereby certify that I have this day served the foregoing document upon Applicant's Representatives:

Robert T. Opal, General Attorney  
Jeanna L. Regier, Reg. ICC Practitioner  
Missouri Pacific Railroad Company  
1416 Dodge Street, #830  
Omaha, Nebraska 68179  
Receipt #Z 711 755 493

Gary A. Laakso, General Attorney  
The Denver & Rio Grande Western  
Railroad Company  
One Market Plaza, Room 846  
San Francisco, CA 94105  
Receipt #Z 711 755 494

Prepaid, First-Class, Certified Return Receipt Requested,  
United States Postal Service.

Dated at Springfield, Colorado, this 27th day of December,  
1995.

  
Signature

STB FD

32760

1-2-96

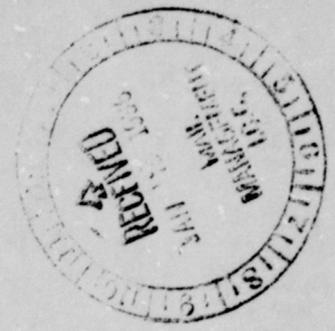
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60730

Office of the Secretary  
JAN 03 1996



Item No. 60730  
Page Count 2  
Jan 7 continue's  
included comments



-Certified-  
Return Receipt Requested  
P 117 870 191

Secretary  
Interstate Commerce Commission  
Washington, DC 20423

December 19, 1995

Subjects: Docket No. AB-12 (Sub-No. 188)  
Docket No. AB-8 (Sub-No. 39)  
NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE  
-and-  
ICC Finance Docket No. 32760  
PROPOSED CONSOLIDATION, et al

Dear Secretary;

Pursuant to the Interstate Commerce Commission's procedural schedule adopted by Decision No. 6 in the above outlined three (3) Dockets, please accept this as our official "Notice of Intent to Participate" in all three (3) Subject Dockets as listed above.

Please direct all future correspondence and/or telephone or FAX with respect to the Subject Dockets to:

Upper Arkansas Area Council of Government  
P.O. Box 510  
Canon City, CO 81215-0510  
Attention: Judy Lohnes  
Telephone Number (719) 275-8350  
FAX Number (719) 275-2907

We are aware of the schedule dates applicable for the filing of subsequent "comments, protests, requests for conditions and any other opposition evidence and argument due" and/or Briefs due" and will meet those required deadlines.

Please advise if any questions or changes occur in these proceedings.

Thank you very much.

Respectfully submitted,

(Name) Greg Tabuteau

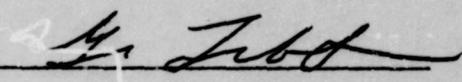
(Title) Owner

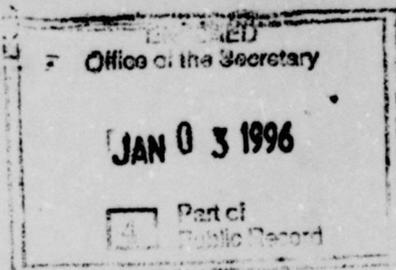
Royal Gorge Scenic Railway

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon Applicant's Representative, Gary Laakso, General Attorney, Southern Pacific Building, Room 846, One Market Plaza, San Francisco, California 94105, by Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Canon City, Colorado this 19th day of 1995.

(Signature) 



December 19, 1995

Secretary  
Interstate Commerce Commission  
Washington, DC 20423

Item No. \_\_\_\_\_

Page Count 1  
Jan # 7

Dear Secretary:

I am writing this letter in response to the proceeding designations No. AB-12 (Sub-No 188) and AB-8 (Sub-No 39) and Finance Docket No 32760, regarding the merger of the Union Pacific Railroad and Southern Pacific Railroad and the consequential abandonment of the line known as the Malta Line. I would like to file my application to run a tourist railroad from Canon City, Colorado through the Royal Gorge to the Parkdale Siding and return to Canon City. This route is approximately 10 miles long.

I envision running two trains each with one engine and 4 passenger cars, with an approximate capacity 400 adults. Each train will run at the following times: 9:00 am, 11:00 am, 1:00 pm, 3:00 pm and 5:00 pm. The excursion ride is designed to run every two hours including loading and unloading times. During the peak tourist season, May 1st through September 30th, I am planning to run each train 5 times a day and in the off season, run 3 trains a day. I will attempt to run this railway 12 months a year and hope to begin this service by May 1, 1997.

Any help or suggestions you may have to bring this idea to reality, would be greatly appreciated. I hope you will keep me apprised of the steps I must take to proceed with this project. I am not interested in a tourist line that runs a longer distance, as the profitability of such a line, is much less and the likelihood of it's success questonable.

I am the owner of the Royal Gorge Scenic Railway, a narrow gauge tourist railway to the rim of the Royal Gorge. I have owned this business for 15 years and as a result I have a great knowledge and experience of the tourist railway business. I am a member of the Tourist Railroad Association along with numerous other tourist related associations. My knowledge of the local tourist market enhances the opportunity to make this venture a great success.

Please keep me informed of any further meetings in regards to my plan of running a tourist railway through the Royal Gorge. Thank you in advance for any help and suggestions you may present to my attention on this venture.

Sincerely,

Greg Tabuteau  
Owner  
Royal Gorge Scenic Railway

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32760

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60729



Item No. \_\_\_\_\_

Page Count 1

Jan # 6

60729

**"K" LINE AMERICA, INC.**

535 Mountain Avenue  
Murray Hill, New Jersey 07974  
TEL: (908) 582-9000 FAX: (908) 582-9001



December 27, 1995

via Certified Mail No. Z 087 415 265  
Return Receipt Requested

Mr. Vernon A. Williams  
Secretary - Case Control Branch  
Interstate Commerce Commission  
1201 Constitution Avenue, N.W.  
Washington, DC 20423

Re: Finance Docket No. 32760  
Union Pacific Corporation, et al  
Southern Pacific Rail Corporation

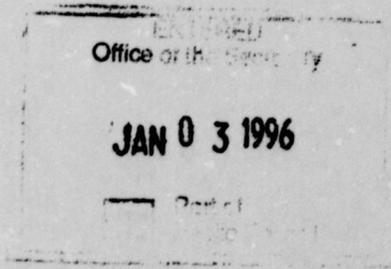
Dear Mr. Williams:

This letter is to notify the Interstate Commerce Commission that "K" Line America intends to participate in the above proceeding.

Very truly yours,

Oscar J. Abello  
President and Chief Executive Officer

cc: All Parties of Record



STB

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32760

1-2-96

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60725

Item No. 60725

Page Count 20

JAN 3

**COVINGTON & BURLING**

1201 PENNSYLVANIA AVENUE, N.W.

P. O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

TELEFAX: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

WRITER'S DIRECT DIAL NUMBER

January 2, 1996

LECONFIELD HOUSE  
CURZON STREET  
LONDON W1Y 8AS  
ENGLAND  
TELEPHONE: 071-495-5655  
TELEFAX: 071-495-3101

BRUSSELS CORRESPONDENT OFFICE  
44 AVENUE DES ARTS  
BRUSSELS 1040 BELGIUM  
TELEPHONE: 32-2-512-9890  
TELEFAX: 32-2-502-1598

**BY HAND**



Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Twelfth Street and Constitution Avenue, N.W.  
Room 2215  
Washington, D.C. 20423

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

Dear Secretary Williams:

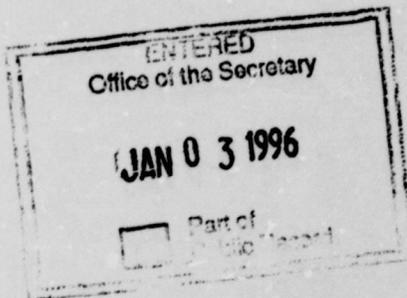
Enclosed for filing in the above-captioned docket are the original and twenty copies of Applicants' Objections to Consolidated Rail Corporation's First Requests for the Production of Documents and First Set of Interrogatories (UP/SP-41). Also enclosed is a 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format.

I would appreciate it if you would date-stamp the enclosed extra copy of the pleading and return it to the messenger for our files.

Sincerely,

Michael A. Listgarten

Member of the Bar of New York State  
Not admitted to the Bar of the District of Columbia



Enclosures

BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

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

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

Office of the Secretary

JAN 03 1996

CARL W. VON BERNUTH  
RICHARD J. RESSLER  
Union Pacific Corporation  
Martin Tower  
Eighth and Eaton Avenues  
Bethlehem, Pennsylvania 18018  
(610) 361-3290

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

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

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

January 2, 1996

BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

Finance Docket No. 32760

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

---

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

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCL and DRGW submit the following objections to the discovery requests served by Consolidated Rail Corporation ("CRC") on December 22, 1995. 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. These responses will provide information (including documents) in response to many of the requests, notwithstanding the fact that objections to the requests are noted herein. It is necessary and appropriate at this stage, however, for Applicants to preserve their right to assert permissible objections.

GENERAL OBJECTIONS

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

1. Applicants object to production of documents or information subject to the attorney-client privilege.
2. Applicants object to production of documents or information subject to the work product doctrine.
3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.
4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Surface Transportation Board or the Securities and Exchange Commission or clippings from newspapers or other public media.
5. Applicants object to the production of draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.
6. Applicants object to providing information or documents that are as readily obtainable by CRC from CRC's own files.
7. Applicants object to the extent that the interrogatories and requests seek highly confidential or sensitive commercial information (including, inter alia, contracts containing confidentiality clauses prohibiting

disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

8. Applicants object to the inclusion of Philip F. Anschutz and The Anschutz Corporation in the definitions of "Applicants" and "SP" as overbroad.

9. Applicants object to the definition of "Applicants," "UP," and "SP" and to Definition 18 as unduly vague and not susceptible of meaningful application.

10. Applicants object to the definition of "identify" insofar as it seeks home addresses or telephone numbers on grounds that such information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

11. Applicants object to the definitions of "Gulf/Eastern Area," "relating to" and "related" as unduly vague.

12. Applicants object to Instructions 1, 2, 3, 5, 6, 7, 8, 9, 11 and 12 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

13. Applicants object to Instructions 5, 6, 7, 8, and 9 as unduly burdensome.

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

15. Applicants object to the interrogatories and requests as overbroad and unduly burdensome to the extent that

they seek information or documents for periods prior to January 1, 1993.

ADDITIONAL OBJECTIONS TO SPECIFIC  
INTERROGATORIES AND DOCUMENT REQUESTS

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

Document Request No. 1: "All documents relating to any Analyses of possible effects on competition in the Gulf/Eastern Area as a result of the Proposed Transaction, including, but not limited to, documents that discuss possible remedies or solutions thereto."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 2: "All documents, dating from January 1, 1990, to the present, comprising or relating to Analyses concerning trackage rights, including, but not limited to the suitability of trackage rights as a remedy for anticompetitive effects asserted to result from a rail transaction including a merger or acquisition (including any comparison of a trackage-rights remedy to the sale of a line or lines for such remedial purpose)."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 3: "All documents relating to the statements ascribed to Gerald Grinstein in the December 18, 1995, issue of Forbes, whether contained in direct quotations or otherwise."

Additional Objections: Applicants object to this request as unduly vague, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 4: "All documents relating to the extent to which the BN/SF Agreement might (or might not) obviate imposition by the ICC of other conditions to the UP/SP merger (or reduce or change such other conditions)."

Additional Objections: Applicants object to this request as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 5: "All documents relating to discussions, communications, or negotiations with any railroad (other than BN/Santa Fe) of (a) trackage rights in connection with Gulf/Eastern Area lines, or (b) any other form of access to such lines, or (c) any sale or divestiture of such lines."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 6: "All documents prepared by the Applicants relating to trackage rights in connection with the transactions before the ICC in BN/Santa Fe and UP/CNW."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 7: "All documents analyzing, discussing, or relating to any of the following specific provisions, aspects, or terms of the BN/SF Agreement:

- (a) access to industries now served only by both UP and SP and no other railroad; (see, e.g., Sections 4(b), 5(b) and 6(c)).
- (b) the type of rights obtained by BN/Santa Fe (see, e.g., Sections 4(b), 5(b) and 6(c) ('bridge rights for movement of overhead traffic only');
- (c) geographic limitations on access by BN/Santa Fe to new business (see, e.g., Sections 4(c), 5(c) and 6(d) ('territory within which, prior to the merger of UP and SP, a new customer could have constructed a facility that would have been open to service by both UP and SP, either directly or through reciprocal switch');
- (d) provision by Applicants pursuant to Section 8(j) of alternative routes or means of access of commercially equivalent utility at the same level of cost to BN/Santa Fe in the event any of the trackage rights under the BN/SF Agreement cannot be implemented because of the lack of sufficient legal authority;
- (e) any capital expenditures on the lines over which BN/Santa Fe has been granted trackage rights pursuant to the BN/SF Agreement (see, e.g., Section 9(c));
- (f) the 'presumptive weight' to be given to the Operating Plan 'in determining what capacity improvements are necessary' pursuant to Section 9(c)(i);
- (g) the 'shar[ing]' of capacity improvements between the parties to the BN/SF Agreement pursuant to Section 9(c)(ii);
- (h) the unrestricted power of the owning carrier to change management and operations of joint trackage pursuant to Section 9(d);
- (i) all documents relating to the pricing of the trackage rights under the BN/SF Agreement, including, but not limited to, whether the rates will permit the Applicants to earn a 'reasonable return,' as that phrase is used in the Verified Statement of John H. Rebensdorf ('Rebensdorf V.S.') (see, e.g., page 301), or a return that is only 'marginally' sufficient, as asserted at page 307 of the Rebensdorf V.S.; and

- (j) all documents relating to the obligations under Section 11 of the BN/SF Agreement if, in a Final Order, the Application has been denied or approved on terms 'unacceptable to the applicants.' "

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 8: "All documents relating to (a) BN/Santa Fe's interline service with Conrail lines, including, but not limited to, documents discussing BN/Santa Fe's interline service with Conrail lines pursuant to the BN/SF Agreement, and (b) UP/SP's post-merger interline service with Conrail lines."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 9: "All documents relating to the assertion on pages 292-93 of the Rebensdorf V.S. that 'carv[ing] up SP by selling off large chunks such as the Cotton Belt (SSW) and Rio Grande (DRGW) . . . would destroy the benefits of the merger.' "

Additional Objections: None.

Document Request No. 10: "All documents relating to any decision not to provide trackage rights to BN/Santa Fe on any particular line or routes pursuant to the BN/Santa Fe Agreement, where the provision of such trackage rights may have been sought by BN/Santa Fe, under consideration by Applicants, or the subject of discussion between Applicants and BN/Santa Fe."

Additional Objections: Applicants object to this request in that it seeks documents that are neither relevant nor

reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 11: "All documents relating to the competition that will be provided by BN/Santa Fe in the Gulf/Eastern Area as a result of the BN/Santa Fe Agreement, including, but not limited to:

- (a) any Analyses of the traffic volume or associated revenue that may or could be diverted to BN/Santa Fe under trackage rights on Gulf/Eastern Area lines (including, but not limited to, the estimates set out on page 366 of the Verified Statement of Mark J. Draper and Dale W. Salzman);
- (b) Analyses or discussions of yard or terminal facilities available for use by BN/Santa Fe in providing service in the Gulf/Eastern Area under trackage rights or line sales provided in the BN/Santa Fe Agreement pursuant to Section 9(i) of the BN/SF Agreement or otherwise; and
- (c) Analyses of the adequacy in 'preserv[ing] rail competition' (see Rebensdorf V.S., at page 297) of the BN/Santa Fe route structure (including, but not limited to, sidings, storage facilities, passing tracks, and similar facilities) in the Gulf/Eastern Area."

Additional Objections: Applicants object to this request as unduly vague..

Document Request No. 12: "All documents relating to operating plans of BN/Santa Fe or UP/SP on lines in the Gulf/Eastern Area where BN/Santa Fe will have trackage rights under the BN/Santa Fe Agreement, including, but not limited to:

- (a) Analyses of or communications concerning dispatching, scheduling, traffic priorities, terminal congestion, density, or other matters that could affect or relate to operating efficiency; and
- (b) operation of BN/Santa Fe's trackage rights on lines in the Gulf/Eastern Area designated in the Operating Plan for primarily directional flows."

Additional Objections: Applicants object to this request as unduly vague.

Document Request No. 13: "All documents, dating from January 1, 1990, to the present, relating to complaints or concerns about implementation of trackage rights by UP, including, but not limited to:

- (a) complaints or concerns by other railroads (including, but not limited to, SP) possessing such rights over any segment of UP track;
- (b) complaints or concerns by Shippers served by railroads having such rights;
- (c) priorities given to UP and foreign trains on UP's computerized dispatching system (including, without limitation, the dispatching tables and/or priority tables for computer dispatching from UP's Harriman Center in Omaha); and
- (d) changes in such priorities, dispatching tables, or priority tables."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 14: "All documents relating to proposed post-merger operations of all lines designated in the Operating Plan for 'primarily directional flow,' including, but not limited to, (a) lists of Shippers or documents sufficient to identify all Shippers on each line designated for primarily directional flow, (b) traffic volumes over each route, and (c) density charts showing BN/Santa Fe volumes added for such lines designated in the Operating Plan for primarily directional flow."

Additional Objections: Applicants object to this request as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 15: "All documents relating to communications with any Shipper identified in response to Interrogatory No. 5, concerning the directional traffic flows as described in the King/Ongerth V.S. and the Operating Plan.

Additional Objections: See objections to Interrogatory No. 5.

Document Request No. 16: "All documents relating to the computer model referred to in the Operating Plan, including, but not limited to, (a) documents identifying who designed, programmed and/or ran the model and (b) documents relating to or discussing any assumptions included in the model."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 17: "All documents relating to investing in, upgrading, consolidating, controlling, reducing or closing any facility in Chicago, Memphis or St. Louis, including, but not limited to (a) reducing activities (such as switching and classification work) in the Proviso Yard; (b) expanding the facilities or increasing activities at the Canal Street Yard; and (c) controlling dispatching rights for the MacArthur Bridge in St. Louis."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 18: "All documents relating to scheduling, blocking or classification under the Operating Plan."

Additional Objections: Applicants object to this request as unduly vague.

Document Request No. 19: "All documents relating to any discussions, negotiations or other communications with any labor organization about implementing the Operating Plan, including, but not limited to:

- a) any agreements related to the UP/SP merger reached between the Applicants and any labor organization (including, but not limited to,

the cost and timing and any anticipated difficulties in achieving such agreements); and

- (b) any Analysis or discussion of the "necessary types of changes" in labor agreements as referred to in Appendix A of the Operating Plan; and
- c) any Analysis or discussion of the possible failure to reach the needed labor agreements referred to in the Operating Plan."

Additional Objections: Applicants object to this request as unduly vague, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 20 "All documents relating to the cost and timing and any difficulties in achieving or implementing labor agreements related to UP's acquisition of control over CNW."

Additional Objections: Applicants object to this request as unduly vague, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 21: "All documents relating to difficulties, problems or delays in achieving any efficiencies believed or represented to result from (a) UP's acquisition of control over CNW, or (b) the Proposed Transaction."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 22: "All documents relating to Analyses prepared by any person concerning SP's ability to raise capital through the sale of securities in any capital market or borrowing, including, but not limited to, documents relating to the cost of any such capital."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 23: "All documents relating to any projections by SP of its capital investment needs for fiscal years from 1995 on, including, but not limited to, documents relating to all estimates of capital needs set forth in the Verified Statement of Lawrence C. Yarberry ('Yarberry V.S.')."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 24: "All documents (a) sufficient to support and explain the calculations of SP operating income and operating ratio set out in the Yarberry V.S. (see, e.g., pages 256-60, 274-77, 283-84), and (b) relating to any projections of SP's operating income and operating ratio for fiscal year 1995 and future years."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 25: "All documents relating to any Analysis by anyone (including, but not limited to, investment bankers, financial consultants, or others) concerning SP's ability to compete in light of future capital needs."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome.

Document Request No. 26: "All documents relating to any Analysis of competition provided by SP on Gulf/Eastern Area

routes, including, but not limited to, any Analyses of SP's service or performance in the Gulf/Eastern Area, and customer surveys, letters, comments, or complaints of or from Shippers in the Gulf/Eastern Area."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 27: "All documents relating to the privatization of any railroad in Mexico, including, but not limited to (a) documents relating to any interest of either or both of the Applicants in acquiring any interest in, or asset of, any privatized Mexican railroad, (b) documents relating to any discussion between either or both Applicants and any Mexican official or national relating to the privatization of any Mexican railroad or the applicants' interest in any such railroad, or (c) documents relating to any discussion between either or both Applicants and any other railroad relating to the privatization of any Mexican railroad or the Applicant's interest in any such railroad."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 28: "All documents relating to the effects of the UP/SP merger on service to and from Mexican gateways, including, but not limited to, any interrelationship or connections between such effects and privatization of Mexican railroads."

Additional Objections: Applicants object to this request as unduly vague, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 29: "All documents relating to communication or discussions between the Applicants and

Shippers regarding post-merger pricing of rail services in the Gulf/Eastern Area, including, but not limited to, any agreements reached between Applicants and any Shipper concerning price arrangements (including long-term price arrangements)."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 30: "All documents relating to the statement contained in a letter from Don C. Orris to the National Industrial Transportation League as reported in the December 4, 1995, issue of Traffic World (at page 51) that Conrail, should it file an inconsistent application seeking to buy SP's Gulf/Eastern Area lines, would open itself to 'others seeking offsetting market access from Conrail.'"

Additional Objections: Applicants object to this request as unduly burdensome.

Document Request No. 31: "All documents relating to conditions under which the agreement to merge might be terminated, pursuant to Article VII of the Agreement and Plan of Merger or otherwise."

Additional Objections: Applicants object to this request as unduly vague, and in that it seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 1: "Identify any of the Applicants' employees, agents, consultants, or any other personnel who were primarily responsible for drafting or preparing the operating plan for railroad operations following UP's acquisition of control over CNW.'"

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

Interrogatory No. 2: "Identify any of the Applicants' employees, agents, consultants, or any other personnel who were primarily responsible for designing, programming and/or running the computer model referred to in the Operating Plan."

Additional Objections: None.

Interrogatory No. 3: "Identify any assumptions included in the computer model referred to in the Operating Plan."

Additional Objections: None.

Interrogatory No. 4: "Identify any persons (whether or not employees or officers of the Applicants) who have communicated, directly or indirectly, to Don C. Orris or any other person employed by Applicants concerning the statement made by Mr. Orris in a letter to the National Industrial Transportation League, as reported in the December 4, 1995, issue of Traffic World, that Conrail, should it file an inconsistent application seeking to buy SP's Gulf/Eastern Area lines, would open itself to 'others seeking offsetting market access from Conrail.'"

Additional Objections: Applicants object to this

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

Interrogatory No. 5: "Identify all Shippers on routes that would be 'primarily directional,' as described in the King/Ongerth V.S. and the Operating Plan, including, but not limited to, all on-line customers on such lines designated in the Operating Plan for primarily directional flow. (Applicants may produce documents pursuant to Request No. 15 sufficient to identify all such Shippers in lieu of responding to this Interrogatory.)"

Additional Objections: Applicants object to this

interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 6: "With respect to each Shipper who submitted a Verified Statement contained in Volume 4 of the Application, state

- (a) Whether such Shipper uses rail transport;
- (b) Whether such Shipper ships freight on UP or SP, and, if so (i) the approximate percentage of its freight so shipped and (ii) over which UP or SF routes such freight is shipped."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Respectfully submitted,

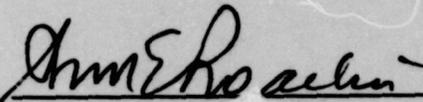
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Pacific Railroad Company

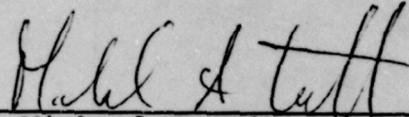
January 2, 1996

CERTIFICATE OF SERVICE

I, Michael A. Listgarten certify that, on this 2nd day of January 1996, I caused a copy of the foregoing document to be served by hand on Daniel K. Mayers, Esq., counsel for Consolidated Rail Corporation, at Wilmer, Cutler & Pickering, 2445 M Street, N.W., Washington, D.C. 20037, and by first-class mail, postage prepaid, on

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

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

  
\_\_\_\_\_  
Michael A. Listgarten

Item No. 60740

Page Count 1

Jan 17

# Ohio House of Representatives



**JAY HOTTINGER**  
State Representative  
77th House District

77 S. High Street  
Columbus, OH 43266  
(614) 466-1482  
(614) 349-7784 (Home)  
(614) 644-9494 (Fax)

**COMMITTEES**  
Ways and Means  
Education  
Financial Institutions  
Insurance

**Christy Paul**  
Administrative Assistant

December 29, 1995

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



FD 32760

Dear Secretary Williams:

I am writing to inform you of my support for the Conrail initiative to acquire a portion of the Southern Pacific Railroad.

As you know, Conrail is very interested in acquiring the eastern routes of Southern Pacific. Conrail's plan would give Ohio direct rail access to the growing Gulf Coast and Mexican markets. Ohio is the second largest auto manufacturing state in the country as well as a major producer of auto parts, glass, steel, paper, and several other products.

It is my hope that the ICC will look favorably on the Conrail alternative to the Union Pacific/Southern Pacific merger.

Sincerely,

  
Jay Hottinger  
State Representative  
77th House District

JH/csp

Office of the Secretary

JAN 17 1996

60735

Item No. \_\_\_\_\_

Page Count 1

JAN # 12

~~G S F INVESTMENT CO.~~

J. Tucker  
Resident

Office of the Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423  
Dec. 28, 1995



Sirs,

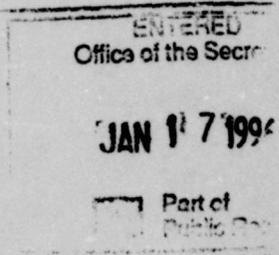
Please place our name and address on the mailing list " Service List of Interested Persons and Corporations " in reference to the merger application of the Union Pacific Railroad, Finance Docket # 32760. Thank you.

Mail to :

P.O. Box 25181  
Arlington, VA  
22202-5181

Respectfully,

J. Tucker



STB FD 32760 12-29-95 D 60722

LAW OFFICES

ZUCKERT, SCOTT & RASENBERGER, L.L.P.

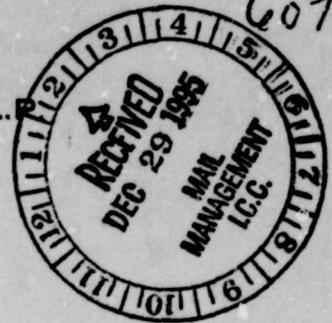
988 SE. FIFTEENTH STREET, N.W.

WASHINGTON, D.C. 20006-3939

TELEPHONE : (202) 298-8660

FACSIMILES: (202) 342-0683

(202) 342-1316



Item No. \_\_\_\_\_  
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Doc # 314

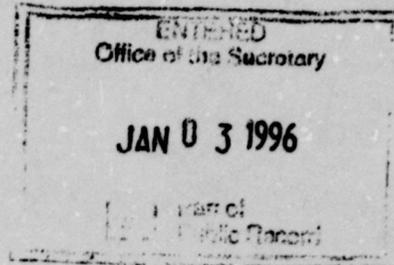
RICHARD A. ALLEN

IPC-1

December 29, 1995

Via Hand Delivery

Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
Room 2215  
12th and Constitution Avenue, N.W.  
Washington, DC 20423



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

Dear Secretary Williams:

Idaho Power Company ("Idaho Power") intends to participate in this proceeding as an active party jointly with Sierra Pacific Power Company ("Sierra Pacific"), specifically with regard to the electric generating facility at Valmy, Nevada jointly owned by both companies. Because its involvement will be limited to acting jointly with Sierra Pacific, any service of pleadings and decisions to Idaho Power may be made directly on the representatives of Sierra Pacific who have already been placed on the Commission's service list pursuant to 49 C.F.R. § 1180.4 (a)(4). In accordance with 49 C.F.R. § 1180.4 (a)(2), Idaho Power selects the acronym "IPC" for identifying all documents and pleadings it submits.

If you have any questions on this matter, please contact the undersigned.

Sincerely,

*Richard A. Allen*  
Richard A. Allen

cc: Administrative Law Judge Nelson  
All Parties of Record

BEFORE THE  
INTERSTATE COMMERCE COMMISSION

---

Finance Docket No. 32760

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

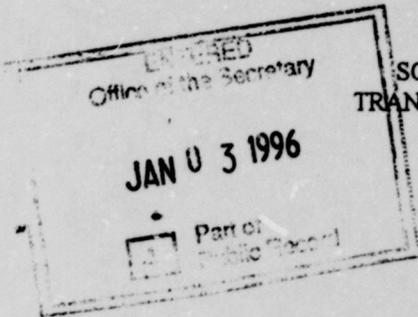
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INTERNATIONAL PAPER COMPANY'S  
FIRST INTERROGATORIES AND  
REQUEST FOR DOCUMENTS TO APPLICANTS

Pursuant to 49 C.F.R. §§ 1114.21-1114.31, International Paper Company, Inc. directs the following interrogatories to Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company, and to Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company.

DEFINITIONS

1. "Applicants" means Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company, and Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company, individually and collectively, together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including, but not limited to UP Acquisition Corporation, Union Pacific Holdings Corp., Chicago and North Western Railway Company, Philip F. Anschutz and The Anschutz Corporation.
2. "BN" means The Burlington Northern Railroad Company and its parent, subsidiary and related corporations.



3. The "Agreement and Plan of Merger" means the August 3, 1995 Agreement referred to on page 2 of the Applicants' Notice of Intent to File Application (UP/SP-1 at 2).
4. "Commission" or "ICC" means the Interstate Commerce Commission.
5. "Competition" includes both intramodal and intermodal competition and, where applicable, includes source competition.
6. "Consolidated System" means the integrated rail system after the Proposed Merger (as defined below).
7. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including: intracompany communications; electronic mail; correspondence; telegrams, memoranda; contracts; instruments; studies; projections; forecasts; summaries, notes, or records of conversations or interviews; minutes, summaries, notes, or records of conferences or meetings; records or reports of negotiations; diaries; calendars; photographs; maps; tape recordings; computer tapes; computer disks; other computer storage devices; computer programs; computer printouts; models; statistical statements; graphs; charts; diagrams; plans; drawings; brochures; pamphlets; news articles; reports; advertisements; circulars; trade letters; press releases; invoices; receipts; financial statements; accounting records; and workpapers and worksheets. Further, the term "document" includes:
  - a. both basic records and summaries of such records (including computer runs);
  - b. both original versions and copies that differ in any respect from original versions, including notes; and
  - c. both documents in the possession, custody, or control of Applicants and documents in the possession, custody, or control of consultants or others who have assisted Applicants in connection with the Transaction.
8. "Identify,"
  - a. when used in relation to an individual, means to state the name, address, and home and business telephone number of the individual, the job title or position and the employer of the individual at the time of the activity inquired of, and the last-known position and employer of the individual;

b. when used in relation to a corporation, partnership, or other entity, means to state the name of the entity and the address and telephone number of its principal place of business;

c. when used in relation to a document, means to:

- (1) state the type of document (e.g., letter, memorandum, report, chart);
- (2) identify the author, each addressee, and each recipient; and
- (3) state the number of pages, title, and date of the document;

d. when used in relation to an oral communication or statement, means to:

- (1) identify the person making the communication or statement and the person, persons, or entity to whom the communication or statement was made;
- (2) state the date and place of the communication or statement;
- (3) describe in detail the contents of the communication or statement; and
- (4) identify all documents that refer to, relate to or evidence the communication or statement;

e. when used in any other context means to describe or explain.

9. "IP" means International Paper Company.

10. "Including" means including without limitation.

11. "Person" means an individual, company, partnership, or other entity of any kind.

12. "Proposed merger" means the transaction described in the Agreement and Plan of Merger,

including

a. the acquisition of control of SPR by UP Acquisition;

b. the merger of SPR into UPRC; and

c. the resulting common control of UP and SP by UPC or any one of such actions or any combination of such actions, and any related transactions.

13. "Provide" (except where the word is used with respect to providing service or equipment) or "describe" means to supply a complete narrative response.

14. "Rates" include contract rates and tariff rates.

15. "Relating to" a subject means making a statement about, referring to, or discussing the subject including, as to actions, any decision to take, not take, defer, or defer decision, and including, as to any condition or state of affairs (e.g., competition between carriers), its absence or potential existence.

16. "Settlement Agreement" means the agreement as supplemented between UP and SP and BN attached to the verified statements of John H. Rebensdorf, which is contained in Volume I of the Application filed in connection with the Proposed Merger.

17. "Shipper" means a user of rail services, including a consignor, a consignee, or a receiver.

18. "STCC" means Standard Transportation Commodity Code.

19. "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.

20. "This proceeding" means Finance Docket No. 32760 and any sub-dockets that may be established.

#### INSTRUCTIONS

1. Each interrogatory should be answered separately and fully in writing, unless it is objected to, in which event the reasons for objection should be stated in lieu of an answer. The answers are to be signed under oath by the person making them. Objections are to be signed by the representative or counsel making them. A copy of the answers and objections should be served upon the undersigned counsel for IP within fifteen (15) days after the date of service.

2. Applicants should contact the undersigned immediately to discuss any objections or questions with a view to resolving any dispute or issues of interpretation informally and expeditiously.

3. Unless otherwise specified, these discovery requests cover the period beginning January 1, 1993, and ending with the date of response.

4. If Applicants have information that would permit a partial answer to any interrogatory, but they would have to conduct a special study to obtain information necessary to provide a more complete response to that interrogatory, and if the burden of conducting such special study would be greater for Applicants than for IP, then:

- a. state that fact;
- b. provide the partial answer that may be made with information available to Applicant;
- c. identify such business records, or any compilation, abstract, or summary based thereon, as will permit IP to derive or ascertain a more complete answer; and
- d. as provided in 49 C.F.R. § 1114.26(b), produce such business records, of any compilation, abstract, or summary based thereon, as will permit IP to derive or ascertain a more complete answer.

5. If Applicants' reply to any interrogatory includes a reference to the Application filed in this proceeding, such response shall specify the volume(s) and exact page number(s) of the Application where the information is contained.

6. If any information or document is withheld on the ground that it is privileged or otherwise not discoverable,

- a. identify the information or document (in the manner provided in Definition 8 *supra*); and
- b. state the basis for the claim that it is privileged or otherwise not discoverable.

7. Where any interrogatory or document request refers to "Applicants" or to any "Applicant," and the response for one applicant would be different from the response for other applicants, give separate responses for each applicant.

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

9. If either Applicant knows or later learns that its response to any interrogatory is incorrect, it is under a duty seasonably to correct that response.

10. Pursuant to 49 C.F.R. § 1114.29, Applicants are under a duty seasonably to supplement their responses with respect to any questions directly addressed to the identity and locations of persons having knowledge of discoverable matters.

#### INTERROGATORIES

1. Identify all officers and managers employed by Applicants with marketing and operational responsibility for IP rail shipments originating in Pine Bluff and Camden, AR.
2. Describe Applicants' operating plan for handling shipments originating in Pine Bluff and Camden AR if the proposed merger is consummated, including but not limited to any changes in the frequency, car supply, performance standards, switching service or rates of Applicants' service. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan. Also identify all persons participating in the creation of that plan.
3. Describe Applicants' operating plan for handling IP traffic to and from Camden and Pine Bluff, AR if the proposed merger is consummated, including but not limited to any changes in the frequency of service, car supply, performance standards, switching service or rates for Applicants' service. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan. Also identify all persons participating in the creation of that operating plan.
4. Describe Applicants' plan for operating traffic in the corridor between Memphis, TN and Houston, TX if the proposed merger is consummated, including but not limited to Applicants' plan to have trains bypass the Little Rock/Pine Bluff terminals as set forth in the statement of Witness Peterson. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan.
5. Describe Applicants' operating plan for shipments to and from Gurdon, AR if the proposed merger is consummated, including but not limited to any changes in the frequency of service, car supply, switching service or rates for Applicants' service to and from that point, as well as changes in traffic that would

be necessitated by the planned abandonment of the line between Camden and Gurdon, AR. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan.

6. Identify all BN employees with whom employees of Applicants have communicated concerning the trackage rights between Houston, TX and Memphis, TN granted to BN under the Settlement Agreement. Identify all documents relating to any such communications.

7. With respect to the Applicants' Exemption Petition in Docket No. AB-3 (Sub No. 129x) to abandon the line between Gurdon and Camden AR if the proposed merger is consummated, state, for 1993, 1994 and 1995 year to date, the total number of shipments and tonnage, the costs associated with handling such traffic, and the estimate of the number of shipments and tonnage that would be handled annually if the trackage were not abandoned.

8. Describe how the Settlement Agreement leaves IP with competitive rail service at Pine Bluff and Camden, AR.

9. State whether the reciprocal shipping arrangements currently in place in Carrollton, TX and Pinesville, LA will be maintained if the proposed merger is consummated. If not, explain any planned changes to those arrangements, and identify all studies, analyses and reports or other documents, including work papers, relating to said changes.

10. Describe how Applicants determined the fees it proposes to charge BN for trackage rights under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that determination, and all persons participating in that determination.

11. State the average number of daily train movements in each direction (a) during 1994, (b) during the first six months of 1995 and (c) projected for the first and second full years of operation after consummation of the proposed merger for each of the following railroad line segments:

- (a) Pine Bluff, AR - Memphis, TN
- (b) Pine Bluff, AR - Shreveport, LA

- (c) Shreveport, LA - Houston, TX
- (d) Pine Bluff, AR - Little Rock, AR

Identify all documents consulted with in responding to this interrogatory.

12. State (separately for UP and SP) the amount of traffic originating in Pine Bluff and Camden AR Applicants expect to be diverted to BN as a result of the trackage rights granted BN under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that predicted lost traffic. Also, identify all persons who participated in that determination.

13. Describe the operational control BN will have in determining the movement of traffic over the lines in the Houston-Memphis corridor for which BN has been granted trackage rights under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that operational control. Also, identify all persons primarily responsible for the preparation of the documents identified in response to this interrogatory.

14. Describe the facilities and equipment Applicants plan to make available to BN to enable it to operate over the lines in the Houston-Memphis corridor for which BN has been granted trackage rights under the Settlement Agreement.

15. State, for all line segments over which Applicants are granting BN trackage rights under the Settlement Agreement: (a) annual density; (b) track capacity; (c) net investment by ICC account; (d) annual depreciation by ICC account; and (e) annual operating costs. Identify all documents consulted with in responding to this interrogatory.

16. State for all line segments over which Applicants have been granted trackage rights by BN under the Settlement Agreement: (a) annual density; (b) track capacity; (c) net investment by ICC account; (d) annual depreciation by ICC account; and (e) annual operating costs. Identify all documents consulted with in responding to this interrogatory.

17. With respect to Applicants' traffic study developed in connection with the proposed merger, describe any modification that have been made to that study to reflect (a) UP's acquisition of the CNW; and (b) Burlington Northern's merger with the Atchison, Topeka & Santa Fe Railway Company.

18. State whether Applicants maintain documents relating to the reliability of their respective performance, as that term is used by, *inter alia*, Witness Peterson at page 62 of Volume 2 of the Application (UP/SP-23). If so, describe how such information is developed, who are the responsible persons for recording that information, whether such information is developed on a shipper specific basis and identify all such documents.

19. Identify all paper company facilities served in California, Oregon and Washington that ship linerboard (STCC 26 311 17) via rail and state which rail carrier serves each facility. For each such company, state:

(a) Whether service is provided by other than direct access (*e.g.*, via reciprocal switching, voluntary coordination agreement, etc.) and, if so, describe such arrangements including whether any switching charges are absorbed; and

(b) Whether any such facilities will have competitive rail service if the merger is consummated and, if so, describe the nature of the competitive service that would be provided.

20. State the number of "paper grade" boxcars in the Applicants' respective carfleets, by size and type, that are available to service shipments tendered by paper companies in 1995.

21. State the number of "paper grade" boxcars Applicants intend to acquire if the proposed merger is consummated.

22. Describe any alternatives contemplated by Applicants in lieu of the Settlement Agreement, and identify all studies, analyses and reports or other documents, including work papers, relating to such alternatives.

#### DOCUMENT REQUESTS

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

2. All documents identified in response to Interrogatory No. 3.
3. All documents identified in response to Interrogatory No. 4.
4. All documents identified in response to Interrogatory No. 5.
5. All documents identified in response to Interrogatory No. 6.
6. All documents identified in response to Interrogatory No. 9.
7. All documents identified in response to Interrogatory No. 10.
8. All documents identified in response to Interrogatory No. 11.
9. All documents identified in response to Interrogatory No. 12.
10. All documents identified in response to Interrogatory No. 13.
11. All documents identified in response to Interrogatory No. 15.
12. All documents identified in response to Interrogatory No. 16.
13. All documents identified in response to Interrogatory No. 18 for the period of January 1, 1993 through the most current period for which such information is available.

14. All documents identified in response to Interrogatory No. 22.

15. The transcript of any testimony given by the following persons before the ICC, or any other verified statement submitted by any of the following persons in an ICC proceeding in which they have discussed the issues of competition, relevant markets or market definitions, as well as testimony related to the economic analysis of mergers in the railroad industry, or the subject of trackage rights or other conditions imposed on a rail merger:

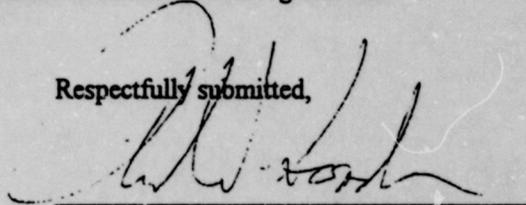
- (a) Witness Spero
- (b) Witness Willig
- (c) Witness Sharp
- (d) Witness Peterson
- (e) Witness Barber

Also, produce any articles, books or other writings authored in part or in whole by any of the above persons related to the above-stated issues.

16. All traffic studies performed by UP and SP relating to the proposed merger.
17. All documents used or referred to in formulating the Applicants operating plan.
18. In connection with SP's sale of certain lines in Oregon to the Central Oregon & Pacific Railroad, Inc. ("COPR"), as described in the Exemption proceeding submitted to the Interstate Commerce Commission in F.D. 32567 and F.D. 32568, provide all documents relating to:
  - (a) restrictions on the ability of the COPR to interchange with the Burlington Northern at Eugene, Portland or Chemult, Oregon;
  - (b) the provision of empty cars for all shippers on the lines sold to COPR;
  - (c) arrangements between COPR and SP for the handling of traffic into and out of IP's mill at Gardiner, Oregon; and
  - (d) divisional arrangements involving the Longview, Portland and Northern Railroad ("LP&N").
19. All documents relating to potential movements of outbound product from IP's mill at Gardiner, Oregon moving to points served by BN, including but not limited to:
  - (a) requests by IP or BN for joint or proportional rate movements;
  - (b) responses by SP to such requests;
  - (c) refusals by SP to offer proportional or joint rate arrangements to points other than in the states of Washington, Idaho, North Dakota, South Dakota, Montana, Wyoming or Oregon or to points in Canada other than in British Columbia;
  - (d) car supply for traffic destined to BN points;
  - (e) differences in proportional rates to Portland between traffic destined to BN served points and points that are served by UP or its subsidiaries or affiliates.
20. All documents relating to SP's absorption or non-absorption of switching charges at Portland, Oregon on IP traffic.

21. All documents relating to SP's refusal to provide cars to IP at Gardiner, Oregon on STCC 26 commodities.
22. All documents referring or relating to complaints from paper company shippers concerning the quantity or quality of "paper grade" boxcars Applicants used during the period of January 1, 1993 to the present.
23. All studies, analyses and reports relating to the transit times and utilization of cars used to provide rail service to International Paper from January 1, 1993 to present.
24. All studies, analyses and reports or other documents, including work papers, discussing SP's strategic plans, its competitive position and/or financial forecasts, including any such documents supplied to investment analysts.
25. All studies, analyses and reports or other documents, including work papers, discussing the competitive consequences of the proposed merger.
26. All studies, analyses and reports or other documents, including work papers, relating to service problems experienced by UP following its acquisition of CNW.
27. All studies, analyses and reports or other documents, including work papers, discussing BN's ability to compete with Applicants for business from shippers served by lines over which BN has been granted trackage rights or which BN is purchasing pursuant to the Settlement Agreement.

Respectfully submitted,



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

Attorneys for International Paper Company

**CERTIFICATE OF SERVICE**

I, Andrew T. Goodson, hereby certify that on December 26, 1995, I caused a true and accurate copy of the foregoing "International Paper's First Interrogatories and Request for Documents to Burlington Northern Railroad Company and International Paper's First Interrogatories and Request for Documents to Applicants" to be served:

**VIA OVERNIGHT MAIL**

Arvid E. Roach, III, Esquire  
S.W. Livingston, Jr., Esquire  
Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20036

Erika Z. Jones, Esquire  
Mayer, Brown & Platt  
2000 Pennsylvania Avenue, N.W.  
Suite 6500  
Washington, D.C. 20006

Paul Cunningham, Esquire  
Jerry Norton, Esquire  
Harkins, Cunningham  
1300 19th Street, N.W.  
Suite 600  
Washington, D.C. 20036

Richard A. Allan, Esquire  
John V. Edwards, Esquire  
Zuckert, Scout & Rasenberger  
888 17th Street, N.W.  
Suite 600  
Washington, D.C. 20006

Michael D. Billiel, Esquire  
Department of Justice  
Judiciary Center Building  
555 4th Street N.W.  
Washington, D.C. 20001

Martin W. Barcovici, Esquire  
Keller & Heckman  
1001 G Street, N.W.  
Suite 500 West  
Washington, D.C. 20001

Robert Bruskin, Esquire  
Howry & Simon  
1299 Pennsylvania Avenue, N.W.  
Level B-3  
Washington, D.C. 20006

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Highshew, Mahoney & Clarke  
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Washington, D.C. 20036

Terrence M. Hynes, Esquire  
Kriste L. Edwards, Esquire  
Sidley & Austin  
1722 I Street, N.W.  
Washington, D.C. 20006

Marc J. Fink, Esquire  
Sher & Blackwell  
2000 L Street, N.W.  
Suite 612  
Washington, D.C. 20036

A. Stephen Hut, Jr., Esquire  
William J. Kolasky, Jr., Esquire  
Wilmer, Cutler & Pickering  
2445 M Street, N.W.  
Washington, D.C. 20037-1420

William P. Jackson, Jr., Esquire  
John T. Sullivan  
Jackson & Jessup, P.C.  
3426 North Washington Boulevard  
Arlington, VA 22210

C. Michael Loftus, Esquire  
John J. Leseur, Esquire  
Slover & Loftus  
1224 17th Street, N.W.  
Washington, D.C. 20036

John K. Maser, III, Esquire  
Frederic Wood, Esquire  
Donelan, Cleary, Wood & Maser, P.C.  
1100 New York Avenue, N.W.  
Suite 750  
Washington, D.C. 20005

John Will Ongman, Esquire  
Pepper, Hamilton & Scheetz, Esquire  
1300 19th Street, N.W.  
Suite 700  
Washington, D.C. 20036

Mitchell Kraus, Esquire  
Larry Pruden, Esquire  
Transp. Comm. Intl. Union  
3 Research Place  
Rockville, MD 20850

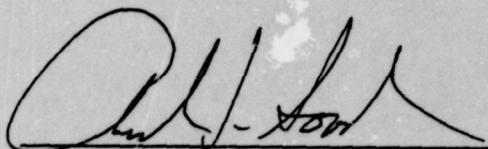
Charles A. Spitulnik, Esquire  
Alicia Sefaty, Esquire  
Hopkins & Sutter  
888 16th Street, N.W.  
Washington, D.C. 20006

Kevin M. Sheys, Esquire  
Oppenheimer, Wolff & Donnelly  
1020 19th Street, N.W.  
Suite 400  
Washington, D.C. 20036

Thomas Litwiler, Esquire  
Oppenheimer, Wolff & Donnelly  
180 North Stetson Avenue  
45th Floor  
Chicago, IL 60601

Joseph Guerrieri, Jr., Esquire  
Debra Wilen, Esquire  
Guerrieri, Edmond, et al.  
1331 F Street, N.W.  
Suite 400  
Washington, D.C. 20004

The Honorable Jerome Nelson  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Suite 11S  
Washington, D.C. 20426

A handwritten signature in black ink, appearing to read "A. T. Goodson", written over a horizontal line.

Andrew T. Goodson

STB

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32760

12-29-95

D

60721



# Village of Glen Carbon

60721

151 North Main  
P.O. Box 757  
Glen Carbon, Illinois 62034

Village Hall  
(618) 288-1200  
Fax  
(618) 288-1203

Ronald J. Foster, Mayor  
Rita J. Ranek, Village Clerk

ENTERED  
Office of the Secretary  
JAN 03 1996

RECEIVED  
DEC 29 1995  
MAN. MANAGEMENT  
I.C.C.

December 29, 1995

Mr. Vernon A. Williams, Secretary  
Interstate Commerce Commission  
12th & Constitution Ave., NW  
Washington, DC 20423

RE: Union Pacific Railroad Company - Abandonment Madison  
County, Illinois AB-33 (Sub-no 98) ICC Finance Docket  
Number 32760

Dear Mr. Williams:

This comment should be treated as a protest or a petition for reconsideration in the above-captioned proceeding. This comment is filed on behalf of the Village of Glen Carbon, Illinois, which is a political subdivision interested in conservation, transportation, recreation, and other public use, which is hereinafter referred to as "Commenter".

While not taking a position on the merits of this abandonment, Commenter requests issuance of a Public Use Condition as well as a Certificate or Notice of Interim Trail Use rather than an outright abandonment authorization between the cities of Edwardsville and Madison, Illinois.

A. Public Use Condition

Commenter requests the ICC to find that this property is suitable for other public use, specifically trail use, and to place the following conditions on the abandonment:

1. An order prohibiting the carrier from disposing of the corridor, other than the tracks, ties and signal equipment, except of public use on reasonable terms. The justification for this condition is that the rail corridor in question will connect a public park to major residential areas.

Item No. \_\_\_\_\_

Page Count 5

Dec 29 1995

Mr. Vernon A. Williams  
December 29, 1995  
Page Two

The corridor would provide for an excellent recreational trail and other public use. Conversion of the property to trail use is in accordance with local plans which are included in the Village's Community Development Master Plan. In addition, the corridor provides important wildlife habitat and greenspace and its preservations as a recreational trail which expands the Village's existing 3.3 mile bike trail along the abandoned ICC railroad through the Village, and will connect to other regional trails. The time period sought is 180 days for the effective date of the abandonment authorization. Commenter needs this much time because we have not had an opportunity to assemble or to review title information, complete a trail plan or commence negotiations with the carrier.

2. An order barring removal or destruction of potential trail-related structures such as bridges, trestles, culverts and tunnels. The justification for this condition is that these structures have considerable value for recreational trail purposes. The time period requested is 180 days from the effective date of the abandonment authorization for the same reason as indicated above.

B. Interim Trail Use

The railroad right-of-way in this proceeding is suitable for railbanking. In addition to the public use conditions sought above, Commenter also makes the following request:

Mr. Vernon A. Williams  
December 29, 1995  
Page Three

STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL  
RESPONSIBILITY

In order to establish interim trail use and railbanking under Section 8 (d) of the National Trails System Act, 16 U.S.C. 1247 (d), and 49 C.F.R. 1152.29, the Village of Glen Carbon is willing to assume full responsibility for management of, for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case it need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned by Union Pacific Railroad Company and operated by Union Pacific Railroad Company.

The property known as the Edwardsville-Madison Line (portion of the Madison Subdivision formerly St. Louis Subdivision on the Chicago Northwestern Railway Company) extends from railroad milepost 133.8 near Edwardsville southwest to railroad milepost endpoint located in the City of Madison, a distance of 14.98 miles in Madison County, Illinois. The right-of-way is part of a line of railroad proposed for abandonment in ICC Docket No. AB-33 (Sub-no. 98).

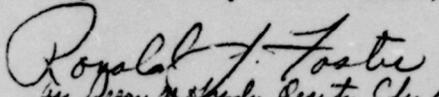
A map depicting the right-of-way is attached.

The Village of Glen Carbon acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service.

Mr. Vernon A. Williams  
December 29, 1995  
Page Four

By my signature below, I certify service upon Union Pacific Railroad Company, 1416 Dodge Street, Room 830, Omaha, Nebraska 58179-0001 by U.S. Mail, postage prepaid, first class, this 29th day of December, 1995.

Respectfully submitted,

  
Ronald J. Foster, Village President  
Village of Glen Carbon

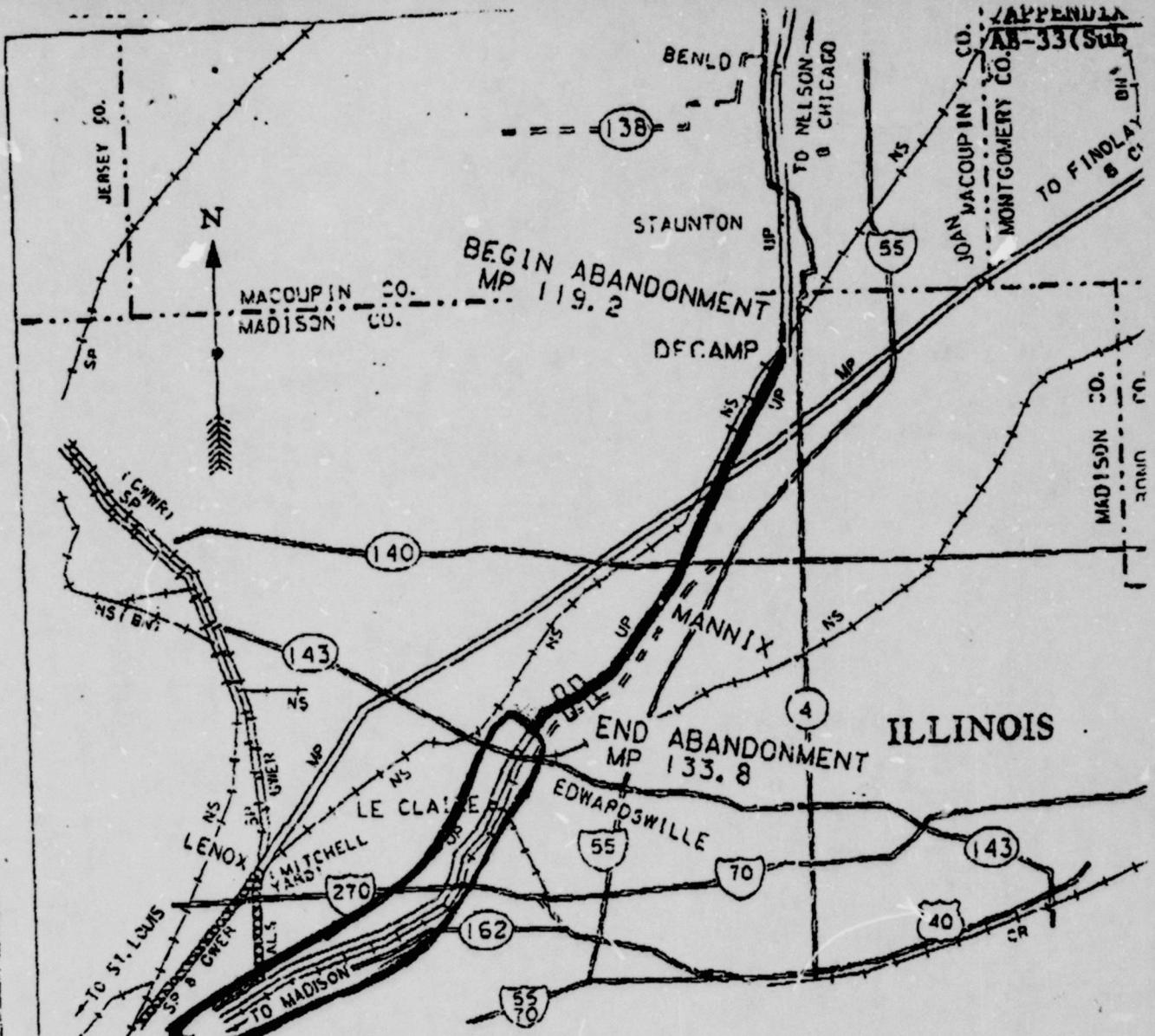
RJF/pg

cc: Mike Ulm, Director  
RTC-Illinois  
319 West Cook Street  
Springfield, Il 62704

Bob Thornberry,  
Department of Conservation  
524 South Second Street, Room 310  
Springfield, Il 62701-1787

Craig Williams,  
Bikeway and Pedestrian Program Manager  
Department of Transportation  
2300 S. Dirksen Parkway, Room 330  
Springfield, Il 62764

Jerry Kane  
#1 Transit Way  
P.O. Box 7500  
Granite City, Il 62040-7500



NOTE: AGES OF BR. NO. 131.80 AND BR. NO. 132.47 ARE UNKNOWN

14.98  
MILES  
IN  
LENGTH

BRIDGE NO.	BRIDGE TYPE	TOTAL LENGTH	DATE
131.80	CONCRETE ARCH - BALLAST DECK	22.0'	NO DATA
132.47	CONCRETE ARCH - BALLAST DECK	140.0'	NO DATA

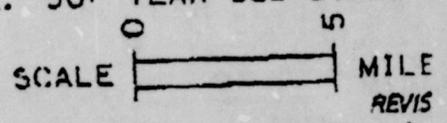
MADISON SUBDIVISION  
MP 119.2 TO MP 133.8  
MADISON SUBDIV. A TOTAL OF 14.6 MILES  
IN MADISON COUNTY, ILLINOIS

STATION	MILE POST	AGE
DE CAMP	119.8	N
MANNIX	126.3	P

LEGEND

- UPRR LINES TO BE ABANDONED
- MPRR & UPRR TRACAGE RIGHTS OVER OTHER RAILROADS.
- OTHER UPRR & MPRR LINES
- OTHER RAILROADS
- 50+ YEAR OLD STRUCTURES
- PRINCIPAL HIGHWAYS
- OTHER ROADS

UNION PACIFIC RAILROAD  
MADISON SUBDIVISION  
INCL. 50+ YEAR OLD STRUCTURES



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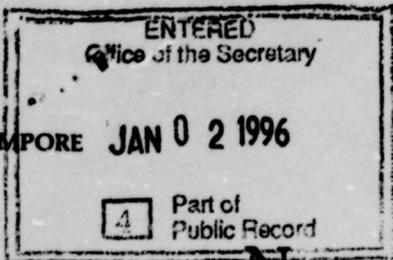
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40720

JAN EVANS  
ASSEMBLYWOMAN  
District No. 30



COMMITTEES:  
Vice Chairman  
Ways and Means  
Health and Human Services  
Member  
Elections and Procedures

SPEAKER PRO TEMPORE

JAN 02 1996

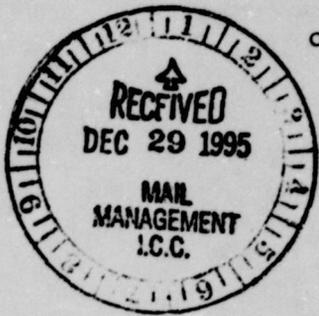
# Nevada Assembly

CARSON CITY

DISTRICT OFFICE:  
3250 Wilma Drive  
Sparks, Nevada 89431  
(702) 356-7122

LEGISLATIVE BUILDING:  
401 S. Carson Street  
Carson City, Nevada 89710  
Office: (702) 687-3613 or 687-5739  
Fax No.: (702) 687-5962

18 December 1995



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

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

Dear Secretary Williams:

I am pleased to endorse the proposed merger of the two entities cited above.

As you perhaps know, Nevada's favorable tax laws have encouraged many firms in the warehouse/distribution industry to locate in Nevada. Further, nearly all the major west coast cities can be reached with overnight service. These two factors have had favorable and important influence on the state's non-gaming economy, i.e., distribution and light manufacturing.

A large portion of my Assembly district encompasses the industrial section of Sparks -- the city that contains the region's main rail yard and is adjacent to Reno. One key reason that business is attracted to this area is the proximity of rail service for receipt and shipping of goods. Clearly, increased service would further enhance our ability to provide opportunities for business expansion.

If there is a down-side to the merger, it is a concern expressed by downtown Reno establishments that larger and more frequent rail traffic will create problems in the central district. Like many older western cities, the railroad tracks go through the town center. For decades there has been sporadic discussion by city officials on the need to address this issue. No doubt it will be revisited again.

By far, the positive aspects of the merger outweigh the negative. I urge you to give favorable consideration to the proposal.

Thank you.

Sincerely,

Jan Evans

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Item No. \_\_\_\_\_

Page Count 1

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Item No. \_\_\_\_\_  
Page Count 1  
Dec 4 2 11

60719

James H. Hartung  
President

December 21, 1995



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

RE: Finance Docket 32760

Dear Secretary Williams:

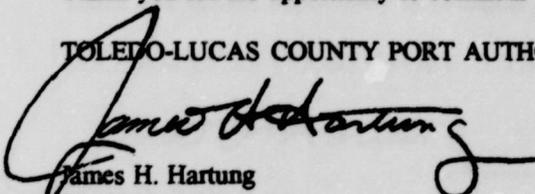
The Toledo-Lucas County Port Authority has carefully evaluated the proposed Union Pacific/Southern Pacific merger, and its impact on this community and the State of Ohio. While there may be certain benefits to the consolidation between these two railroads, it is important from an economic development standpoint that other options and proposals be considered before any merger approval is given by the Interstate Commerce Commission (ICC). Further, the Toledo-Lucas County Port Authority is not convinced that the proposed agreement between the Union Pacific and the Burlington Northern/Santa Fe will satisfy our concerns regarding competition.

Conrail, Inc. has shared with the Toledo-Lucas Port Authority its proposal for acquiring portions of the Southern Pacific Eastern Lines from Chicago and St. Louis to Texas and Louisiana. The proposal has great benefit for those midwest cities and states eager to participate in the economic growth through the North American Free Trade Agreement (NAFTA).

Conrail has been, and continues to be, a good corporate resident of Toledo. Its level of service has greatly benefited the manufacturers and shippers in our community. The Port Authority believes that the proposed acquisition by Conrail will enhance the current service being provided. In addition, with direct shipments of midwest-made products to new markets in Mexico, the mid-south and Gulf Coast regions, areas currently not easily accessed by midwest shippers will be opened. With these points in mind, the Toledo-Lucas County Port Authority supports Conrail's purchase of the Southern Pacific Eastern lines. Without the Conrail proposal being a part of the ICC's approval, the Union Pacific/Southern Pacific merger should be re-evaluated. Conrail's ownership of the Southern Pacific Eastern lines makes good business sense and provides greater corporate responsibility than the lease arrangement proposed by the Burlington Northern/Santa Fe.

Thank you for the opportunity to comment on this proposal.

TOLEDO-LUCAS COUNTY PORT AUTHORITY

  
James H. Hartung  
President

JHH/reg  
CRSUPORT STD

cc: David M. Levan, President & CEO  
Consolidated Rail Corporation  
2001 Market Street - 17th Floor  
Philadelphia, PA 19101-1409

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60717

GALLAND, KHARASCH, MORSE & GARFINKLE, P.C.  
ATTORNEYS AT LAW

60717

ANDREW T. GOODSON  
DIRECT LINE: (202) 342-6750  
FACSIMILE: (202) 342-5219

December 29, 1995

CANAL SQUARE  
1054 THIRTY-FIRST STREET, N.W.  
WASHINGTON, D.C. 20007-4492  
TELEPHONE: (202) 342-5200

**VIA HAND DELIVERY**

Mr. Vernon A. Williams  
Office of the Secretary  
Interstate Commerce Commission  
1201 Constitution Avenue, N.W.  
Room 2215  
Washington, D.C. 20423



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

Dear Secretary Williams:

On December 27, 1995, this office filed International Paper Company's First Interrogatories and Request for Documents to Burlington Northern Railroad Company and International Paper's First Interrogatories and Request for Documents to Applicants. In the initial filing of the above documents, only an original and ten copies were filed. Inadvertently, ten more copies and a 3.5-inch WordPerfect 5.1 disk were not included.

Enclosed please find the additional ten copies and a 3½-inch WordPerfect 5.1 disk. This is not a new filing, only additional copies and the disk are being submitted.

Should you have any questions or concerns, please contact the undersigned.

Very truly yours,

Item No. \_\_\_\_\_

Page Count 13

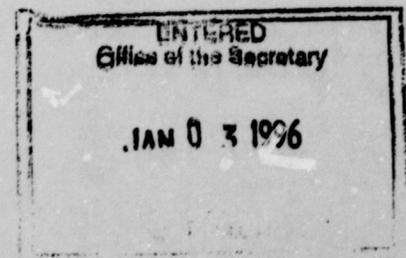
Dec 4 209

*Andrew T. Goodson*  
Andrew T. Goodson

Enclosures

cc: Restricted Service List (w/o enclosure)

ATG/tcm



XINJIYUAN-GKMG LAW OFFICE  
AFFILIATED FIRM  
No. 535-538, FENGYUAN CRESTWOOD HOTEL  
No. 23, DONG JIAO MIN XIANG  
BEIJING 100006 PEOPLE'S REPUBLIC OF CHINA  
TEL: 011-86-1-523-5567 FAX: 011-86-1-523-5569

BEFORE THE  
INTERSTATE COMMERCE COMMISSION



Finance Docket No. 32760

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

-- CONTROL MERGER --

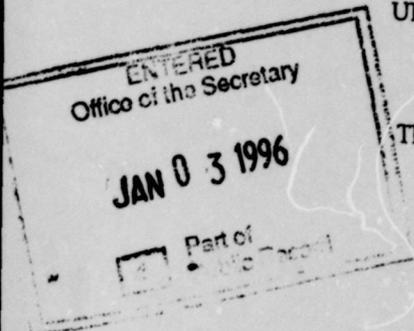
SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC  
TRANSPORTATION COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY  
COMPANY, SPCSL CORP. AND THE DENVER AND  
RIO GRANDE WESTERN RAILROAD COMPANY

INTERNATIONAL PAPER COMPANY'S FIRST  
INTERROGATORIES AND REQUEST FOR DOCUMENTS  
TO BURLINGTON NORTHERN RAILROAD COMPANY

Pursuant to 49 C.F.R. §§ 1114.21-1114.31, International Paper Company directs the following interrogatories and document requests to Burlington Northern Railroad Company and its parent, subsidiary and related corporations

DEFINITIONS

1. "Applicants" means Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company, individually and collectively, together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including, but not limited to UP Acquisition Corporation, Union Pacific Holdings Corp., Chicago and North Western Railway Company, Philip F. Anschutz and The Anschutz Corporation.
2. "BN" means The Burlington Northern Railroad Company, and its parent subsidiary and related corporations.



3. The "Agreement and Plan of Merger" means the August 3, 1995 Agreement referred to on page 2 of the Applicants' Notice of Intent to File Application (UP/SP-1 at 2).
4. "Commission" or "ICC" means the Interstate Commerce Commission.
5. "Competition" includes both intramodal and intermodal competition and, where applicable, includes source competition.
6. "Consolidated System" means the integrated rail system after the Proposed Merger (as defined below).
7. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including: intracompany communications; electronic mail; correspondence; telegrams, memoranda; contracts; instruments; studies; projections; forecasts; summaries, notes, or records of conversations or interviews; minutes, summaries, notes, or records of conferences or meetings; records or reports of negotiations; diaries; calendars; photographs; maps; tape recordings; computer tapes; computer disks; other computer storage devices; computer programs; computer printouts; models; statistical statements; graphs; charts; diagrams; plans; drawings; brochures; pamphlets; news articles; reports; advertisements; circulars; trade letters; press releases; invoices; receipts; financial statements; accounting records; and workpapers and worksheets. Further, the term "document" includes:
  - a. both basic records and summaries of such records (including computer runs);
  - b. both original versions and copies that differ in any respect from original versions, including notes; and
  - c. both documents in the possession, custody, or control of Applicants and documents in the possession, custody, or control of consultants or others who have assisted Applicants in connection with the Transaction.
8. "Identify,"
  - a. when used in relation to an individual, means to state the name, address, and home and business telephone number of the individual, the job title or position and the employer of the individual at the time of the activity inquired of, and the last-known position and employer of the individual;

b. when used in relation to a corporation, partnership, or other entity, means to state the name of the entity and the address and telephone number of its principal place of business;

c. when used in relation to a document, means to:

- (1) state the type of document (e.g., letter, memorandum, report, chart);
- (2) identify the author, each addressee, and each recipient; and
- (3) state the number of pages, title, and date of the document;

d. when used in relation to an oral communication or statement, means to:

- (1) identify the person making the communication or statement and the person, persons, or entity to whom the communication or statement was made;
- (2) state the date and place of the communication or statement;
- (3) describe in detail the contents of the communication or statement; and
- (4) identify all documents that refer to, relate to or evidence the communication or statement;

e. when used in any other context means to describe or explain.

9. "IP" means International Paper Company.

10. "Including" means including without limitation.

11. "Person" means an individual, company, partnership, or other entity of any kind.

12. "Proposed merger" means the transaction described in the Agreement and Plan of Merger,

including

a. the acquisition of control of SPR by UP Acquisition;

b. the merger of SPR into UPRC; and

c. the resulting common control of UP and SP by UPC or any one of such actions or any combination of such actions, and any related transactions.

13. "Provide" (except where the word is used with respect to providing service or equipment) or "describe" means to supply a complete narrative response.

14. "Rates" include contract rates and tariff rates.

15. "Relating to" a subject means making a statement about, referring to, or discussing the subject including, as to actions, any decision to take, not take, defer, or defer decision, and including, as to any condition or state of affairs (e.g., competition between carriers), its absence or potential existence.

16. "Settlement Agreement" means the agreement as supplemented between UP and SP and BN attached to the verified statements of John H. Rebensdorf, which is contained in Volume I of the Application filed in connection with the Proposed Merger.

17. "Shipper" means a user of rail services, including a consignor, a consignee, or a receiver.

18. "STCC" means Standard Transportation Commodity Code.

19. "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.

20. "This proceeding" means Finance Docket No. 32760 and any sub-dockets that may be established.

#### INSTRUCTIONS

1. Each interrogatory should be answered separately and fully in writing, unless it is objected to, in which event the reasons for objection should be stated in lieu of an answer. The answers are to be signed under oath by the person making them. Objections are to be signed by the representative or counsel making them. A copy of the answers and objections should be served upon the undersigned counsel for IP within fifteen (15) days after the date of service.

2. BN should contact the undersigned immediately to discuss any objections or questions with a view to resolving any dispute or issues of interpretation informally and expeditiously.

3. Unless otherwise specified, these discovery requests cover the period beginning January 1, 1993, and ending with the date of response.

4. If BN has information that would permit a partial answer to any interrogatory, but it would have to conduct a special study to obtain information necessary to provide a more complete response to that interrogatory, and if the burden of conducting such special study would be greater for BN than for IP, then:

- a. state that fact;
- b. provide the partial answer that may be made with information available to BN;
- c. identify such business records, or any compilation, abstract, or summary based thereon, as will permit IP to derive or ascertain a more complete answer; and
- d. as provided in 49 C.F.R. § 1114.26(b), produce such business records, of any compilation, abstract, or summary based thereon, as will permit IP to derive or ascertain a more complete answer.

5. If BN's reply to any interrogatory includes a reference to the Application filed in this proceeding, such response shall specify the volume(s) and exact page number(s) of the Application where the information is contained.

6. If any information or document is withheld on the ground that it is privileged or otherwise not discoverable,

- a. identify the information or document (in the manner provided in Definition 8 *supra*); and
- b. state the basis for the claim that it is privileged or otherwise not discoverable.

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

8. If BN knows or later learns that its response to any interrogatory is incorrect, it is under a duty seasonably to correct that response.

9. Pursuant to 49 C.F.R. § 1114.29, BN is under a duty seasonably to supplement its responses with respect to any questions directly addressed to the identity and locations of persons having knowledge of discoverable matters.

## INTERROGATORIES

1. Identify all officers and managers employed by BN who have or will have upon consummation of the proposed merger marketing and operational responsibility for IP rail shipments originating or terminating in Pine Bluff and Camden AR.
2. Describe BN's operating plan for handling shipments originating or terminating in Pine Bluff and Camden AR if the proposed merger is consummated. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan.
3. Describe BN's operating plan for movements in the corridor between Memphis, TN and Houston, TX if the proposed merger is consummated. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan.
4. Identify all BN employees who have communicated with employees of Applicants concerning the trackage rights between Houston, TX and Memphis, TN granted to BN under the Settlement Agreement. Identify all documents relating to any such communications.
5. Describe BN's operating plan for IP traffic to and from Pine Bluff and Camden, AR if the proposed merger is consummated. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan. Also identify all persons participating in the creation of that plan.
6. Describe how BN determined the fees it will pay to Applicants for trackage rights under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that determination. Also identify all persons participating in that determination.
7. State the average number of daily train movements BN projects it will have in each direction for the first and second full years of operation after consummation of the proposed merger for each of the following railroad line segments:
  - (a) Pine Bluff, AR - Memphis, TN
  - (b) Pine Bluff, AR - Shreveport, LA

- (c) Shreveport, LA - Houston, TX
- (d) Pine Bluff, AR - Little Rock, AR

Identify all documents consulted with in responding to this interrogatory.

8. State the amount of traffic originating or terminating at IP's facilities in Pine Bluff and Camden AR that BN expects to handle annually after consummation of the proposed merger. Identify all studies, analyses and reports or other documents, including work papers, relating to that predicted lost traffic. Also identify all persons who participated in that determination.

9. Describe in detail the operational control BN will have in determining the movement of traffic over the lines in the Houston-Memphis corridor for which BN has been granted trackage rights under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that operational control. Also identify all persons primarily responsible for the preparation of the documents identified in response to this interrogatory.

10. State what investment in facilities, equipment and labor BN plans to make in order to operate over the lines in the Houston, TX - Memphis, TN corridor for which BN has been granted trackage rights under the Settlement Agreement, including but not limited to investment in cars, yards, locomotives, signaling systems, dispatching facilities and station facilities. Identify all documents relating to such investment.

11. State the track capacities for all line segments for which BN has received trackage rights under the Settlement Agreement. Identify all documents consulted with in responding to this interrogatory.

12. State the track capacities for all line segments for which Applicants have been granted trackage rights by BN under the Settlement Agreement. Identify all documents consulted with in responding to this interrogatory.

13. State whether BN maintains documents relating to the reliability of its performance, as that term is used by, *inter alia*, Witness Peterson at page 62 of Volume 2 of the Application (UP/SP-23). If so, describe

how such information is developed, who are the responsible persons for recording that information, whether such information is developed on a shipper specific basis, and identify all such documents.

14. Identify all paper company facilities in California, Oregon and Washington that ship linerboard (STCC 26 311 17) via rail and state which rail carrier serves each facility. For each such company, state:

(a) Whether service is provided by other than direct access (e.g., via reciprocal switching, voluntary coordination agreement, etc.) and, if so, describe such arrangements including whether any switching charges are absorbed; and

(b) Whether any such facilities will have competitive rail service if the merger is consummated and, if so, describe the nature of the competitive service that would be provided.

15. State the number of "paper grade" boxcars in BN's carfleet, by size and type, that are available to service shipments tendered by paper companies in 1995.

16. State the number of "paper grade" boxcars BN intends to acquire if the Settlement Agreement is approved.

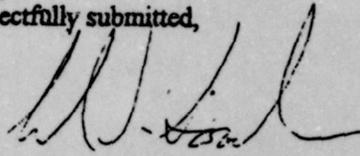
17. State BN's plan for obtaining access through the Shreveport yard for purposes of providing service between Houston, TX and Memphis TN on lines over which it has been provided trackage rights under the Settlement Agreement. Identify all documents relating to that plan.

#### DOCUMENT REQUESTS

1. All documents identified in response to Interrogatory No. 2.
2. All documents identified in response to Interrogatory No. 3.
3. All documents identified in response to Interrogatory No. 4.
4. All documents identified in response to Interrogatory No. 5.
5. All documents identified in response to Interrogatory No. 6.
6. All documents identified in response to Interrogatory No. 7.
7. All documents identified in response to Interrogatory No. 8.
8. All documents identified in response to Interrogatory No. 9.
9. All documents identified in response to Interrogatory No. 10.

10. All documents identified in response to Interrogatory No. 11.
11. All documents identified in response to Interrogatory No. 12.
12. All documents identified in response to Interrogatory No. 13 for the period of January 1, 1993 through the most current period for which such documents are available.
13. All documents identified in response to Interrogatory No. 17.
14. All traffic studies performed by BN relating to the proposed merger.
15. All documents referring or relating to complaints from paper company shippers concerning the quantity or quality of "paper grade" boxcars used by BN during the period of January 1, 1993 to the present.

Respectfully submitted,



---

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

Attorneys for International Paper Company

ENTERED  
Office of the Secretary

JAN 0 2 1996

Part of

Before The  
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760



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

NOTICE OF INTENT TO PARTICIPATE AS A PARTY OF RECORD

The Pueblo Area Council of Governments (hereinafter referred to as "PACOG"), by and through its undersigned counsel, pursuant to Interstate Commerce Commission Decision No. 6 in the above referenced Docket (60 Fed. Reg. 54384) hereby furnishes Notice of Intent to Participate as a Party of Record in the above referenced Docket. In support hereof, Pueblo states as follows:

1. PACOG is an intergovernmental entity and quasi-political subdivision of the State of Colorado created under Colorado law. PACOG serves as the designated Metropolitan Planning Organization and the planning body for the Pueblo Regional Transportation Planning Area.
2. PACOG intends to participate in the entire UP/SP consolidation proceeding in ICC Docket No. 32760 as well as in the following related abandonment/discontinuance proceedings: Docket No. AB-3 (Sub-No. 130), Docket No. AB-8 (Sub-No. 38), Docket No. AB-8 (Sub-No. 36x), Docket No. AB-12 (Sub-No. 189x), Docket No. AB-8 (Sub-No. 39) and Docket No. AB-12 (Sub-No. 188).
3. PACOG will be affected or aggrieved by the action of the Commission in this

proceeding.

4. Notices and copies of all comments, protests, exhibits, briefs and other documents required to be served on parties to the proceeding should be served upon the following representative of PACOG:

Mr. Terry Hart, Esq.  
Co-Executive Director of PACOG  
Pueblo County Courthouse  
10th & Main Streets  
Pueblo, Colorado 81003

Dated this 26<sup>th</sup> day of December, 1995.

Respectfully submitted,

THOMAS E. JAGGER

By Thomas J. Florczak  
THOMAS J. FLORCZAK  
Attorneys for PACOG  
127 Thatcher Building  
Pueblo, Colorado 81003  
Telephone: (719)545-4412

CERTIFICATE OF FILING AND SERVICE

The undersigned hereby certifies that on this 26<sup>th</sup> day of December, 1995 she has filed an original and 20 copies of the foregoing Notice of Intent to Participate as a Party, together with a 3.5" diskette containing same in WordPerfect 5.1 format, with the Commission by mailing same via first class mail, postage prepaid, addressed as follows:

Secretary Vernon A. Williams  
Office of the Secretary  
Interstate Commerce Commission  
1201 Constitution Ave., N.W.  
Washington, D.C. 20423

and that on this day a true and correct copy of same was also served upon each of the following by mailing same, via first class mail, postage prepaid, addressed as follows:

Administrative Law Judge Jerome Nelson  
Federal Energy Regulatory Commission  
825 North Capitol Street, N.E.  
Washington, D.C. 20426

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

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

Gary A. Laakso, Esq.  
Southern Pacific Building  
One Market Plaza, Room 846  
San Francisco, CA 94105

Robert T. Opal, Esq.  
1416 Dodge Street, #830  
Omaha, NE 68179

Gale A. Norton, Esq.  
Colorado Attorney General  
1525 Sherman Street, 5th Floor  
Denver, CO 80203

James P. Gatlin  
Denver & Rio Grande Western Railroad  
P. O. Box 5482  
Denver, CO 80217

Bruce N. Smith  
Public Utilities Commission  
Logan Tower, Office Level 2  
1580 Logan Street  
Denver, CO 80203

Shelley Medina

cc: Kim B. Headley  
Lewis A. Quigley

STB

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32760

12-29-95

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60708



# SHELBY COUNTY BOARD OF COMMISSIONERS

81 MONROE AVENUE • MEMPHIS, TENNESSEE 38103

60708

**BILL GIBBONS**  
Commissioner

Item No. \_\_\_\_\_

Page Count 2  
Doc 4200

December 21, 1995



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

Re: Finance Docket 32760

Dear Secretary Williams:

As I'm sure you know, the Memphis/Shelby County, Tennessee metropolitan area is one of the nation's leading distribution centers. Our central location plus excellent transportation facilities are the primary reasons for this.

Obviously, excellent rail service that effectively connects our metropolitan area with other population centers is a critical part of maintaining and expanding the vital distribution aspect of our economy.

As a member of the Shelby County Board of Commissioners, I am extremely concerned that the proposed acquisition of the Southern Pacific (SP) Railroad by the Union Pacific (UP) will undermine this vital part of our economy. While I am somewhat familiar with the proposed agreement between UP and the Burlington Northern-Santa Fe (BNSF), I do not anticipate that this arrangement will produce effective competition for area rail traffic in Memphis, Tennessee.

I have also reviewed Conrail's proposal to acquire a significant portion of the SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana. I find this proposal to be far better for the Memphis area's distribution industry. The Conrail proposal calls for ownership of the lines, whereas the UP-BNSF agreement primarily involves the granting of trackage rights. I believe an owning railroad is in a far better position than a renter to encourage the kind of economic development activities necessary to encourage growth of the distribution industry.

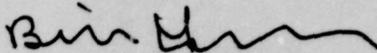
Conrail's proposal will provide efficient service for area shippers, especially to the Northeast and Midwest markets. Presently, the Port of Memphis averages 3000 loaded rail cars a month, and Conrail's service to the Northeast would be the fastest and most direct and involve the fewest car handlings.

The Honorable Vernon Williams  
Page 2  
December 21, 1995

Conrail's proposal will also ensure that area rail customers have multiple rail options. I am extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses.

For all of these reasons, I oppose the UP-SP merger unless it is conditioned upon acceptance of Conrail's proposal.

Sincerely,



Bill Gibbons, Member  
Shelby County Board of Commissioners

cc: David LeVan  
President, Conrail  
P. O. Box 41417  
Philadelphia, PA 19103

STB

FD

32760

12-28-95

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60709

60709

# City of Memphis



BARBARA SWEARENGEN HOLT  
Councilwoman - District 7

CITY COUNCIL

TENNESSEE Item No. \_\_\_\_\_  
Page Count 2  
Dec 4 201

December 20, 1995



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

Re: Finance Docket 32760

Dear Secretary Williams:

As a member of the Memphis City Council, I am extremely concerned about the competitive affects on Memphis and Shelby County businesses relative to the proposed acquisition of the Southern Pacific Railroad by the Union Pacific Railroad. I have also reviewed Conrail's proposal to acquire a significant portion of the Southern Pacific's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana. I find this proposal to be a great benefit to Memphis and very effective in addressing the concerns of Memphis rail shippers.

The Conrail proposal calls for ownership of the lines, whereas the proposed UP-BNSF agreement primarily involves the granting of trackage rights. I believe the owner of a railroad is in a far better position than a renter to encourage economic development activities on its line, which is of primary importance to my constituents and me.

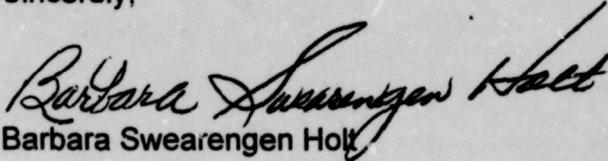
Another reason I favor Conrail's proposal is that it would provide efficient service for area shippers, especially to the Northeast and Midwest markets. Presently, the Port of Memphis averages 3,000 loaded rail cars a month and Conrail's service to the Northeast would be the fastest, most direct and involve the fewest car handlings.

Finally, I believe Conrail's proposal will ensure that area rail customers have multiple rail options. I am extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses.

For all of these reasons, I oppose the Union Pacific-Southern Pacific merger unless it is conditioned upon acceptance of Conrail's proposal.

Thank you for your consideration of this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,

Handwritten signature of Barbara Swearingen Holt in cursive script.

Barbara Swearingen Holt

c: David LeVan  
President, Conrail

STB

FD

32760

12-28-95

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60707

60707

**COVINGTON & BURLING**

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

TELEFAX: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

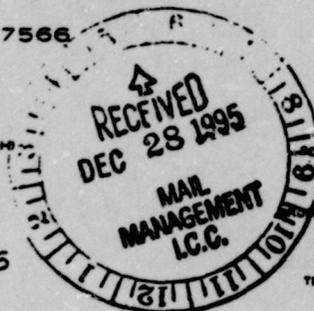
**ARVID E. ROACH II**

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT TELEFAX NUMBER

(202) 778-5388



LECONFIELD HOUSE  
CURZON STREET  
LONDON W1Y 8AS  
ENGLAND

TELEPHONE: 44-171-485-5655  
TELEFAX: 44-171-485-3101

BRUSSELS CORRESPONDENT OFFICE  
44 AVENUE DES ARTS  
BRUSSELS 1040 BELGIUM  
TELEPHONE: 32-2-512-9880  
TELEFAX: 32-2-502-1588

December 28, 1995

To All Parties of Record:

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

The following page contains a revised schedule for depositions of witnesses who submitted verified statements in the UP/SP merger application.

In preparing this schedule, we did our best to address the concerns conveyed to us by various parties. One request we could not accommodate was to schedule Mr. Willig at a later date. His schedule is very tight, and the dates assigned for him are the latest on which he is available.

Sincerely

Arvid E. Roach II

cc: The Honorable Vernon A. Williams  
The Honorable Jerome Nelson

Office

DEC 29 1995

Item No. \_\_\_\_\_  
Page Count 2  
DEC 199

Deposition Schedule

Jan. 16	James A. Runde
Jan. 17	Richard D. Spero
Jan. 18	Stephan C. Month
Jan. 19	Don P. Ainsworth
Jan. 22	Michael A. Hartman
Jan. 23	John H. Rebensdorff
Jan. 24-25	Richard J. Barber
Jan. 26	Richard K. Davidson
Jan. 29	Bernard J. La Londe
Jan. 31	Paul O. Roberts
Feb. 1-2	Robert D. Willig
Feb. 5-7	Richard P. Peterson
Feb. 8-9	R. Bradley King & Michael D. Ongertk
Feb. 12	Lawrence C. Yarberry
Feb. 13	Richard G. Sharp
Feb. 16	Philip Anschutz
Feb. 20	Mark J. Draper & Dale W. Salzman
Feb. 26-27	John T. Gray

STB

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32760

12-27-95

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60706



**BENT COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**

Item No. 60706  
Page Count 2  
Dec #198

DEC 28 1995

Certified  
Return Receipt Requested  
(#Z780 696 364)

December 20, 1995



Mr. Vernon A. Williams  
Interstate Commerce Commission  
1201 Constitution Avenue, N.W.  
Washington, D.C. 20423

Subject: Docket No. 32760  
NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE

Dear Secretary:

Pursuant to the Interstate Commerce Commission procedural schedule adopted by Decision No. 6 in the above outlined Docket, please accept this original and twenty (20) copies as our official "Notice of Intent to Participate" in the Subject Docket as listed above.

Please direct all future correspondence and/or telephone or FAX transmissions with respect to the Subject Dockets to:

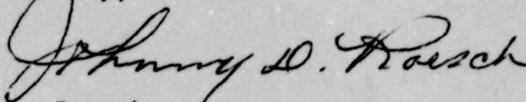
Bent County  
P.O. Box 350  
Las Animas, CO 81054  
ATTN: John Roesch  
(719) 456-1600  
FAX: (719) 456-2223

We are aware of the schedule dates applicable for the filing of subsequent "comments, protests, requests for conditions and any other opposition evidence and arguments due" and/or "Briefs due", and will meet those required deadlines.

Please advise if any questions or changes occur in these proceedings.

Thank you.

Sincerely,



John Roesch  
Bent County Commissioner  
Chairman

CERTIFICATE OF SERVICE

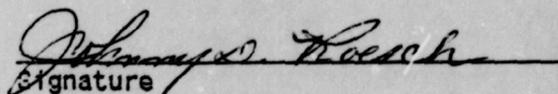
I hereby certify that I have this day served the foregoing document upon Applicant's Representatives:

Robert T. Opal, General Attorney  
Jeanna L. Regier, Reg. ICC Practitioner  
Missouri Pacific Railroad Company  
1416 Dodge Street, #830  
Omaha, Nebraska 68179  
Receipt # 2780 696 263

Gary A. Laakso, General Attorney  
The Denver & Rio Grande Western  
Railroad Company  
One Market Plaza, Room 846  
San Francisco, CA 94105  
Receipt # 2780 696 362

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Las Animas, Colorado, this 21st day of December 1995.



Signature

STB

FD

32760

12-27-95

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60704

60704

Item No. \_\_\_\_\_

Page Count 5

Due 11/19/96

Before the  
**INTERSTATE COMMERCE COMMISSION**

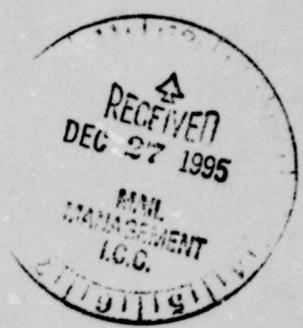
Financial Docket No. 32760

**UNION PACIFIC CORP. et al**  
**Control and Merger**

AND

**SOUTHERN PACIFIC RAIL CORP. et al**

Office of the Secretary  
**DEC 28 1995**



**NOTICE OF INTENTION TO PARTICIPATE  
AS A PARTY OF RECORD AND  
OPPOSITION TO PETITION FOR EXEMPTION**

COMES NOW, the Town of Avon, Colorado, through its attorneys, Bastianelli, Brown, Touhey & Kelley, and gives notice of its intention to participate as a party of record in this proceeding.

The Town of Avon notes that, in sub-matters in this proceeding, namely docket number AB-8(Sub-No. 39), the Denver and Rio Grande Western Railroad Company has applied for discontinuance on the Malta-Cañon City Line in Lake, Chaffee and Fremont Counties, Colorado and in docket No. AB-12 (Sub-No. 188) Southern Pacific Transportation Company has applied for abandonment on the Malta-Cañon City Line in Lake, Chaffee and Fremont Counties, Colorado. In addition, in Docket No. AB-8 (Sub-No. 36X) the Denver and Rio Grande Western Railroad Company has petitioned for discontinuance exemption on the Sage-Leadville line in Eagle and Lake Counties, Colorado and in Docket No. AB-12

(Sub-No. 189X) the Southern Pacific Transportation Company has petitioned for abandonment exemption on the Sage-Leadville line in Eagle and Lake Counties, Colorado.

The Town of Avon opposes the petitions for exemption in Dockets No. AB-8 (Sub-No. 36X and AB-12 (Sub-No. 189X) and in support of its opposition states the following:

1. The line from Sage to Leadville, which is the subject of the petition for exemption, and the line from Malta to Cañon City, the subject of the abandonment application, is a single continuous railroad line. Segmentation of the administrative process into an application for abandonment and a petition for exemption is artificial and would serve no purpose other than potentially to subject the termination of service on the Sage to Leadville line to less vigorous scrutiny than the abandonment of service on the Malta to Cañon City line.

2. Less vigorous scrutiny of the abandonment of the Sage-Leadville segment is not in the public interest, because that segment is more environmentally sensitive than the Malta-Cañon City segment. It contains protected species of wildlife, and hazardous waste sites, as well as historic bridges eligible for listing on the National Register of Historic Places ("NRHP"). For example, the environmental report regarding abandonments, in Part 4 of volume 6 of the merger application, at page 138, notes numerous structures eligible for inclusion on the NRHP. Section 5.1.2.5.1 on page 139 notes the presence of lead slag and other hazardous waste sites including a crude oil spill and a corrosive spill. The corridor is noted to contain a superfund site. The presence of heavy metals classified as hazardous also

is reported. The line to be abandoned runs adjacent to Eagle Creek which contains cut-throat trout which would be severely impacted by leaching of hazardous materials into the water after abandonment.

3. The application for exemption indicates that there would be no rail to truck diversion. The Town of Avon believes, and therefore asserts, that this representation would be disputed by the Colorado Department of Transportation. Representatives of the State and local governments, as well as the public, should be permitted to produce evidence concerning the potentially severe impact on state and local highways and roads as a result of the abandonment.

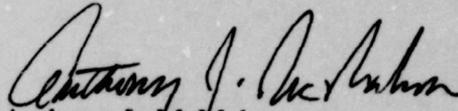
4. Avon, and the other communities affected by the termination of service on the Sage-Leadville line, should be afforded the opportunity to contravene the representations of economic non-viability of the line, made by the exemption proponents. That opportunity would be available in a proceeding pursuant to 49 C.F.R. §1152.22, for a certificate of public convenience and necessity to abandon the line.

5. In view of the fact that such a proceeding will be conducted regarding abandonment of the rest of the line, that is, the segment from Malta to Cañon City, no undue burden would be placed on the proponents.

**WHEREFORE**, by reason of the foregoing, the Town of Avon asks that the Petition for Exemption in Dockets No. AB-8 (Sub-No. 36X) and AB-12 (Sub-No. 189X) be denied and that the railroad line from Sage to Cañon City be treated as the single entity that it is and

that the entire line be the subject of the application for abandonment and discontinuance in Dockets No. AB-8 (Sub-No. 39) and AB-12 (Sub-No. 188).

Respectfully submitted,

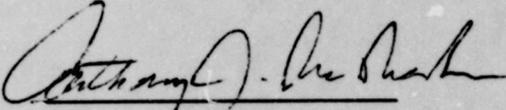


Anthony J. McMahon  
Bastianelli, Brown, Touhey  
& Kelley, Chtd.  
2828 Pennsylvania Avenue, N.W.  
Suite 203  
Washington, D.C. 20007  
(202) 338-8088  
Attorney for Town of Avon

DATE: December 26, 1995

**CERTIFICATE OF SERVICE**

I, Anthony J. McMahon, hereby certify that a copy of the foregoing Notice of Intention To Participate As A Party of Record and Opposition To Petition For Exemption, was mailed this 27th day of December, 1995, to: (1) Arvid E. Roach, II, Esquire, Covington & Burling, 1201 Pennsylvania Avenue, N.W., P.O. Box 7566, Washington, D.C. 20044-7566; (2) Paul A. Cunningham, Esquire, Harkins Cunningham, 1300 Nineteenth Street, N.W., Washington, D.C. 20036; and (3) The Parties Of Record, first class, postage pre-paid mail.

  
Anthony J. McMahon

STB FD 32760

12-27-95

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60703



# North American Chemical Company

60703

Item No. \_\_\_\_\_

Page Count 1

Dec 4/95

December 22, 1995



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

RE: Finance Docket No. 32760, Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company - Control and Merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company

○ Dear Mr. Williams:

This is North American Chemical's Notice of Intent to participate in the above referenced proceeding and the individual indicated below would like to be a party of record.

**William J. McGinn**  
**Director Logistics**  
**North American Chemical**  
**8300 College Boulevard**  
**Overland Park, KS 66210**

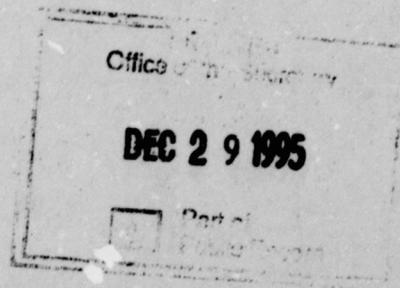
This is to certify that an original and 20 copies have been included and one copy has been sent to the designated Law Judge and to the applicant's representatives.

Respectfully submitted,

*William J. McGinn*

William J. McGinn  
Director - Logistics

WJM/rh



STB FD 32760

12-27-95

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60699

60649



State of New Mexico  
**ENVIRONMENT DEPARTMENT**  
Harold Runnels Building  
1190 St. Francis Drive, P.O. Box 26110  
Santa Fe, New Mexico 87502  
(505) 827-2850

GARY E. JOHNSON  
GOVERNOR

MARK E. WEIDLER  
SECRETARY  
EDGAR T. THORNTON, III  
DEPUTY SECRETARY

Item No. \_\_\_\_\_  
Page Count 3  
Dec 4 1995

Office of Secretary  
**DEC 28 1995**  
Post



December 21, 1995

Section of Environmental Analysis  
Room 3219  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Sirs:

**RE: FINANCE DOCKET NO. 32760 (INTERSTATE COMMERCE COMMISSION  
RAILROAD MERGER APPLICATION; ENVIRONMENTAL REPORT; UP/SP-27;  
NOVEMBER 30, 1995)**

The following transmits New Mexico Environment Department (NMED) staff comments concerning the above-referenced Environmental Report (ER).

**AIR QUALITY**

Requirements or Conflicts with NMED Laws and Regulations:

Although the proposed merger is expected to increase train traffic on two rail segments in New Mexico, resulting in increased air emissions, the additional emissions may not significantly impact air quality affecting New Mexico. An air quality regulation which may need to be examined carefully, however, is 20 NMAC 2.99 - Conformity to the State Implementation Plan of Transportation Plans, Programs and Prospects. If Union Pacific/Southern Pacific receive federal funds for this project, they may have to do a transportation conformity analysis under 20 NMAC 2.99. The rail segment from Lordsburg, NM, to Cochise, AZ, will see slight increases in emissions as only 23 miles of this segment is in New Mexico. The rail segment from El Paso, TX, to Lordsburg, NM, will see emissions twice that of the other segment. An estimated 10 miles passes through the Sunland Park ozone nonattainment area. This 10-mile portion is of most concern. The estimated emissions increases of ozone precursors in this area are 81 tons/year of nitrogen oxides and 3.5 tons/year of hydrocarbons. The increased hydrocarbons should not be a significant problem. The increased nitrogen oxides may not be problem.

Deficiencies or Inaccuracies:

The ER does not mention that Sunland Park is an ozone nonattainment area. It may have been missed as it was only recently designated as such (June, 1995). But, since El Paso, TX was already nonattainment for ozone, and the report was stringent by considering entire air quality control regions (AQCRs) nonattainment (this included all of Dona Ana, Otero, and Sierra Counties in New Mexico), the oversight may be less important. We are concerned, however, about some of the AQCR numbers (namely, 501 and 510) mentioned in the report. We cannot locate them in 40 CFR Part 81. In fact, we cannot even locate AQCR 510 on the list in Part 6 (Appendix). In addition, there is conflicting information presented on AQCR 510 between sections 2.43 and 2.57, pp. 55 and 66, in Volume 6, Part 2. Section 2.43 indicates that AQCR 510 is attainment for all pollutants except sulfur dioxide, while Section 2.57 states that AQCR 510 is attainment for all pollutants except particulate matter.

**SURFACE WATER QUALITY**

We should preface our comments with the statement that any changes incorporated into the proposed merger that could have a surface water quality impact in the state, must comply with State of New Mexico Water Quality Standards, Water Quality Act, Water Quality Control Commission (WQCC) regulations and related New Mexico statutes.

NMED has flooding/erosion concerns about proposed sites which could possibly affect surface water quality. The U.S. Environmental Protection Agency (USEPA) has promulgated regulations, 40 CFR 122.26, which govern permitting and pollution control requirements regarding storm water discharges from construction sites.

Owners/operators of construction projects of five acres or more are required to apply for, at a minimum, permit coverage under the NPDES baseline general storm water permit for construction activities. The permit coverage may be obtained by filing a Notice of Intent (NOI) no later than forty-eight hours prior to commencing construction activities. This permit requires, in particular, that a site-specific, storm water pollution prevention plan (SWPPP) be prepared before submission of the NOI and that appropriate pollution prevention measures be installed at the site in a timely manner. Requests for information regarding storm water permits may be obtained by calling USEPA at (214)665-7185.

Best Management Practices (BMPs) are measures or practices used to reduce the amount of pollution entering surface/ground waters, air and land; they must be developed and implemented for construction

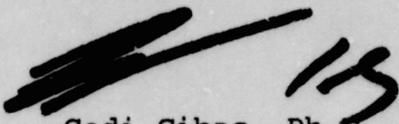
ICC Docket No. 32760  
December 21, 1995  
Page 3

sites equal to or greater than five acres in size. Information on the development of BMPs may be available from the New Mexico State University/Cooperative Extension Service, the U.S. Department of Agriculture/Soil Conservation Service and the USEPA document entitled **Storm Water Management For Construction Activities**. Information regarding this document and copies of the baseline general permit (which includes the NOI form) may be obtained by calling USEPA at (202) 260-7786.

We should also mention that anyone intending to do dredge and fill work in a water of the United States (e.g., river, creek, arroyo, gully etc.) must obtain a Section 404 (of the Clean Water Act) permit from the U.S. Corps of Engineers. Almost all permits for work in a perennial stream have the condition of New Mexico State water quality certification (Section 401).

We appreciate the opportunity to review and comment on this document.

Sincerely,



Gedi Cibas, Ph.D.  
Environmental Impact Review Coordinator

NMED File No. 951

cc: Thomas E. Greenland  
Union Pacific Law Department  
Room 830  
1416 Dodge Street  
Omaha, Nebraska 68179

STB FD

32760

12-27-95

D

60698

**BRIAN SANDOVAL**

- ASSEMBLYMAN

District No. 25



60698

**DISTRICT OFFICE:**

4145 Falling Water Drive

Reno, Nevada 89509

Office: (702) 746-5209

Fax No.: (702) 746-2557

**LEGISLATIVE BUILDING:**

401 S. Carson Street

Carson City, Nevada 89710

Office: (702) 687-3587 or 687-5739

Fax No.: (702) 687-5962

**COMMITTEES:**

*Vice Chairmen*

Judiciary

*Member*

Taxation

Natural Resources

Labor and Management

**State of Nevada  
Assembly**

**Sixty-Eighth Session**

December 19, 1995



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

Re: **Finance Docket No. 32760  
Union Pacific and Southern Pacific Proposed Merger**

Dear Secretary Williams:

I write to urge you to support the proposed merger between the Union Pacific ("UP") and Southern Pacific ("SP") Railroads. The merger will benefit Nevada through improved service to our citizens who utilize the rail system which, in turn, will provide cost savings to the public.

Furthermore, the merger will enhance competition through UP/SP's agreement to provide Burlington Northern ("BN") and Santa Fe with various access points in Nevada. As a result, Nevada's shippers will receive advantages that otherwise would not be available if the merger is not approved.

In short, the merger is a "win-win" proposition. The railroads, their employees and customers, and Nevada will all be better off. Please give the merger your strongest consideration.

Very truly yours,

*Brian Sandoval*  
Brian Sandoval

Office of the Secretary

BES/jc DEC 26 1995

1 Part of

Item No. \_\_\_\_\_

Page Count 1

*Dec 19 1995*

STB

FD

32760

12-27-95

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60697

# Ohio House of Representatives

FD-32760  
60697



**Jim Mason**  
State Representative  
77 South High Street  
Columbus, OH 43266-0603  
Office: (614) 644-6002  
Fax: (614) 644-9494

**Kristin Helmick**  
Legislative Aide  
**Susan Strack**  
Administrative Assistant

**Committee:**  
Children & Youth  
\* Vice Chairman  
Family Services  
Financial Institutions  
Insurance  
Joint Legislative Ethics  
Judiciary & Criminal Justice  
\*Vice Chairman  
Jud. & Crim. Justice Subcom.  
\*Chairman



December 20, 1995

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

Item No. \_\_\_\_\_  
Page Count 1  
DEC 27 1995

Dear Secretary Williams:

I am writing to request your support for Conrail's proposal to acquire some of Southern Pacific Railroad's eastern lines, specifically from Chicago to St. Louis and then into Arkansas, Texas and Louisiana.

The acquisition would provide Ohio with a direct rail connection to southwest markets and would put Ohio in an excellent position to take advantage of the NAFTA agreements as Ohio would be connected to Mexico and Canada via Conrail.

Ohio is the second largest auto manufacturing state in the country, as well as a major producer of auto parts, glass, steel, paper and cellular equipment. Conrail's proposed acquisition would help our industries export numerous products to new markets and would, therefore, be of enormous economic value to our state.

Conrail provides vital rail freight transportation for business and industry throughout the state of Ohio, and has an excellent reputation for service. Please favorably consider the Conrail proposal as an alternative to the possible UP-SP merger.

Sincerely,

Jim Mason  
State Representative  
25th House District

Office of the Secretary

DEC 28 1995

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FD-32760

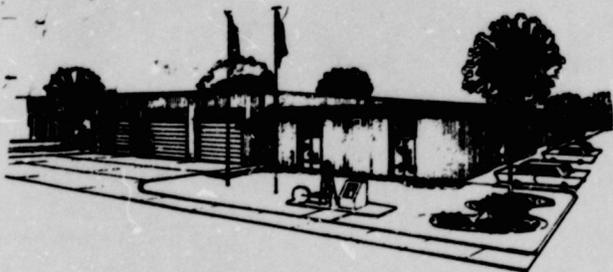
12-26-95

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ID-60695

60695

# CITY OF FLORENCE



MUNICIPAL BUILDING  
300 West Main Street  
Florence, Colorado 81226  
(719) 784-4848 Fax (719) 784-0228

Item No. \_\_\_\_\_

Page Count 2

Dec #187

Office of the Secretary

DEC 27 1995

Part of

- Certified -  
Return Receipt Requested  
Certificate No. - Z 682 591 356



Interstate Commerce Commission  
Attn: Honorable Vernon Williams  
12th and Constitution NW  
Washington, D.C. 20423

December 19, 1995

Subject: ICC Finance Docket No. 32760  
PROPOSED CONSOLIDATION, et al

Dear Secretary:

Pursuant to the Interstate Commerce Commission procedural schedule adopted by Decision No. 6 in the above outlined Docket, please accept this original and twenty (20) copies as our official "Notice of Intent to Participate" on the one (1) Subject Docket as listed above.

Please direct all future correspondence and/or telephone or FAX transmissions with respect to the Subject Docket to:

City of Florence  
300 W. Main Street  
Florence, CO 81226  
Attn: Steven G. Rabe, City Manager  
Phone: (719) 784-4848  
FAX: (719) 784-0228

We are aware of the schedule dates applicable for the filing of subsequent "comments, protests, requests for conditions and any other opposition evidence and arguments due" and/or "Briefs due", and will meet those required deadlines.

Please advise if any questions or changes occur in these proceedings.

Thank you.

Sincerely,

*Merle Strickland*

Merle Strickland  
Mayor

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon Applicant's Representative, Robert T. Opal, General Attorney, 1416 Dodge Street, Omaha, NE 68179-0830, and Gary A. Laakso, General Attorney, Southern Pacific Bldg., Room 846, One Market Plaza, San Francisco, CA 94105, by Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at 300 W. Main Street, Florence, Colorado, this 19 day of December, 1995.

ATTEST:

*Dori Williams*  
\_\_\_\_\_  
Dori Williams, City Clerk

STB FD 32760 12-26-95 D 60694

# meaden

Screw Products Co.

210 WEST 83rd STREET  
BURR RIDGE, ILLINOIS 60521  
PHONE 708 / 655-0888  
FAX 708 / 655-3012



Item No. 60694  
Page Count 2  
Dec # 186



Mr. Vernon Williams  
Interstate Commerce Commission  
Room 3316  
12th and Constitution, N.W.  
Washington, D.C. 20423-0001

RE: Finance Docket No. 32760

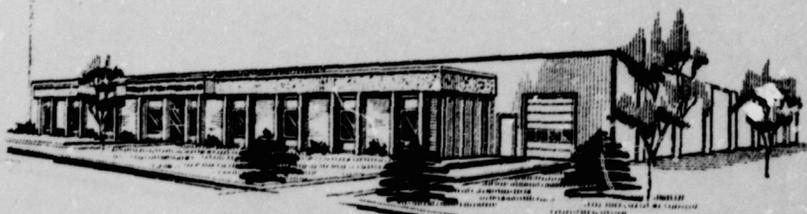
Dear Mr. Williams:

Our company has occasion to use the services of The Texas Mexican Railway. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and services. The only two U.S. carriers connecting with TexMex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years these two railroads have competed for shipments to and from the TexMex, resulting in substantial cost savings and service improvements. A merger of these two railroads will eliminate that competition. 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 major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. We anticipate significant price increases and service deterioration for that portion of rail service needs beyond TexMex.

Office of the Secretary

DEC 28 1995



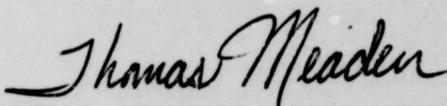
The TexMex has historically relied on international traffic interlined with the Southern Pacific for much of its traffic base. Since a UP/SP merger will eliminate most of this traffic, this lost volume will likely reduce train frequency on the TexMex and slow service. There is also a question of whether the TexMex will be able to survive this loss of business.

These price increases and service reductions will seriously reduce many companies abilities to compete both domestically and internationally.

The alternative that will preserve competition is to grant trackage rights or allow the TexMex to purchase trackage from Corpus Christi to Houston, and connect with the Kansas City Southern and other railroads in Houston. In such a way, competition could be maintained through Laredo. We urge conditioning the merger with a grant of trackage rights to the TexMex allowing service to Houston.

Preserving competition and service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the national goal of promoting international trade.

Sincerely



Thomas Meaden  
President  
Meaden Screw Products Co.

STB

FD-32760

12-26-95

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ID-60693

City of

60693



GEORGE F. MAYBEE  
Mayor

JEFFREY L. KOOISTRA  
City Administrator

AUDREY VELDHIJZEN  
City Clerk/Treasurer

December 18, 1995

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

Item No. \_\_\_\_\_

Page Count 1

Dec 4 1995



RE: Finance Docket No. 32760 UP/SP

Dear Mr. Williams:

I am Mayor of Boone, Iowa, and I am writing to express my strong support for the proposed merger of the Union Pacific and Southern Pacific railroads.

The economic health of Boone, Iowa, depends heavily on having the strongest and most efficient possible rail service connecting Boone with points throughout North America.

I support the merger of the Union Pacific and Southern Pacific railroads (UP/SP) because the merger will sustain and improve the level of rail service enjoyed by Boone, Iowa shippers will benefit from the fact that UP/SP will offer the fastest intermodal service between the Midwest and the San Francisco Bay Area. By using a combination of UP and SP lines, the merged carrier will have a much shorter route than either SP or UP offers today. UP Iowa grain and grain product producers will gain new single-line access to SP-served consumers in the Pacific Southwest. UP Iowa shippers will gain a more direct route for export to Mexico through the El Paso gateway, as well as new single-line access to a number of SP-served Mexican gateways.

Expanding the efficient use of the unit grain train program will improve covered hopper utilization. As an example, from May to August, feed grains move from UP Midwest origins to SP receivers in the Southwest (Arizona and Southern California) and wheat moves from the Southwest area to the Gulf and Midwest.

UP-served Iowa shippers and receivers will enjoy extensive new single-line access to SP-served points, including points throughout Texas, Louisiana, New Mexico, Arizona, California, Oregon, Utah and Colorado. Major cost savings, from reduced overheads, facility consolidations and use of the best systems of each railroad, will improve efficiency and justify increased investment to expand capacity and improve service, all to the benefit of shippers.

Competition will be strengthened in all markets because competition between a merged UP/SP and the new BN/Santa Fe system will be much stronger than competition between BN/Santa Fe and Up and SP separately. The merger applicants will accept conditions, as set out in an agreement with BN/SF ensuring that all shippers that would lose two-railroad competition in the merger are served by a second railroad. Because SP has no local service in Iowa, there are no such "2 to 1" situations in the state.

For the above enumerated benefits and others, I urge the ICC to approve the UP/SP merger as it is in the best interest of Boone, Iowa, its citizens and its businesses.

Office of the Secretary

DEC 23 1995

Sincerely,

George F. Maybee, Mayor



P.O. Box 550

Telephone: 515-432-4211

Boone, Iowa 50036-0550

FAX: 515-432-1564

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FD

32760

12-26-95

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**CITY OF CLINTON**

CITY HALL • 611 SO. THIRD ST. • P.O. BOX 2958

CLINTON IOWA 52722-2958 • FAX (319)242-7775

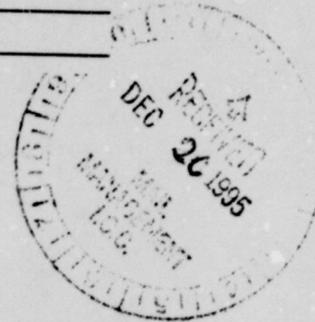
December 18, 1995

Item No. \_\_\_\_\_

Page Count 2

Dec #184

HONORABLE VERNON A. WILLIAMS  
 SECRETARY  
 INTERSTATE COMMERCE COMMISSION  
 TWELFTH STREET & CONSTITUTION AVE., NW  
 ROOM 2215  
 WASHINGTON DC 20423



Re: Finance Docket No. 32760 UP/SP

Dear Mr. Williams:

I am Mayor of Clinton, Iowa, and I am writing to express my strong support for the proposed merger of the Union Pacific and Southern Pacific railroads.

The economic health of Clinton, Iowa depends heavily on having the strongest and most efficient possible rail service connecting Clinton with points throughout North America.

I support the merger of the Union Pacific and Southern Pacific railroads (UP/SP) because the merger will sustain and improve the level of rail service enjoyed by Clinton. Iowa shippers will benefit from the fact that UP/SP will offer the fastest intermodal service between the Midwest and the San Francisco Bay Area. By using a combination of UP and SP lines, the merged carrier will have a much shorter route than either SP or UP offers today. UP Iowa grain and grain product producers will gain new single-line access to SP-served consumers in the Pacific Southwest. UP Iowa shippers will gain a more direct route for export to Mexico through the El Paso gateway, as well as new single-line access to a number of SP-served Mexican gateways.

Expanding the efficient use of the unit grain train program will improve covered hopper utilization. As an example, from May to August, feed grains move from UP Midwest origins to SP receivers in the Southwest (Arizona and Southern California) and wheat moves from the same Southwest area to the Gulf and Midwest.

UP-served Iowa shippers and receivers will enjoy extensive new single-line access to SP-served points, including points throughout Texas, Louisiana, New Mexico, Arizona, California, Oregon, Utah and Colorado. Major cost savings, from reduced overheads, facility consolidations and use of the best systems of each railroad, will improve efficiency and justify increased investment to expand capacity and improve service, all to the benefit of shippers.

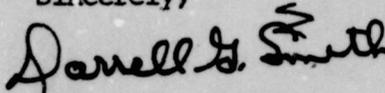
Mayor— Administrator— Attorney(319) 242-2144 • Public Works Director— City Engineer (319) 242-0261  
 City Clerk — Treasurer(319) 242-7545 • Planning/Community Development Director(319) 242-3207

December 18, 1995  
Honorable Vernon A. Williams  
Page 2

Competition will be strengthened in all markets because competition between a merged UP/SP and the new BN/Santa Fe system will be much stronger than competition between BN/Santa Fe and UP and SP separately. The merger applicants will accept conditions, as set out in an agreement with BN/SF ensuring that all shippers that would lose two-railroad competition in the merger are served by a second railroad. Because SP has no local service in Iowa, there are no such "2-to-1" situations in the state.

For the above enumerated benefits and others, I urge the ICC to approve the UP/SP merger as it is in the best interest of Clinton, Iowa, its citizens and its businesses.

Sincerely,



Darrell G. Smith,  
Mayor

DGS/me

STB FD 32760 12-27-95 D 60691



CITY OF CHARLESTON  
P.O. Box 2749  
CHARLESTON, WEST VIRGINIA 25330

G. KEMP MELTON, MAYOR

Item No. \_\_\_\_\_  
Page Count 1  
Dec # 183

December 20, 1995



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

Dear Secretary Williams:

With reference to Finance Docket 32760, I wish to express my concern about the competitive impact on area business that could result from the proposed acquisition of the Southern Pacific (SP) by the Union Pacific (UP).

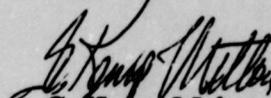
The chemical industry is a major employer in the Charleston area. A number of chemical plants rely on efficient, cost-effective rail service to and from the Texas Gulf Coast. I am concerned of the effect this proposed merger would have on that service. I am not convinced that the proposed agreement between the UP and Burlington Northern-Santa Fe (BNSF) will solve this potential problem.

I have also reviewed Conrail's proposal to acquire the SP lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana in connection with the merger. I think this proposal more adequately addresses the concerns for rail traffic originating and terminating in the Mid-South region of the United States.

Further, I believe Conrail's proposal would provide Charleston businesses with an efficient service for movement of goods and raw materials to and from the Texas Gulf. Conrail's proposed one-line service to these markets would be the fastest, most direct route and involve the fewest car transfers.

Please consider my concerns regarding the proposed UP-SP merger.

Sincerely,

  
G. Kemp Melton  
Mayor

Office of the Secretary

DEC 27 1995

Part of

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FD-32760

12-26-95

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ID-60690

60690

LAWRENCE E. JACOBSEN  
SENATOR, WESTERN DISTRICT  
(Douglas, and Part of Carson City, Lyon and Washoe)



COMMITTEES:  
Vice Chairman  
Transportation  
  
Member  
Finance  
Judiciary

RESIDENT PRO TEMPORE

# Nevada Senate

## CARSON CITY

DISTRICT OFFICE:  
P.O. Box 367  
Minden, Nevada 89423  
(702) 782-2334

LEGISLATIVE BUILDING:  
401 S. Carson Street  
Carson City, Nevada 89710  
Office: (702) 687-8124 or 687-5742  
Fax No.: (702) 637-5962

December 15, 1995

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



Re: Finance Docket No. 32760  
Proposed Merger Between the Union Pacific and Southern Pacific RR.

Dear Secretary Williams:

It has been brought to my attention that Union Pacific and Southern Pacific Railroads are proposing a merger of the two Companies.

As the senior member of the Nevada Legislature with thirty three years of legislative service, I want to urge your approval. Through the years, I have represented the northern area of the state, especially the rural areas.

Nevada currently is one of the fastest growing states in the Nation, and services from outside our borders are very vital. Rail service does not reach all of our communities, so a main line is imperative.

The merger of Union Pacific and Southern Pacific is the best of two worlds. Our agriculture, mining, utilities and military would be in jeopardy without the rail service. Competition encourages better equipment, better methods of operation and better service for everyone concerned.

If there is anything I can do to encourage or promote the merger between the railroads, please do not hesitate on contact my office.

Sincerely,

*Lawrence E. Jacobsen*  
Lawrence E. Jacobsen, Senator  
Western District  
President Pro Tempore

Item No. \_\_\_\_\_  
Page Count 1  
Dec 27 1995

Office \_\_\_\_\_  
DEC 27 1995  
Page \_\_\_\_\_

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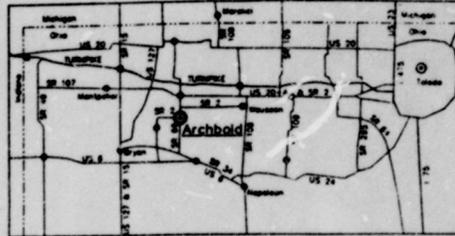
FD-32760

12-26-95

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ID-60689

# Archbold Area Chamber of Commerce



A Great Past - A Bright Future

60689  
Phone (419) 445-AACC

212 N. Defiance St.

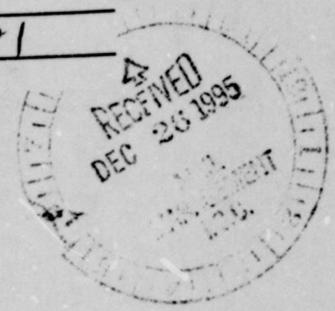
P.O. Box 102  
Archbold, OH 43502

Item No. \_\_\_\_\_

December 14, 1995

Page Count 4

Dec #181



**ADMINISTRATOR**  
Fred B. Witte

**PAST PRESIDENT**  
Jack A. McCormick

**TRUSTEES AND OFFICERS**

**PRESIDENT**  
Robert Frey, *President*  
Frey & Sons, Inc.

**PR \_SIDENT ELECT**  
Lowell F. Rupp, *Farmer*

**VICE PRESIDENT**  
**INDUSTRIAL DIVISION**  
Kevin L. Morton, *Plant Manager*  
Archbold Industries

**ASSISTANT VICE PRESIDENT**  
**INDUSTRIAL DIVISION**  
Steven J. Wyse, *President*  
I-Jax, Inc.

**VICE PRESIDENT**  
**RETAIL DIVISION**  
Freida Sauder, *Manager*  
Care & Share Gift & Thrift

**ASSISTANT VICE PRESIDENT**  
**RETAIL DIVISION**  
Sharon Lantz, *Owner*  
Unique Little Gift Shop

**SECRETARY**  
Dr. James E. Nagel,  
*Dean of Community Services*  
Northwest State Community College

**ASSISTANT SECRETARY**  
Brent Taylor, *President*  
Al-Meda Chocoiates

**TREASURER**  
William (Bill) Beck, *President*  
V. S. Beck Insurance Agency

**ASSISTANT TREASURER**  
Duane Steyer, *CPA*  
Steyer, Huber & Associates

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

RE: Finance Docket 32760

Dear Secretary Williams:

The Archbold Area Chamber of Commerce has carefully evaluated the proposed Union Pacific/Southern Pacific merger, and its effects on this community and the State of Ohio. While there may be benefits to the consolidation between these two railroads, it is important from an economic development standpoint that other options and proposals be weighed and considered before any merger approval is given by the Interstate Commerce Commission (ICC). Further, the Archbold Area Chamber of Commerce is not persuaded that the proposed agreement between the Union Pacific and the Burlington Northern/Santa Fe will satisfy our concerns over competition.

Conrail, Inc. has approached the Archbold Area Chamber of Commerce with its proposal for acquiring some of the Southern Pacific Eastern lines from Chicago and St. Louis to Texas and Louisiana. This proposal has great benefit for those Midwest cities and states eager to encourage economic growth through the North American Free Trade Agreement (NAFTA).

Conrail has been and continues to be a good corporate resident of Archbold and its level of service has greatly benefited the manufacturers and shippers in our community. This proposed acquisition by Conrail will only enhance the current service being provided. Economic expansion opportunities will be available to the businesses and industries in our community. In addition, with direct shipments of Midwest-made products to new markets in Mexico, the mid-south and Gulf Coast regions, areas currently not easily accessed by Midwest shippers, will be opened.

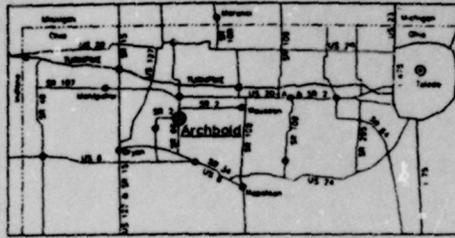
For these reasons, The Archbold Area Chamber of Commerce

Office of the Secretary

DEC 27 1995

Part of

# Archbold Area Chamber of Commerce



*A Great Past - A Bright Future*

Phone (419) 445-AACC

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Archbold, OH 43502

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**PAST PRESIDENT**  
Jack A. McCormick

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*Dean of Community Services*  
Northwest State Community College

**ASSISTANT SECRETARY**  
Brent Taylor, *President*  
Al-Meda Chocolates

**TREASURER**  
William (Bill) Beck, *President*  
V. S. Beck Insurance Agency

**ASSISTANT TREASURER**  
Duane Steyer, *CPA*  
Steyer, Huber & Associates

The Honorable Vernon A. Williams

Page 2

December 14, 1995

strongly supports Conrail's purchase of the Southern Pacific Eastern lines. Without the Conrail proposal being a part of the ICC's approval, the Union Pacific/Southern Pacific merger should not be consummated. Conrail's ownership of the Southern Pacific Eastern lines is good business sense and brings more corporate responsibility than the lease arrangement as proposed by Burlington Northern/Santa Fe.

Thank you for the opportunity to comment on this proposal.

Sincerely,

*Lowell F Rupp*

President  
Archbold Area Chamber of Commerce

cc: Mr. David M. LeVan, President and CEO  
Consolidated Rail Corporation  
2001 Market Street - 17th Floor  
Philadelphia, PA 19101-1409

STB

FD

32760

12-27-95

D

60688

MAURICE E. WASHINGTON  
SENATOR  
Washoe No. 2



60688

DISTRICT OFFICE:  
1061 E. Greenbrae  
Sparks, Nevada 89434  
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(702) 331-3826

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Judiciary  
Transportation

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Carson City, Nevada 89710  
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Fax No.: (702) 687-5962

# State of Nevada Senate

Sixty-Eighth Session

Item No. \_\_\_\_\_  
Page Count Dec 1/90



December 20, 1995

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

Re: Finance Docket No. 32760  
Proposed Merger Between the Union Pacific and the Southern Pacific Rail Corporations

Dear Secretary Williams:

Thank you for the opportunity to express my support for the proposed merger of the Union Pacific and the Southern Pacific Railroads.

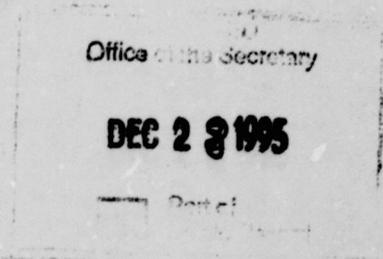
As Vice-chairman of the Nevada State Senate Standing Committee on Transportation issues impacting the financial stability of the major railroad carriers in this state are matters of grave importance to me as well as to this state's consumers of rail service, many of who are my constituents. In addition my district has historically had a long and mutually beneficial relationship with the Southern Pacific Railroad which I would seek to preserve.

Survival of the Southern Pacific which is crucial to both their employees and customers seems threatened in light of the recent merger of the Burlington Northern and Atchison, Topeka & Santa Fe railroads. The proposed merger would combine the financial strength of the Union Pacific together with the routes serviced by the Southern Pacific resulting in benefits for Nevada businesses. Of particular interest and benefit to my constituents is access to single railroad service as far north as Seattle and Spokane, Washington. My district's economic development is tied directly to accessibility and reliability of transportation services and the proposed merger would definitely be in the public interest not only for my constituents, but also for the State of Nevada.

Secretary Williams, I urge your support for the merger proposal and all of the economic benefits it will provide for the citizens of this state.

Sincerely,

Maurice E. Washington  
Nevada State Senator



STB

FD

32760

12-27-95

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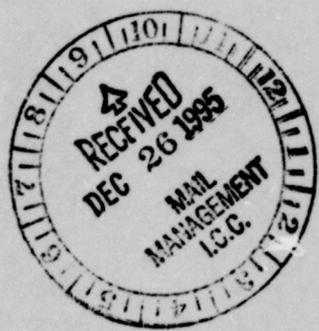
60687



214 SOUTH BROWN STREET, EDWARDSVILLE, IL 62025  
PHONE: 618/656-6510 • 24 HR FAX 618/656-6830

December 14, 1995

FD 32760



Office of the Special Counsel  
Interstate Commerce Commission  
12th & Constitution Ave, N.W.  
Washington, D.C. 20423

Dear Director of Railroads,

This letter is in regard to the proposed merger of the Union Pacific and Southern Pacific Railroads. As part of this merger the Union Pacific has proposed abandoning a section of their line from Girard, IL to Barr (Athens), IL and from Madison, IL to DeCamp (Livingston), IL. The proposed merger and the abandonment requires the approval of the Interstate Commerce Commission.

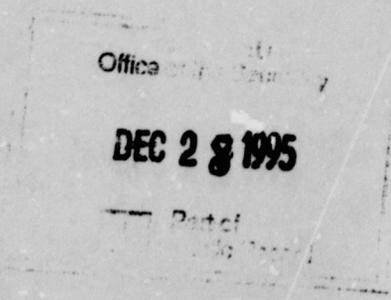
The closing of this line will have a devastating impact on the operations of Illinois Transit as our shop is located 14.6 miles north of Madison. Illinois Transit Assembly is a remanufacturer of light and heavy transit cars and passenger railroad cars and receives all of the railroad cars we work on by rail. Due to the size of railroad cars, there are no other options available to us, such as trucking. The abandonment of this rail line will force our business to close and eliminate 20 plus jobs from this community.

We are asking for your help in this matter. The impact of this merger not only will be felt by Illinois Transit Assembly Corporation directly, but by many other citizens indirectly. This line runs through many small communities in addition to Edwardsville and the edge of Springfield. The loss of this rail service to these communities cannot have any positive effect on the future economic growth of these areas.

We would appreciate anything you can do to assist us in this matter.

Sincerely,

*Les M. Kastan*  
Les M. Kastan  
President



Item No. \_\_\_\_\_  
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Dec # 179

STB

FD-32760

12-26-95

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ID-60686

60686

Item No. \_\_\_\_\_  
 Page Count 1  
Doc # 178



CITY OF DALLAS



**CHRIS LUNA**  
 City Councilman  
 District 2

December 20, 1995

Chair, Business and Commerce Committee  
 Director, Dallas Convention and Visitors Bureau  
 Director, Downtown Improvement District  
 Director, Dallas-Fort Worth Regional Film Commission

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

RE: Finance Docket 32760

Dear Secretary Williams:

I understand that an application is pending before you which seeks approval of the acquisition of the Southern Pacific Railroad by Union Pacific. I am very concerned that the merger of these two railroads will create a situation which is economically disastrous to the residents and economy of Texas.

I am particularly concerned about an agreement between Union Pacific and Burlington Northern Santa Fe which would grant trackage rights on north/south corridors in the State of Texas to Burlington Northern. This does not constitute effective competition on the corridors and in fact creates a situation in which the Union Pacific would effectively have a monopoly in this area. I am further concerned about the domination of the entry points with Mexico by the Union Pacific. This domination has the potential to negate much of what was accomplished with the passage of NAFTA, which this City supported.

I request you to carefully review the situation in Texas which would be created by this merger. I would hope that the ICC would recommend that one of the north/south corridors be made available to Conrail. This would insure that stiff competition between rail freight carriers continues to exist through the State of Texas.

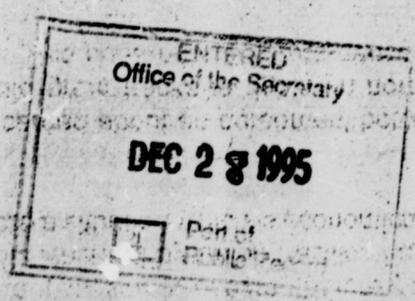
Thank you for your consideration. Please contact me should you need additional information.

Sincerely,

*Chris Luna*

Chris Luna  
 City Councilman  
 District 2

/ra/Luna/L050



STB

FD-32760

12-26-95

D

ID-60685

P.M. - "ROY" NEIGHBORS

ASSEMBLYMAN

District No. 36



60685

DISTRICT OFFICE:

P.O. Box 33  
Tonopah, Nevada 89045  
(702) 482-6384

COMMITTEES:

Member

Government Affairs

Natural Resources, Agriculture  
and Mining

Taxation

Education

LEGISLATIVE BUILDING:

401 S. Carson Street  
Carson City, Nevada 89710  
Office: (702) 687-3593 or 687-5739  
Fax No.: (702) 687-5962

# State of Nevada Assembly

Sixty-Eighth Session

December 18, 1995



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

re: Finance Docket No. 32760, Union Pacific/Southern Pacific - Control & Merger

Dear Secretary Williams:

I am writing you in support of the proposed merger between Southern Pacific and Union Pacific railroads. I represent the geographically largest Assembly district in the state of Nevada. The history of this district is full of failed rail systems over the years and the areas still served by railroads are concerned over the potential loss of continued service. Obviously it is imperative that the financial health of these two railroads be improved upon.

The proposed merger will not only put both of these transportation companies on better financial footing, it should prove to provide better service with better equipment to customers in the entire area, not just those communities currently served. With the promise of improved intermodal freight capabilities our extensive efforts at economic development will be vastly enhanced.

I urge you to approve this merger which promises to help the citizens of Nevada in so many positive ways.

Sincerely,

*Roy Neighbors*  
Roy Neighbors  
Assemblyman

ENTERED  
Office of the Secretary

DEC 27 1995

Item No. \_\_\_\_\_

Page Count 1

Dec #177

STB

FD-32760

12-26-95

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ID-60684

Item No. \_\_\_\_\_

60684

Page Count 2

Dec #176

# City of Memphis

TENNESSEE

MYRON LOWERY  
Councilman-at-Large  
Position 5

CITY COUNCIL

December 19, 1995

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

Office of the Secretary

DEC 27 1995

Part of



Re: Finance Docket 32760

Dear Secretary Williams:

As a member of the Memphis City Council I am extremely concerned about the competitive affects on Memphis and Shelby County businesses relative to the proposed acquisition of the Southern Pacific (SP) Railroad by the Union Pacific (UP). While I am somewhat familiar with the proposed agreement between Up and the Burlington Northern-Santa Fe (BNSF) which is intended to remedy those effects, I am not persuaded that this arrangement will produce effective competition for area rail traffic in Memphis, Tennessee.

I have also reviewed Conrail's proposal to acquire a significant portion of the SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana. I find this proposal to be more appropriate and far more effective in addressing the concerns of Memphis rail shippers. The Conrail proposal calls for ownership of the lines, whereas the UP=BNSF agreement primarily involves the granting of trackage rights. I believe an owning railroad is in a far better position than a renter to encourage economic development activities on its lines which is of primary importance to this office.

Another reason I favor Conrail's proposal is that it would provide efficient service for area shippers, especially to the Northeast and Midwest markets. Presently, the Port of Memphis averages 3,000 loaded rail cars a month and Conrail's service to the Northeast would be the fastest and most direct and involve the fewest car handling.

Finally, I believe Conrail's proposal will ensure that area rail customers have multiple rail options. I am extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses.

For all of these reasons, I oppose the UP-Sp merger unless it is conditioned upon acceptance of Conrail's proposal.

Sincerely,

A handwritten signature in dark ink, appearing to read "MYRON", written in a cursive style.

Councilman Myron Lowery

ML:mc

cc: David LeVan  
President Conrail

STB

FD-32760

12-26-95

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ID-60683

RICHARD J. DURBIN

20TH DISTRICT, ILLINOIS

AT-LARGE WHIP

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

SUBCOMMITTEE ON TRANSPORTATION

SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA



LD 32760

60683

63 RAYBURN BUILDING  
WASHINGTON, DC 20515-1320  
(202) 225-8271

525 SOUTH 8TH STREET  
SPRINGFIELD, IL 62703  
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EDWARDSVILLE, IL 62025  
(618) 892-1082

721 EAST BROADWAY, SUITE #106  
CENTRALIA, IL 62801  
(618) 532-4265

# Congress of the United States

## House of Representatives

Washington, DC 20515-1320

December 21, 1995



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

Dear The Honorable Williams:

I am writing in regard to the proposed merger of Union Pacific and Southern Pacific Railroads.

The acquisition of the Southern Pacific by the Union Pacific would affect important rail lines in Illinois. Concerns have been raised that this merger will reduce competition between Chicago, St. Louis, and the Gulf Coast, and increase shipping costs for businesses in Illinois. In addition, track redundancies resulting from this merger may create incentives to close one of these lines, resulting in the loss of jobs and higher transportation costs.

The Union Pacific has stated that it will preserve competition by granting the Burlington Northern-Santa Fe and other railroads access to track jointly served by the Union Pacific and the Southern Pacific. However, serious questions have been raised about the level of competition and the long-term viability of these arrangements. Decisions regarding this merger could also have a significant impact on the viability of other railroads serving the Midwest and the East.

Access to reliable, low-cost transportation is essential to the economic vitality of communities in Illinois. I urge you to carefully examine the effect of the Union Pacific proposal on rail competition, and to consider other alternatives which will preserve competition in the Midwest before approving this merger.

Thank you for your attention to this matter.

Sincerely,

*RJD*  
Richard J. Durbin  
Member of Congress

RJD:jj

DEC 27 1995

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Page Count 1

*Dec 12 1995*

STB

FD-32760

12-26-95

D

ID-60682

G. CARPENTER  
ASSEMBLYMAN  
District No. 33



60682

DISTRICT OFFICE:  
P.O. Box 190  
Elko, Nevada 89801  
Office: (702) 738-9861  
Fax No.: (702) 738-8733

COMMITTEES:

Chairman

Natural Resources, Agriculture  
and Mining

Member

Judiciary Office  
Labor and management  
Transportation

LEGISLATIVE BUILDING:

401 S. Carson Street  
Carson City, Nevada 89710  
Office: (702) 687-8156 or 687-5739  
Fax No.: (702) 687-5962

State of Nevada  
Assembly

Sixty-Eighth Session

DEC 28 1995

December 14, 1995



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

SUBJECT: Merger Between the Union Pacific and Southern Pacific Railroads  
ICC Finance Docket No. 32760

Dear Secretary Williams:

I write to express my support for the proposed merger of the Union Pacific and the Southern Pacific Railroads. As a member of the Nevada State Legislature, I represent the area of Northern Nevada that includes most of Elko County. In this part of Nevada, the Union Pacific and Southern Pacific both serve area shippers along paired railroad tracks that run East-West between Reno and Salt Lake City. As you might guess, the proposed merger is of significant interest here.

One of the key benefits of a merger between the Union Pacific and the Southern Pacific would be to bring financial stability to the Southern Pacific. The SP has had more than its share of financial difficulties, and with the recent merger of the Burlington Northern with the Atchison, Topeka & Santa Fe Railroad, the long-term survival of the SP is in serious question. That is a crucial issue for the employees and customers of the Southern Pacific. Merging the two railroads would bring financial stability to the SP.

Shippers here are, of course, concerned about the potential competitive impact of the merger. I was pleased to see that the UP/SP reached an agreement with the BN/ATSF to provide for BN/ATSF access across the Central Corridor through Nevada. That agreement will ensure that shippers along the corridor (which includes the Elko area) will now gain access to the BN/ATSF Railroad, preserving two-railroad competition for

Item No. \_\_\_\_\_

Page Count 2

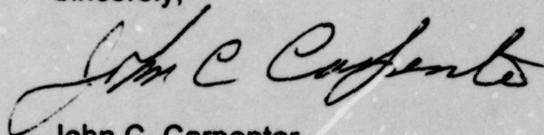
Dec #174

Page 2

shippers. In fact, that agreement should actually improve the competitive situation: both the UP/SP and the BN/ATSF will end up with more extensive routes and wider service areas as a result of the merger and the agreement, so our shippers will have rail access to two better railroads in the end.

Clearly, the proposed merger between the Union Pacific and Southern Pacific Railroads would be in the public interest, in the interest of the employees of the railroads, and in the interest of railroad customers. This, I would urge your support for their merger proposal.

Sincerely,

A handwritten signature in cursive script that reads "John C. Carpenter". The signature is written in dark ink and is positioned above the printed name.

John C. Carpenter  
Nevada State Assemblyman

JCC/cc:60138.22

STB

FD-32760

12-22-95

D

ID-60678

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Page Count 19  
file # 170

60678

**COVINGTON & BURLING**  
1201 PENNSYLVANIA AVENUE, N. W.  
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WASHINGTON, D.C. 20044-7566  
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CURZON STREET  
LONDON W1W 8AS  
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TELEFAX: (202) 662-6291  
TELEX: 89-593 (COVLING WSH)  
CABLE: COVLING

BRUSSELS CORRESPONDENT OFFICE  
44 AVENUE DES ARTS  
BRUSSELS 1040 BELGIUM  
TELEPHONE: 32-2-512-9890  
TELEFAX: 32-2-502-1598

WRITER'S DIRECT DIAL NUMBER

December 22, 1995

**BY HAND**

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



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

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty copies of Applicant's Objections to the Texas Mexican Railways First Interrogatories and First Request for Production of Documents (UP/SP-38). Also enclosed is a 3.5 disk containing the text of this pleading in WordPerfect 5.1 format.

I would appreciate it if you would date-stamp the enclosed extra copy of the pleading and return it to the messenger for our files.

Sincerely,  
*Michael A. Listgarten*  
Michael A. Listgarten

DEC 26 1995

Member of the Bar of New York State  
Not admitted to the Bar of the District of Columbia

BEFORE THE  
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760

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



APPLICANTS' OBJECTIONS TO THE WESTERN COAL TRAFFIC LEAGUE'S  
FIRST SET OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS

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Southern Pacific Transportation  
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Railway Company, SPCSL Corp. and  
The Denver and Rio Grande  
Western Railroad Company

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Martin Tower  
Eighth and Eaton Avenues  
Bethlehem, Pennsylvania 18018  
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(202) 662-5388

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

Office of the Secretary

DEC 26 1995

December 22, 1995

BEFORE THE  
INTERSTATE COMMERCE COMMISSION

---

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

---

APPLICANTS' OBJECTIONS TO THE WESTERN COAL TRAFFIC LEAGUE'S  
FIRST SET OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCL and DRGW submit the following objections to the discovery requests served by the Western Coal Traffic League ("WCTL") on December 18, 1995. 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. These responses will provide information (including documents) in response to many of the requests, notwithstanding the fact that objections to the requests are noted herein. It is necessary and appropriate at this stage, however, for Applicants to preserve their right to assert permissible objections.

GENERAL OBJECTIONS

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

1. Applicants object to production of documents or information subject to the attorney-client privilege.

2. Applicants object to production of documents or information subject to the work product doctrine.

3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Interstate Commerce Commission or the Securities and Exchange Commission or clippings from newspapers or other public media.

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

6. Applicants object to providing information or documents that are as readily obtainable by WCTL from WCTL's members.

7. Applicants object to the extent that the interrogatories seek highly confidential or sensitive commercial information (including, inter alia, contracts containing confidentiality clauses prohibiting disclosure of

their terms) that is of insufficient relevance to warrant production even under a protective order.

8. Applicants object to the definition of "relating to" as unduly vague.

9. Applicants object to Instructions 2, 3 and 4 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

10. Applicants object to the requests to the extent that they call for the preparation of special studies not already in existence.

11. Applicants object to the requests as overbroad and unduly burdensome to the extent that they seek information or documents for periods prior to January 1, 1993.

ADDITIONAL OBJECTIONS TO SPECIFIC  
INTERROGATORIES AND DOCUMENT REQUESTS

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

Interrogatory No. 1: "Identify all documents (other than workpapers) that UP or SP provided to Witness Sharp for purposes of preparing his verified statement in the Application."

Additional Objections: None.

Interrogatory No. 2: "Identify all documents (other than workpapers) that UP or SP provided to Witness Barber for purposes of preparing his verified statement in the Application."

Additional Objections: None.

Interrogatory No. 3: "Identify all documents (other than workpapers) that UP or SP provided to Witness Willig for

purposes of preparing his verified statement in the Application."

Additional Objections: None.

Interrogatory No. 4: "Identify all communications that Witness Sharp had with any employees of UP or SP relating to his verified statement in the Application."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome.

Interrogatory No. 5: "Identify all communications that Witness Barber had with any employees of UP or SP relating to his verified statement in the Application."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome.

Interrogatory No. 6: "Identify all communications that Witness Willig had with any employees of UP or SP relating to his verified statement in the Application."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome.

Interrogatory No. 7: "State the daily average number of loaded coal trains UP expected (as of October 1, 1994) that it could or would originate at PRB mines during each month of 1995 based on:

- (a) demand for coal tonnage by existing customers or new customers whose coal tonnage UP expected to originate;
- (b) demand for coal tonnage by existing customers or new customers whose coal tonnage UP expected to originate, and potential demand for coal tonnage by other customers or potential customers whom UP believed could or would be in the market for SPRB coal during 1995; and
- (c) its capabilities and ability to transport coal originating at such mines."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is

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

Interrogatory No. 8: "Identify all documents relating to your response to Interrogatory No. 7."

Additional Objections: See objections to Interrogatory No. 7.

Interrogatory No. 9: "With respect to the information requested in Question 1 [sic], Items (a), (b) and (c), state any changes in the daily average of loaded coal trains UP expected that it could or would originate at PRB mines during each month (or the remaining months) of 1995 that occurred from October 1, 1994 to and including November 30, 1995."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 10: "Identify all documents relating to your response to Interrogatory No. 9."

Additional Objections: See objections to Interrogatory No. 9.

Interrogatory No. 11: "State the daily average number of loaded coal trains actually originated by UP at PRB mines by month and in total in each of the years 1994 and 1995."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 12: "State the number of tons of coal UP expected (as of October 1, 1995) to originate at PRB mines during 1995 and any changes in such number that occurred from October 1, 1995 to and including November 30, 1995."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and in

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

Interrogatory No. 13: "Identify all documents relating to your response to Interrogatory No. 12."

Additional Objections: See objections to Interrogatory No. 12.

Interrogatory No. 14: "State the number of tons of coal UP actually originated at PRB mines by month and in total in each of the years 1994 and 1995."

- Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 15: "State (separately for trains carrying primarily coal, trains carrying primarily commodities other than coal, and in total) the average number of daily train movements in each direction (a) during 1994, (b) during the first six months of 1995, and (c) projected for the first and second full years of operations after consummation of the merger for each of the following railroad line segments:

- (a) Ogden, UT - Cheyenne, WY
- (b) Cheyenne, WY - North Platte, NE
- (c) North Platte - Gibbon, NE
- (d) Gibbon - Fremont, NE
- (d) [sic] Missouri Valley, IA - West Chicago, IL
- (e) Gibbon, NE - Topeka, KS
- (f) Topeka, KS - Kansas City, MO/KS
- (g) Kansas City, MO/KS - St. Louis, MO (separately for the line via Sedalia and the line via Boonville)
- (h) Kansas City, KS - Wagoner, OK (separately for the line via Coffeyville and the line via Parsons)
- (i) Wagoner, OK - Fort Worth, TX

- (j) Topeka - Herington, KS
- (k) Herington, KS - Forth Worth, TX via Wichita, KS
- (l) Dotsero - Denver, CO via the Moffat Tunnel
- (m) Denver, CO - Cheyene, Wy
- (n) Denver - Julesburg, CO
- (o) Denver, CO - Salina, KS
- (p) Salina - Topeka, KS
- (q) Denver - Pueblo, CO
- (r) Dotsero - Pueblo, CO via Malta
- (s) Pueblo, CO - Forth Worth, TX via Amarillo, TX."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 16: "State the number of tons of coal originated by SP in Colorado and Utah and transported to destinations (1) outside the states of Colorado and Utah, and (2) east of Kansas City, MO/KS and/or Omaha, NE in each of the years 1989 through 1995."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 17: "State the number of tons of coal originated by UP in Utah and Wyoming (excluding the PRB) and moving to destinations (1) outside the States of Utah and Wyoming and (2) east of Kansas City, MO/KS and/or Omaha, NE in each of the years 1989 through 1995."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 18: "With respect to UP's or SP's trackage rights over each of the lines described on page 306 of Volume 1 of the Application, and over each of the lines listed below (to the extent not included among the lines described on page 306 of Volume 1 of the Application), state the average compensation paid the owning or landlord rail carrier in the year 1994 for all Bulk traffic (as defined in Section 9 a) of the Settlement Agreement) expressed in mills per revenue ton-mile (including both loaded and empty movements of locomotives and equipment for unit coal trains).

- (a) BNSF's line between Riverside and Daggett, CA
- (b) BNSF's line between N. Portal Junction, OR and Reservation, WA
- (c) SP's line between Illmo, MO and Paragould, AR
- (d) KCS's line between Beaumont, TX and DeQuincy, LA
- (e) BNSF's line between St. Paul, MN and Saunders, WI."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 19: "Identify all documents relating to your response to Interrogatory No. 18."

Additional Objections: See objections to Interrogatory No. 18.

Interrogatory No. 20: "With respect to the negotiations that culminated in the Settlement Agreement, describe the negotiations with WC and identify the line or lines WC expressed an interest in acquiring and/or operating over following consummation of the merger."

have the opportunity to obtain direct service from more than one railroad?"

Additional Objections: None.

Interrogatory No. 24: "If the answer to Interrogatory No. 23 is in the affirmative, what provision of the Settlement Agreement would assure direct access to BNSF for a rail shipper that is currently served by SP but has a feasible build-out to UP or that is currently served by UP but has a feasible build-out to SP?"

Additional Objections: None.

#### DOCUMENT REQUESTS

- Document Request No. 1: "Produce all documents identified in response to Interrogatory No. 1."

Additional Objections: None.

Document Request No. 2: "Produce all documents identified in response to Interrogatory No. 2."

Additional Objections: None.

Document Request No. 3: "Produce all documents identified in response to Interrogatory No. 3."

Additional Objections: None.

Document Request No. 4: "Produce all documents relating to all communication identified in response to Interrogatory No. 4."

Additional Objections: See objections to Interrogatory No. 4.

Document Request No. 5: "Produce all documents relating to all communication identified in response to Interrogatory No. 5."

Additional Objections: See objections to Interrogatory No. 5.

Document Request No. 6: "Produce all documents relating to all communication identified in response to Interrogatory No. 6."

Additional Objections: See objections to Interrogatory No. 6.

Document Request No. 7: "Produce all documents identified in response to Interrogatory No. 8."

Additional Objections: See objections to Interrogatory No. 8.

Document Request No. 8: "Produce all documents identified in response to Interrogatory No. 10."

Additional Objections: See objections to Interrogatory No. 10.

Document Request No. 9: "Produce all documents identified in response to Interrogatory No. 13."

Additional Objections: See objections to Interrogatory No. 13.

Document Request No. 10: "Produce all documents identified in response to Interrogatory No. 19."

Additional Objections: See objections to Interrogatory No. 19.

Document Request No. 11: "Produce all documents identified in response to Interrogatory No. 21."

Additional Objections: See objections to Interrogatory No. 21.

Document Request No. 12: "Produce all communications with producers or receivers of PRB coal concerning complaints related to the service provided by UP with respect to the transportation of such coal during the period from January 1, 1993 to date."

Additional Objections: Applicants object to this request as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 13: "Produce all communications with producers or receivers of Colorado and/or Utah coal concerning complaints related to the service provided by SP with respect to the transportation of such coal during the period from January 1, 1993 to date."

Additional Objections: Applicants object to this request as unduly burdensome, and overbroad in that it includes requests

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 18: "Produce all projections prepared by UP during the period from January 1, 1991 to date of revenues that would be earned by UP on coal traffic originating on UP's lines (excluding PRB origins) in any future time period, or of the rates that would be charged by UP in any future time period for the movement of coal originating on such lines."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 19: "Produce all documents prepared by SP during the period January 1, 1991 to date describing, containing or constituting any plans, programs or initiatives of SP to promote the sale of coal originating on SP lines or the sale of coal transportation services for coal originating on SP lines."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 20: "Produce all documents prepared by UP during the period January 1, 1991 to date describing, containing or constituting any plans, programs or initiatives of UP to promote the sale of coal originating on UP lines or the sale of coal transportation services for coal originating on UP lines (excluding PRB origins)."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome, and overbroad in that it

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

Document Request No. 21: "Produce all evaluations by UP and/or SP of the impact of the compensation terms of the Settlement Agreement on the ability of BNSF to compete effectively for the traffic of rail shippers whose traffic could be hauled by BNSF pursuant to the trackage rights granted under the Settlement Agreement."

Additional Objections: None.

Document Request No. 22: "Produce all projections prepared by UP and/or SP of the volume of coal traffic that would be originated by the merged entity on former SP lines and on former UP lines (excluding PRB origins) for any future time period."

Additional Objections: Applicants object to this request as overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 23: "Produce all projections prepared by UP and/or SP of the revenues that would be gained by the merged entity from the coal traffic that would be originated by the merged entity on former SP lines and on former UP lines (excluding PRB origins) for any future time period."

Additional Objections: Applicants object to this request as overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 24: "Produce all proposals made by SP from January 1, 1991 to date of rates for transportation of coal from SP origins."

Additional Objections: Applicants object to this request as unduly burdensome, and in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 25: "Produce all proposals made by UP from January 1, 1991 to date of rates for transportation of coal from UP origins (excluding PRB origins)."

Additional Objections: Applicants object to this request as unduly burdensome, and in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 26: "Produce all proposals made by UP from January 1, 1991 to date of rates for transportation of coal from UP origins in the PRB."

Additional Objections: Applicants object to this request as unduly burdensome, and in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Respectfully submitted,

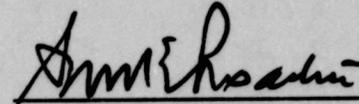
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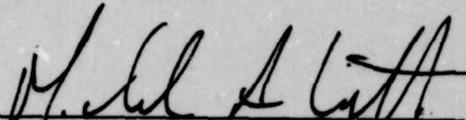
December 22, 1995

CERTIFICATE OF SERVICE

I, Michael A. Listgarten certify that, on this 22nd day of December, 1995, I caused a copy of the foregoing document to be served by hand on C. Michael Loftus, counsel for Western Coal Traffic League, at Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, D.C. 20036, and by first-class mail, postage prepaid, on

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

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

  
\_\_\_\_\_  
Michael A. Listgarten

STB

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ID-60676

Item No. \_\_\_\_\_

60676

Page Count 13

Doc # 169

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December 22, 1995

**BY HAND**

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



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

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty copies of Applicant's Objections to the Western Coal Traffic League's First Set of Interrogatories and Document Production Requests (UP/SP-39). Also enclosed is a 3.5 disk containing the text of this pleading in WordPerfect 5.1 format.

I would appreciate it if you would date-stamp the enclosed extra copy of the pleading and return it to the messenger for our files.

Sincerely,

*Michael A. Listgarten*  
Michael A. Listgarten

Member of the Bar of New York State  
Not admitted to the Bar of the District of Columbia

DEC 26 1995

BEFORE THE  
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760



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

APPLICANTS' OBJECTIONS TO THE  
TEXAS MEXICAN RAILWAY COMPANY'S FIRST INTERROGATORIES  
AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

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DEC 26 1995

December 22, 1995

BEFORE THE  
INTERSTATE COMMERCE COMMISSION

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Finance Docket No. 32760

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

---

APPLICANTS' OBJECTIONS TO THE  
TEXAS MEXICAN RAILWAY COMPANY'S FIRST INTERROGATORIES  
AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCL and DRGW submit the following objections to the discovery requests served by The Texas Mexican Railway Company ("Tex Mex") on December 18, 1995. 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. These responses will provide information (including documents) in response to many of the requests, notwithstanding the fact that objections to the requests are noted herein. It is necessary and appropriate at this stage, however, for Applicants to preserve their right to assert permissible objections.

GENERAL OBJECTIONS TO INTERROGATORIES

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

1. Applicants object to production of documents or information subject to the attorney-client privilege.
2. Applicants object to production of documents or information subject to the work product doctrine.
3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.
4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Interstate Commerce Commission 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.
7. Applicants object to the extent that the interrogatories seek highly confidential or sensitive commercial information (including inter alia, contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.
8. Applicants object to the definition of "identify" insofar as it requests home telephone numbers on

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

9. Applicants object to the definition of "relating to" as unduly vague.

10. Applicants object to Instructions 2, 9, 10, 14 and 15 and to the definition of "provide" to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

11. Applicants object to Instruction 6 as unduly vague, overbroad, and not susceptible of meaningful application.

12. Applicants object to Instruction 11 as unduly burdensome.

13. Applicants object to the interrogatories to the extent that they call for the preparation of special studies not already in existence.

#### ADDITIONAL OBJECTIONS TO SPECIFIC INTERROGATORIES

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

Interrogatory No. 1. "Identify every study, analysis, business plan and marketing plan relating to the transportation of goods by UP, SP or the Combined System originating from or destined to Mexico, including but not limited to studies concerning the relative advantages and disadvantages of different Mexican Railroad Gateways, projections of rail traffic trends and the existence of competition to such transportation."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and

overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 2: "Identify every document relating to the marketing and implementation by SP of interline rail transportation by SP and Tex Mex of goods destined to or originating from Mexico, including but not limited to the marketing and implementation of intermodal train service known as the 'Aztec Wind.'"

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 3: "Identify every document relating to the possible obtaining of, bidding for or operations over any Mexican Railroad Concession by UP, SP, the Combined System or by any of those entities in conjunction with another entity, including but not limited to traffic and revenue projections and analyses of the anticipated competition to operations over any Mexican Railroad Concession by UP, SP, the Combined System or by any of those entities in conjunction with any other entity."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 4: "Identify every document relating to the possible granting of any Mexican Railroad Concession, including subconcessions, by UP, SP, or the Combined System to any other entity."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is

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

Interrogatory No. 5: "Identify every document relating to the granting of trackage rights or haulage rights by UP, SP or the Combined System to BNSF over railroad lines in Texas, including but not limited to correspondence between BNSF on the one hand and UP or SP on the other hand, and analyses of the effect of BNSF operations over such trackage or haulage rights on the traffic, revenues or both of the Combined System."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 6: "Identify every agreement in effect after January 1, 1995 by which other railroads have provided trackage or haulage rights to UP or SP or both over railroad lines or railroad facilities in Texas."

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

Interrogatory No. 7: "Identify every agreement in effect after January 1, 1995 by which UP and SP have granted trackage or haulage rights or both to another railroad over railroad lines in Texas."

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

Interrogatory No. 8: "Identify every document relating to the possible sale of railroad lines in Texas to the following:

- (a) Tex Mex,

- (b) KCS, and
- (c) BNSF, and
- (d) any other railroad."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 9: "Identify every document relating to the possible granting of trackage or haulage rights over railroad lines in Texas by UP, SP or the Combined System to the following:

- (a) Tex Mex
- (b) KCS, and
- (c) any other railroad."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 10: "Identify every document relating to the possible sale or abandonment of any railroad line identified in Appendix A, or of any portion of said line."

Additional Objections: Applicants object to this interrogatory as unduly burdensome and unduly vague, and overbroad in that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 11: "Identify every letter, memorandum, study, analysis, business plan and marketing plan not previously identified that refers to the Tex Mex."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 12: "Identify every joint rate tariff and every transportation contract in effect after January 1, 1993 for the through rail transportation of goods by FNM on the one hand and UP or SP, exclusively or in conjunction with other U.S. railroads, on the other hand between points in the United States and points in Mexico."

Additional Objections: Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 13: "Identify every document relating to studies or analyses of the property values of, and the costs of maintaining and operating over, all or any part of any railroad line identified in Appendix A or of any line of which a line identified in Appendix A constitutes a part."

Additional Objections: Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 14: "Identify every study, memorandum or analysis relating to the level of switch charges to be charged by the Combined System to BNSF pursuant to Section 9(h) of the BNSF Agreement."

Additional Objections: None.

Interrogatory No. 15: "Identify the 'tiny handful [of the '2-to-1' shippers that] have direct service from both UP and SP according to the Verified Statement of Richard B. Peterson at page 72 of Volume 2 of the Application."

Additional Objections: None.

Interrogatory No. 15 [sic]: "Identify any analysis or other basis for Mr. Peterson's statement at page 168 of Volume 2 that 'BN/Santa Fe will be able to serve the '2-to-1' shippers either directly or via reciprocal trackage rights at a switch charge that will be well below SP's present charges.'"

Additional Objections: None.

Interrogatory No. 16: "With respect to Mr. Peterson's statement at page 298 of Volume 2 that 'We estimated that BN/Santa Fe would divert to a Corpus Christi-Tex Mex-Laredo routing 25% of the traffic moving via UP direct or SP-Tex Mex between competitive points and Laredo' --

- a. identify any analysis or other basis for this estimate, including but not limited to the portions of Mr. Peterson's workpapers supporting this estimate; and
- b. state whether this estimate includes traffic originating or terminating at local industries at Laredo ('local traffic') and, if so, whether the estimated percentage diversion was the same for local traffic as for traffic moving through Laredo to and from FNM."

Additional Objections: None.

Interrogatory No. 17: "Did Mr. Peterson apply the '75% rule' described at pages 257-258 of Volume 2 to --

- a. traffic originating at points on SP and terminating at local industries at Laredo?
- b. traffic interchanged with FNM at Laredo?"

Additional Objections: None.

Interrogatory No. 18: "If the answer to 17a or 17b or both is no, state what percentage diversions were applied."

Additional Objections: None.

Interrogatory No. 19: "In developing the adjusted traffic base described by Mr. Peterson on pages 261-266 of Volume 2, did Mr. Peterson make any adjustment based on KCS's acquisition of an interest in Tex Mex?"

Additional Objections: None.

Interrogatory No. 20: "Describe the consideration given by Mr. Peterson, in developing the adjusted traffic base

Mex's First Interrogatories. Applicants also object to the instructions to the document request to the extent that they go beyond the ICC's discovery rules or the discovery guidelines in this case, and further object to Instruction 4 as unduly burdensome, unduly vague and overbroad and to Instruction 5 as unduly burdensome.

Respectfully submitted,

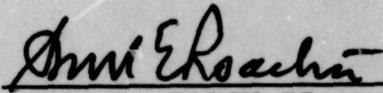
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Corporation, Union Pacific  
Railroad Company and Missouri  
Pacific Railroad Company

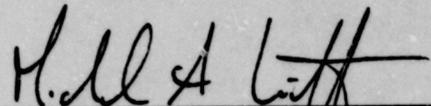
December 22, 1995

CERTIFICATE OF SERVICE

I, Michael A. Listgarten certify that, on this 22nd day of December, 1995, I caused a copy of the foregoing document to be served by hand on Richard A. Allen, counsel for Texas Mexican Railway, at Zuckert, Scoutt & Rasenberger, 888 Seventeenth Street, N.W., Suite 600, Washington, D.C. 20006-3939, and by first-class mail, postage prepaid, on

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

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

  
\_\_\_\_\_  
Michael A. Listgarten

STB

FD-32760

12-21-95

D

ID-60669

60669

STATE OF CALIFORNIA

Item No. \_\_\_\_\_

PETE WILSON, Governor

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Page Count 7

Dec 4 1995



December 20, 1995

**VIA FEDERAL EXPRESS**

Office of the Secretary  
Case Control Branch  
Attn: Finance Docket No: 32760  
Interstate Commerce Commission  
1201 Constitution Avenue, N.W.  
Washington, D.C. 20423



Dear Commission Secretary:

Re: Union Pacific Railroad - Control and  
Merger - Southern Pacific Lines  
Finance Docket No. 32760

Enclosed for filing please find an original and 21 copies of a document titled **NOTICE OF INTENT TO PARTICIPATE**. Please file-stamp the extra copy and return it to the undersigned in the enclosed stamped, self-addressed envelope. Thank you for your cooperation in this matter.

Copies of the Notice also are being sent to Administrative Law Judge Jerome Nelson and to each of applicants' counsel, namely, Arvid E. Roach II and Paul A. Cunningham.

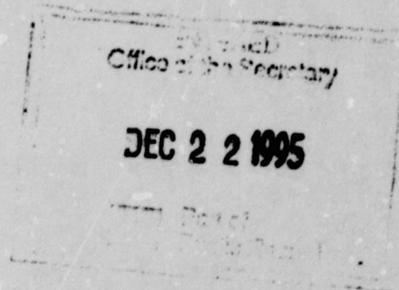
Sincerely,

*James T. Quinn*  
James T. Quinn  
Commission Attorney

JTQ:mal

Enclosures (22)

cc: Honorable Jerome Nelson  
Arvid E. Roach, II  
Paul A. Cunningham



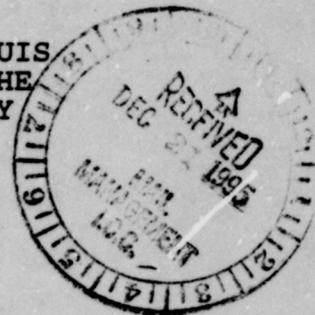
# ORIGINAL

Before the  
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760

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

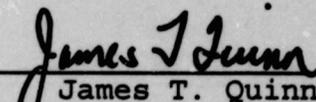
NOTICE OF INTENT TO PARTICIPATE



Pursuant to the Interstate Commerce Commission's Decision No. 6 herein, the Public Utilities Commission of the State of California hereby gives notice of its intent to participate in the above-described merger proceeding. Documents should be sent to the undersigned James T. Quinn at the address shown below.

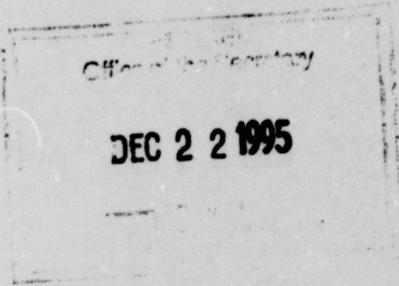
Respectfully submitted,

PETER ARTH, JR.  
EDWARD W. O'NEILL  
JAMES T. QUINN

  
James T. Quinn

505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-1697

Attorneys for the Public  
Utilities Commission of the  
State of California



December 20, 1995

CERTIFICATE OF SERVICE

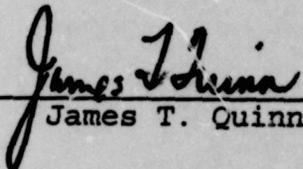
I hereby certify that I have this day served the foregoing document titled **NOTICE OF INTENT TO PARTICIPATE** on Administrative Law Judge Jerome Nelson and the below-listed persons by sending by first-class mail copies thereof properly addressed as follows:

The Honorable Jerome Nelson  
Administrative Law Judge  
Federal Energy Regulatory Commission  
825 North Capitol Street, N.E.  
Washington, D.C. 20426

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

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

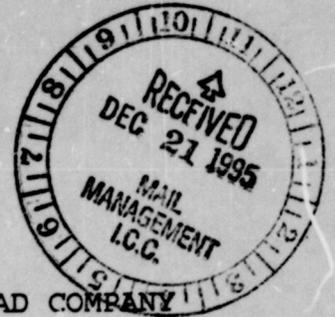
Dated at San Francisco, California, this 20th day of  
December, 1995.

  
\_\_\_\_\_  
James T. Quinn

Before

INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760



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

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Respectfully submitted,

PETER ARTH, JR.  
EDWARD W. O'NEILL  
JAMES T. QUINN

/s/ JAMES T. QUINN

James T. Quinn

505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-1697

Attorneys for the Public  
Utilities Commission of the  
State of California

December 20, 1995

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Washington, D.C. 20044

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

Dated at San Francisco, California, this 20th day of  
December, 1995.

/s/ JAMES T. QUINN

---

James T. Quinn

Before the  
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760



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

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Respectfully submitted,

PETER ARTH, JR.  
EDWARD W. O'NEILL  
JAMES T. QUINN

/s/ JAMES T. QUINN

James T. Quinn

505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-1697

Attorneys for the Public  
Utilities Commission of the  
State of California

December 20, 1995

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document titled NOTICE OF INTENT TO PARTICIPATE on Administrative Law Judge Jerome Nelson and the below-listed persons by sending by first-class mail copies thereof properly addressed as follows:

The Honorable Jerome Nelson  
Administrative Law Judge  
Federal Energy Regulatory Commission  
825 North Capitol Street, N.E.  
Washington, D.C. 20426

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

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

Dated at San Francisco, California, this 20th day of  
December, 1995.

/s/ JAMES T. QUINN

---

James T. Quinn

STB

FD-32760

12-22-95

D

ID-60666

MIKE ROSS

SENATOR  
3RD DISTRICT

P. O. BOX 374  
PRESCOTT, ARKANSAS 71857



THE SENATE  
STATE OF ARKANSAS

December 14, 1995

COMMITTEE

MEMBER:  
CITY, COUNTY & LOCAL AFFAIRS  
RULES  
PUBLIC HEALTH, WELFARE & LABOR  
JOINT PERFORMANCE REVIEW



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

Re: Finance docket 32760

Dear Secretary Williams:

I am opposed to the Union Pacific-Southern Pacific merger as is currently being proposed. If approved, several things will happen, most of which concern me greatly. First, Arkansas would have but a single, major, owning railroad operating in the entire state. We need more rail competition, not less. Second, UP has already announced its intention to abandon the line from Camden to Gurdon in my legislative district. I strongly object to that suggestion.

As I understand it, UP seeks to overcome the anti-competitive nature of its merger agreement by having negotiated "trackage rights" agreements with Burlington Northern. To my way of thinking, such agreements do not argue well for rail shipping in our area and I do not believe that any form of "trackage rights" agreement will satisfy in this instance.

I am familiar with Conrail's proposal to acquire SP's eastern lines. I find this proposal to be much more appropriate and far more effective in addressing my concerns. I, therefore, strongly oppose the UP-SP merger, unless its approval is conditioned upon UP's acceptance of Conrail's proposal.

Sincerely,

*Mike Ross*

Mike Ross

Item No. \_\_\_\_\_

Page Count 1

Dec 15 8

MR/mj

cc: David M. LeVan, President and CEO, CONRAIL

Office of Secretary

DEC 22 1995

STB

FD-32760

12-21-95

D

ID-60667

Knightsbridge  
Hamilton, Ohio 45020  
513 868-4974, Fax: 513 868-5778

Richard E. Kerth  
Transportation Manager  
Commerce and Administration

6 0667



Item No. \_\_\_\_\_  
Page Count 20  
Dec # 159

December 19, 1995



Office of the Secretary  
Case Control Branch  
Interstate Commerce Commission  
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:

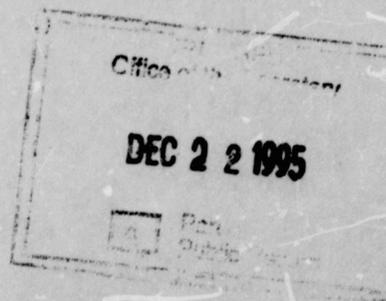
Enclosed please find an original and twenty (20) copies of the verified statement of Richard E. Kerth representing Champion International Corporation in the above captioned proceeding. Also enclosed is a 3.5-inch diskette in Word Perfect 5.1 format of the verified statement; all exhibits must be copied as they do not appear on the diskette.

Sincerely,

*Richard E. Kerth*  
Richard E. Kerth

cc: The Honorable Jerome Nelson  
Federal Energy Regulatory Commission

Arvid E. Roach, II, Esq.  
Paul A. Cunningham, Esq.





**BEFORE THE INTERSTATE COMMERCE COMMISSION**

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**FINANCE DOCKET. NO. 32760**

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**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**

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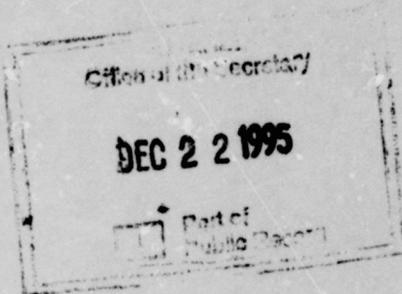
**COMMENTS OF:**

**CHAMPION INTERNATIONAL CORPORATION  
101 KNIGHTSBRIDGE DRIVE  
HAMILTON, OHIO 45020**

**SUBMITTED BY: RICHARD E. KERTH  
TRANSPORTATION AND DISTRIBUTION MANAGER - COMMERCE,  
REGULATORY AFFAIRS AND ORGANIZATIONAL IMPROVEMENT**

---

**DATE: DECEMBER 19, 1995**



BEFORE THE INTERSTATE COMMERCE COMMISSION

FINANCE DOCKET NO. 32760



VERIFIED STATEMENT OF RICHARD E. KERTH

On November 30, 1995, Union Pacific Corporation (UPC), Union Pacific Railroad Company (UPRR), Missouri Pacific Railroad Company (MPRR), Southern Pacific Rail Corporation (SPR), Southern Pacific Transportation Company (SPT), St. Louis Southwestern Railway Company (SSW), SPCSL Corp. (SPCSL) and the Denver Rio Grande Western Railroad Company (DRGW) filed its application at the Commission seeking authority under 49 U.S.C. 11343-45 for : (1) the acquisition of control of SPR by UP Acquisition Corporation (Acquisition), an indirect wholly owned subsidiary of UPC; (2) the merger of SPR into UPRR; and (3) the resulting common control of UPRR and SPR by UPC. Pursuant to the provisions of 49 C.F.R. § 1180.4 (d)(1), as modified by Decision No. 6 in this proceeding (effective October 24, 1995), Champion International Corporation (Champion) respectfully submits its comments, evidentiary submission, request for conditions, and asks the Commission enter Champion International Corporation as a party of record in Finance Docket No. 32760.

I. INTRODUCTION

My name is Richard E. Kerth. I am employed by Champion International Corporation (Champion) as Transportation and Distribution Manager, Commerce, Regulatory Affairs & Organizational Improvement. My business address is 101 Knightsbridge Drive, Hamilton, Ohio 45020. I am familiar with Champion's facilities and transportation requirements having been employed by Champion for the last seventeen (17) years. I am authorized to represent Champion's interests before federal and state regulatory bodies and I am authorized to present this verified statement on behalf of Champion.

## II. CHAMPION INTERNATIONAL CORPORATION

Champion International Corporation is one of the world's leading producers of paper and forest products operating 11 domestic paper mills and 7 domestic wood products manufacturing facilities. The company employs approximately 24,600 people worldwide and has the capacity to produce 6.3 million tons of paper, paperboard, and market pulp a year. Paper manufactured by Champion is used for business, communications, commercial printing, publications and newspapers. Headquartered in Stamford, Connecticut, the company is also a major manufacturer of plywood and lumber with the capacity to manufacture 416 million board feet of lumber and studs and 843 million square feet (3/8") of softwood plywood.

Champion has four facilities dependent on SPR in east Texas. Two facilities are served directly by Class III railroads which interchange traffic with the SPR; two facilities are served directly by the SPR as shown below :

CHAMPION LOCATION	RAIL SERVICE VIA:	1994 RAIL SHIPMENTS	1994 TONS
CAMDEN, TEXAS	MC&SA TO MOSCOW, TX; THENCE SPR	1,393	103,770
CORRIGAN, TEXAS	SPR	942	69,738
SHELDON, TEXAS	SPR	2,466	170,733
HERTY, TEXAS	A&NR TO LUFKIN;THENCE SPR	2,782	191,035
TOTALS		7,583	535,276

MC&SA is the MOSCOW, CAMDEN & SAN AUGUSTINE RAILWAY CO. headquartered in Camden, Texas and a 100% owned subsidiary of Champion; A&NR is the ANGELINA & NECHES RIVER RAILROAD CO. headquartered in Lufkin, Texas and a 50% owned subsidiary of Champion. The MC&SA operates over 7 miles of track between Camden, TX and the SPR interchange at Moscow, TX; the A&NR operates over 14.5 miles and interchanges with the SPR at Lufkin, TX.

### **III. SPR SERVICE IN EAST TEXAS**

Over the past several years, Champion has repeatedly experienced SPR service failures resulting in higher operating costs and lost business opportunities. Failures include, but are not limited to, inconsistent switch and train service and an inadequate quality and/or quantity of box cars for newsprint paper and forest products transportation. General poor service forces Champion to ship finished product and receive raw materials by truck in lieu of rail car and has required Champion to lease box cars suitable for newsprint transportation. Repeated meetings and improvement action plans amongst Champion, and/or the MC&SA, and/or the A&NR on the one hand, and the SPR on the other hand, have not produced sustainable improvements. We anticipate that this situation will not improve. SPR's President Don Orris acknowledges that "it will be increasingly difficult to compete, let alone prosper, against the tremendously greater market reach of BNSF and UP. This proposed merger assures continuation of strong, vigorous competition throughout the West, without having to wait until one of us fails."<sup>1</sup>

### **IV. MERGER POSITION**

Champion conditionally supports the merger of the UPRR and the SPR. We believe the SPR will continue to have operational problems and difficulty competing with other larger railroads without a merger. We further believe the merger offers potential for improved service and equipment supply in east Texas. Our past experience with the UPRR has been favorable. UPRR has a good reputation for providing its customers with consistent, quality equipment and is recognized for focusing its operating personnel around continuous improvement and customer satisfaction.

However, Champion is concerned that this merger, coupled with the proposed trackage rights agreement (hereinafter referred to as "Agreement")

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<sup>1</sup> Letter from Don Orris to Richard Kerth dated November 27, 1995 included as Exhibit I to this statement.

between UPRR/SPR and the Burlington Northern Santa Fe (BNSF) <sup>2</sup> may: 1) further diminish the already poor service in east Texas and 2) will eliminate rail to rail competition Champion has established using reloads at Cleveland, Texas and Palestine, Texas. Our two concerns and suggested remedies are addressed in more detail below:

#### IV. (a) POOR SERVICE

The proposed "Agreement" indicates the UPRR/SPR will provide overhead trackage rights to BNSF on the SPR's line between Houston, TX. and Fair Oaks, AR. via Cleveland, TX and Pine Bluff, AR. (see map enclosed as Exhibit 2). The Agreement further provides that such trackage rights are bridge rights for overhead traffic only and does not permit the BNSF to serve industries on this line in east Texas.

The majority of Champion's shipments from all four Texas locations travel over this single main line rail track moving either southwest to Houston, TX or northwest to Shreveport, LA. Today, this single main line of track is used exclusively by SPR to support both overhead through train movements and local freight trains that serve as a life line to those industries and class III railroads located on the line; e.g. switching, gathering loads, placement of empty cars. Local train service is often interrupted; they must sit idle as through trains have priority resulting in service failures. The BNSF plan is to share this single line track with UPRR/SPR using this line as a through route between Houston and Memphis. The increased number of trains and volume of traffic which will travel over this single main line track by two major Class I railroads under the proposed trackage rights agreement will, in our judgment, perpetuate and add to existing operational / service problems.

To improve capacity, service, and to limit congestion over this line, the UPRR and SPR have indicated traffic between the Gulf Coast and the

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<sup>2</sup> On September 25, 1995, BNSF entered into an agreement with UPRR and SPR primarily designed to address competitive problems for shippers raised by the proposed acquisition of SPR by UPRR. This agreement provides BNSF trackage rights over 3,800 miles of the combined UPRR-SPR proposed combined system and selling BNSF another 335 miles of track.

East will be separated by direction, using the former SPR (Cotton Belt) route through Arkansas and Texas primarily as the southbound corridor and the parallel UPRR route as the northbound corridor. This solution will be detrimental to Champion and other industries on this line. Our shipments from Lufkin, Camden, and Corrigan will incur additional transit time in route travelling southwest to Houston before they can travel toward their ultimate destination(s) in the midwest, western, or eastern United States. UPRR and SPR also indicate they will continue to supply box cars to industries located on this line from their Houston terminal; northbound local trains will compete for use of the track with southbound through trains. Based upon our prior experiences of inconsistent service, we are not confident that Champion's interests can be protected without conditions imposed by the Commission.

#### IV. (b) REQUEST FOR SERVICE CONDITIONS

Champion requests, as a condition of merger, BNSF be granted access to all Class III railroads and their customers who are dependent on this line. Additional capacity over this line will cause substantial harm (including loss of existing business) for industries unable to move their traffic via rail to meet customer delivery requirements. BNSF access will provide a choice of rail service for Class III rail operators and their served customers. Choice of rail carrier will ultimately be based in large part upon the train schedules and operating arrangements (service schedules) of all carriers using this line. We believe this condition is narrowly framed to remedy the effects<sup>3</sup> of a certain trackage rights agreement negotiated between UPRR/SPR and BNSF without the benefit of any east Texas industry or Class III railroad's input. We suggest that the UPRR/SPR and BNSF agreement was hurriedly fashioned to solve the larger-scale competitive issues presented by the proposed merger and that such haste has overlooked operational and service issues of

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<sup>3</sup> In its discussion of applicable standards in the BNSF decision, the Commission states: "While showing that a condition addresses adverse effects of the transaction is necessary to gain our approval, it is by no means sufficient. The condition must be narrowly tailored to remedy those effects. We will not impose a condition that would put its proponent in a better position than it occupied before the consolidation." See UP/CSW, slip. op. at 97, Milwaukee Reorganization-Acquisition by GCT, 2 I.C.C. 2d 247 455 (1985) Soo/Milwaukee II.

industry located in east Texas. Inasmuch as the UPRR/SPR introduced the BNSF as a remedy to larger competitive issues, we ask the Commission to allow the BNSF to remedy service issues as well.

It is necessary for the Commission to recognize that there is no other physical rail track or route available for the UPRR/SPR to serve industry located on this line. The UPC has not suggested that any part of its \$1 billion capital budget for capacity projects and services enhancements will resolve problems in east Texas either through double tracking or yard improvements. Champion's mills at Camden, TX; Corrigan, TX; and Lufkin, TX; as well as other industries served by the Texas South-Eastern Railroad Co. (TSE) located on this line are captive to the SPR rail service connection. Champion's traffic, alone, from and to these three mills is in excess of 5,100 cars per year and has the potential to increase with service improvements. In our judgment, this volume alone is sufficient to warrant the proposed condition.

#### IV. (c) LOSS OF EXISTING RELOAD (RAIL TO RAIL) COMPETITION

Champion does not enjoy direct rail competition at our mills in East Texas. Trucking companies compete with the railroads for our wood products traffic but only in limited lanes. Champion's wood products facilities at Camden, TX and Corrigan, TX, rely heavily on flat bed trucking firms to handle shipments of lumber and plywood. The use of specialized equipment (flatbeds) limits the markets in which trucks can be aggressive competitors in service and price. Many trucking firms do not solicit nor do they price competitively for lumber/plywood traffic moving from east Texas to the eastern (east of the Mississippi River) or western markets (west of the Rocky Mountains). In order for Champion to take its products into these markets, Champion depends upon rail service. In the past, the SPR has only been price and service competitive to destination points served directly by SPR. In order to reach other customers and markets, we established reload operations with the Atchison, Topeka & Santa Fe (now BNSF) at Cleveland, TX and with the Union Pacific (UPRR) at Palestine, TX. Trucks are used to

transport products from Camden and Corrigan, TX to the reload operations where the material is then reloaded into rail box cars for delivery to customers. The reload operations have afforded Champion with opportunity to reach customers directly serviced by the BNSF or the UPRR.

Freight rates and services negotiated between Champion and UP and BNSF via these reloads have provided needed rail to rail competition. Champion is concerned that rail to rail competition, albeit limited, will diminish as a result of the UPRR/SPR merger. Broad trackage rights granted the BNSF by UPRR/SPR has the potential to create price, service, or operational issues that ultimately (perhaps not immediately, but over time) will eliminate Cleveland, TX as a reload competitive alternative. The acquisition of the SPR by UPRR will eliminate the Palestine, TX alternative. It stands to reason that the UPRR will not readily seek to handle traffic via the Palestine reload that it can handle for higher revenue if shipped directly from Camden or Corrigan, TX.

When these reload options are eliminated, Champion will lose our customers located in Arizona, California, Colorado, Missouri, Nebraska, New Mexico, Nevada, Oregon, Washington and Wyoming who receive shipments via the reloads because we will no longer be a competitive supplier to those firms. Between January and October, 1995, Champion made 328 shipments to these states via the ATSF at Cleveland and 23 shipments to these states via the UPRR at Palestine.

#### IV.(d) REQUEST FOR COMPETITIVE CONDITION

Champion first requests the Commission to determine substantial harm would occur to Champion if either reload alternative was lost as a result of the proposed merger and the implementation of the trackage rights agreement. As indicated, Champion has been unable to negotiate competitive freight rates and services with the SPR from Camden and Corrigan to these markets. Champion had to reach out to competitive rail service at Cleveland, TX (30 miles to the south) and Palestine, TX (96 miles to the west) to place Champion product in these markets. Champion can

only place its products into these markets because the reload option exists today. Second, Champion respectfully requests the Commission impose conditions to provide us with pre-merger competitive status quo to these markets should the reload option(s) become unavailable after the merger.

#### V. ARGUMENT FOR CONDITIONS

The Commission has consistently emphasized, in previous decisions since passage of the Staggers Act of 1980, the need to protect the public from any harmful effects on competition resulting from a proposed merger. In examining this proposed transaction, we urge the Commission to look at the specific instances outlined herein where lessening or reducing competition, including the direct or "downstream" preclusion of transportation alternatives, has been raised as an issue. The Commission noted in *Union Pacific - Missouri Pacific Merger*<sup>4</sup> that it has responsibility to review transactions with respect to their effect on *source competition* as well as the possibility that the merged system may *divert* traffic from remaining competitors and hence foreclose their ability to compete in the marketplace. We submit that Champion should be afforded conditions as outlined in this filing.

The Commission's power to attach conditions to its approval of a major rail merger is "broad" and unqualified under the statute. 49 U.S.C. §11344(c); *UP/MP*, 366 I.C.C. at 562. The Commission has also determined that if a transaction threatens harm to the public interest, conditions should be imposed if they are operationally feasible, ameliorate or eliminate the harm threatened by the transaction, and they are greater benefit to the public than they are detrimental to the transaction. *UP/MP*, 366 I.C.C. at 564.

With these principles in mind, Champion's evidence presented in this statement clearly shows that the merger, without conditions, will have a

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<sup>4</sup> *Union Pacific Corporation, Pacific Rail System, Inc. and Union Pacific Railroad Co. --Control-- Missouri Pacific Corporation and Missouri Pacific Railroad Company*, 366 I.C.C. 459,484 (1982) affirmed *Southern Pacific Transp. Co. v. ICC*, 736 F.2d 708 (D.C. Cir. 1984) cert. denied 469 U.S. 1208 (1985) [*UP/MP*]

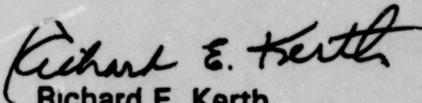
detrimental effect on Champion and other industry located in east Texas. While Champion conditionally supports this merger because we believe it will improve equipment supply and is necessary for the long term survival of the SPR, having more suitable equipment available for our shipments is of no value if shipments cannot move to market because of congestion on the UPRR/SPR rail line and/or if Champion is disadvantaged due to uncompetitive service and freight rates.

### CONCLUSION

For all of the foregoing reasons, the common control and merger of the Union Pacific Railroad Co. (UPRR) and the Southern Pacific Railroad Co. (SPR) would be contrary to industry and third party rail operations in east Texas located on the SPR line between Houston, TX and Fair Oaks, AR. We urge the Commission to approve the merger subject to imposition of conditions necessary to ameliorate the effect of this merger in east Texas and which provide shippers with reasonable options for rail freight services in the region affected by this transaction.

Respectfully submitted,

CHAMPION INTERNATIONAL CORPORATION

  
BY: Richard E. Kerth  
Transportation Manager-Commerce &  
Administration

Dated: December 19, 1995

VERIFICATION

STATE OF OHIO                    )  
  ) ss:  
COUNTY OF BUTLER            )

I, Richard E. Kerth, being duly sworn, do hereby state that I have read the foregoing document, have knowledge of the contents thereof, and that all facts therein are true to the best of my knowledge and belief.

Richard E. Kerth  
Richard E. Kerth

Subscribed to and sworn to before me, a Notary Public, in and for the State of Ohio, this 19th day of December, 1995.



Joanette Coe  
Notary Public  
JOANETTE COE  
NOTARY PUBLIC, STATE OF OHIO  
MY COMMISSION EXPIRES FEB. 20, 1997

My Commission expires:

**EXHIBIT 1**

RECEIVED

DEC 01 1995

Corporate  
Transportation



A

## Southern Pacific Lines

1860 Lincoln Street • 14th Floor • Denver, Colorado 80295

**Don C. Orris**  
President and Chief Operating Officer  
(303) 812-5007  
(303) 812-5097 Fax

November 27, 1995

Mr. Richard Kerth  
Transportation Manager, Inbound  
Champion International Corporation  
Materials/Supplies & Reg.  
101 Knightsbridge Drive  
Hamilton, OH 45020

Dear Mr. Kerth:

We are troubled by statements attributed to the president of the National Industrial Transportation League in the press and by his prepared statement to the joint hearing of the House and Senate small business committees on November 8. We hope we can dispel any misunderstandings you have about the necessity and benefits of the Southern Pacific-Union Pacific merger from SP's perspective.

First, there is a clear message from more than 1,300 merger supporters, including more than 1,000 rail shippers - many of whom are NITL members - that this merger is in the interest of the shipping public. In spite of this unprecedented customer support, some critics imply there is significant concern over competition. When one evaluates the present circumstances of the three major western railroads and compares that to the proposed merger and the associated conditions granted to the BN/ATSF, the only conclusion that can be reached is that this merger will unequivocally enhance, not diminish, competition.

The NITL president also implies that shippers are concerned over going from two serving carriers to only one. The September 26 agreement with Burlington Northern Santa Fe, as you know, assures competitive rail service for every shipper that would have lost it as a result of the SP-UP merger. Not only has an alternative carrier been provided, but the most aggressive competitor, the one with the widest possible market reach and financial resources, has been placed into these markets.

In addition, BNSF will increase the number of competitive points it can serve on a single-line basis as a result of the UP/SP merger, providing BNSF as well as the customers with both a higher level of customer-direct access and the superior rail costs of single-line service to provide a high level of competition.

Before reaching agreement in late September with BNSF to resolve competitive issues, we and UP talked to more than 1,000 customers, big and small, to understand their concerns with the merger's competitive impacts following our August 3 merger announcement. Subsequently, conversations to address access issue concerns raised by the customers were held with 10 other carriers prior to reaching an agreement with BNSF. None of the others possess the network ability or resources to provide competitive service options in response to customers' requests that BNSF can. Clearly, shippers and your members will benefit from this move, and clearly it presents a far superior competitive alternative to today's situation.

While some customers may, in fact, see competition in some instances reduced from three carriers to two carriers, two carrier competition has dominated points east of the Mississippi and much of the West. Going from three to two serving carriers has simply not been demonstrated to be a significant issue in terms of diminishing competition.

The NITL president has talked about a golden era of freight railroads being upon us, and yet his years of service on the Interstate Commerce Commission and his leadership of the National Industrial Transportation League give him an intimate knowledge of transportation and railroad economics. Despite substantial financial improvement in the railroad industry, which might be likened to a "golden age," the industry still fails to earn its cost of capital to justify continued investment in the business. It is obvious that traffic isn't growing fast enough to give the industry the economies of scale that allow continued lowered costs, lower rates and adequate financing. Railroad consolidation is one of the few ways to take out the significant overhead dollars and obtain the economies of scale that must be accomplished to allow cost reduction and continued reinvestment.

We don't need to remind you that rail freight rates, in terms of constant dollars, have declined 50% since deregulation. As an industry, we have "eaten" inflation and then some, all to the competitive benefit of our customers who now pay a smaller share of their total costs for rail transportation than they ever did under regulation.

Southern Pacific, which cannot be characterized as enjoying its "golden era," is the smallest of the three remaining large rail systems in the West. It will be increasingly difficult to compete, let alone prosper, against the tremendously greater market reach of BNSF and UP. This proposed merger assures the continuation of strong, vigorous competition throughout the West, without having to wait until one of us fails. Shippers will not benefit from the chaos that inevitably accompanies a railroad failure. Surely, you remember the distress caused the shipping public by the failure of the Northeast rail systems, the Rock Island and the Milwaukee Road during the 1970s.

The positives of the SP/UP merger are so clear as to question some of the opposing rhetoric that is being promoted in the media. We believe much of it lacks integrity and is stimulated solely by their economic self-interest.

Two carriers, Kansas City Southern and Conrail, clearly seek to take advantage of a perceived opportunity to extend their own market reach. Absent the SP/UP merger, neither could or would be making the claims they have tried to advance.

Conrail's inconsistent application in the SP/UP merger would obviously lead to others seeking offsetting market access from Conrail. We question whether anyone believes there is a rational solution here that offers economic "sustainability," let alone being rationally accomplished in any reasonable time.

KCS, understandable in its self-interest but wrongly, desires to enhance its own market value as the railroad industry consolidation continues by returning to its age-old dream of owning the Cotton Belt.

KCS and Conrail have given no thought to shipper needs, which we have satisfied by providing a much stronger competitive alternative with the BNSF. The agendas of our rail opponents are clear. Their agendas have nothing to do with addressing a reduction of competition because that is not what is happening here.

A few customers are likewise looking to advantage themselves in this proceeding. The suggestion that this proceeding should move to the jurisdiction of the Justice Department is not based, in our opinion, on some difference in outcome, but simply as a delaying tactic to obtain greater negotiating leverage in the interim over UP and SP for a "side deal."

Some of the loudest criticisms are coming from interests for whom rail transportation costs represent an extremely small portion of their total costs -- who have returns on investment that the railroad industry has never seen. They claim to be afraid that reduced rail competition, which is not happening here, will lead to higher rail rates. Even a doubling of those rates -- which nobody believes possible -- would have only a minuscule effect on their costs, let alone their ability to compete.

A few of the objections to the SP/UP merger come from interests so large that they are in a position to dictate to their transportation providers far more than those providers can dictate to them. Perhaps the rhetoric from that quarter is an effort to drive advantageous bargains from SP and UP as a condition of dropping their opposition to the merger or simply leveraging their dictatorial capabilities. Fears of rate increases are a straw man. Customers on UPSP will have to be kept competitive with like customers on BNSF and elsewhere -- it is in UPSP's best economic self-interest. BNSF will be a most effective competitor -- for the same reason. Rob Krebs has said the agreement with SP/UP gives his company the opportunity to compete for \$1 billion in business. There will be competition!

There has been an implication that trackage rights are significantly different from ownership and therefore competitively unsatisfactory. Southern Pacific now operates between 30 and 40 trains a day using trackage rights. Trackage rights are a traditional and accepted way of providing competitive access. Once the merger application is filed, those with appropriate access will see that the trackage rights to be paid by BNSF are far less than the rate BNSF charges SP

for similar rights granted in the earlier BNSF merger. No shippers objected to their level in that case, nor should they be concerned in this case. -

As we said earlier, some 1,300 shippers have stated their merger support. That's more than twice the number who supported the earlier BN/Santa Fe merger. We believe the vast majority of those supporting our merger recognize its pro-competitive nature. Some may support the merger because they fear the result of weaker, less effective rail competition that will result without a merger. That's certainly just as valid a reason for supporting the merger.

While we will have ample opportunity for further discussion after the merger application is filed, we believe it would be mutually advantageous if you and your colleagues would join us in a constructive dialogue. We are prepared to meet with the NITL board and the rail committee to dispel any misunderstandings. We are confident we can satisfy you that the SP/UP merger is in the shippers' best interests.

A member of my staff will call Mr. Emmett to arrange a prompt meeting. Alternatively, feel free to call my office at any time.

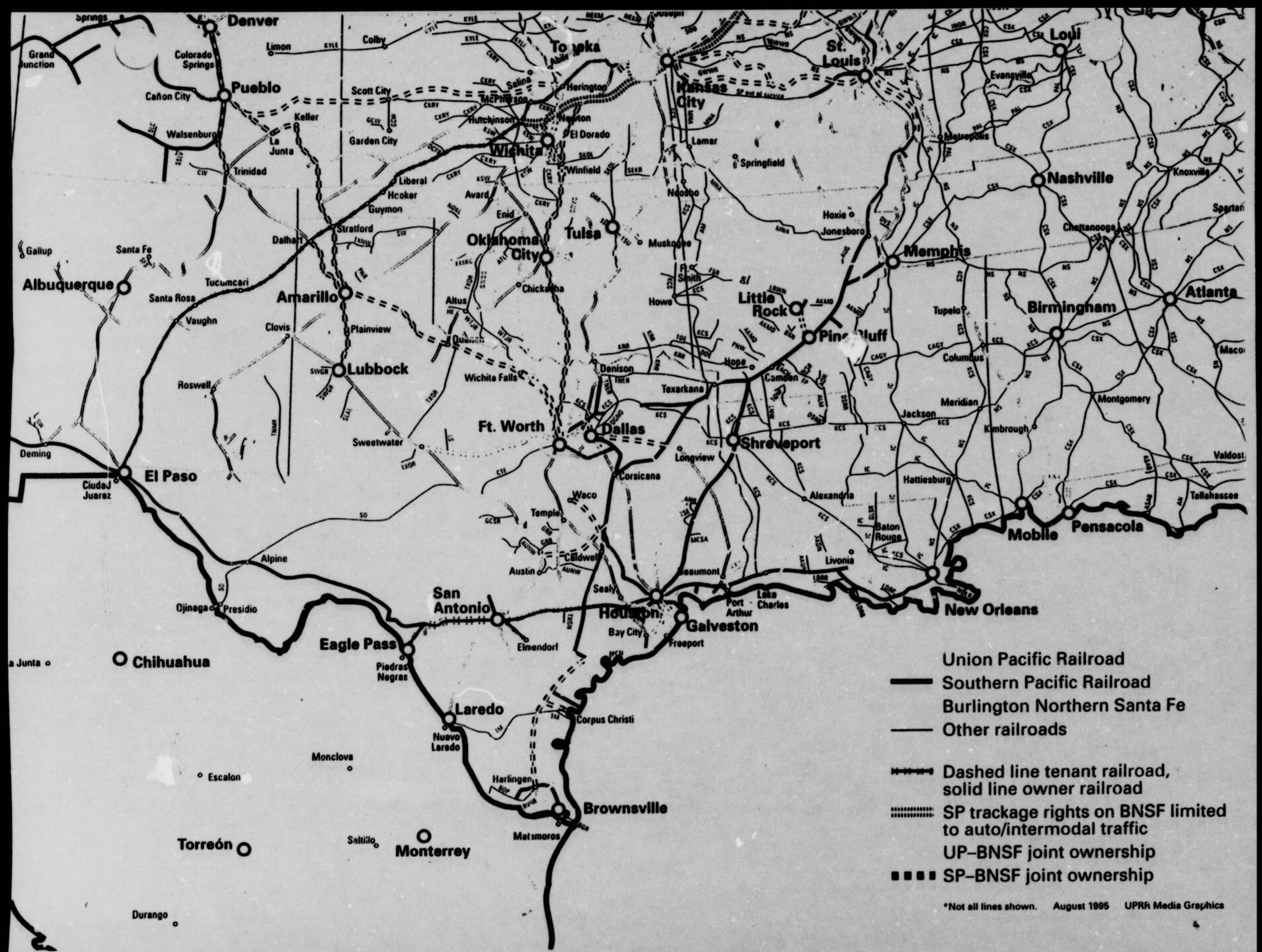
Sincerely,

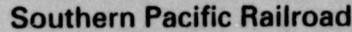
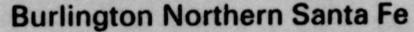
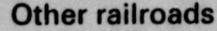
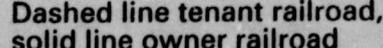
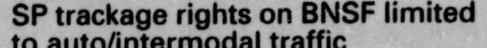
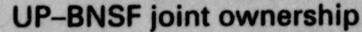
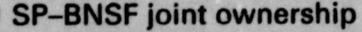
*Don Orris*

Don C. Orris  
President and Chief Operating Officer

cc: Members of the NIT League Board of Directors and Rail Committee

**EXHIBIT 2**



-  Union Pacific Railroad
-  Southern Pacific Railroad
-  Burlington Northern Santa Fe
-  Other railroads
-  Dashed line tenant railroad, solid line owner railroad
-  SP trackage rights on BNSF limited to auto/intermodal traffic
-  UP-BNSF joint ownership
-  SP-BNSF joint ownership

\*Not all lines shown. August 1995 UPRR Media Graphics

STB

FD-32760

12-21-95

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ID-60665

SANDRA TIFFANY  
ASSEMBLYWOMAN  
District No. 21

SPEAKER PRO TEM

COMMITTEES:

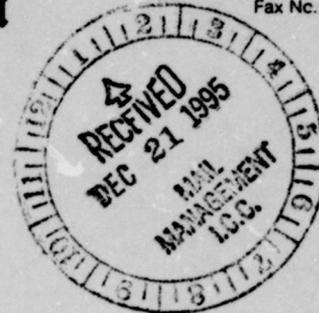
Chairman  
Commerce  
Vice Chairman  
Ways and Means



State of Nevada  
Assembly  
Sixty-Eighth Session

60665  
DISTRICT OFFICE:  
75 Quail Run Road  
Henderson, Nevada 89014  
Office: (702) 451-7301

LEGISLATIVE BUILDING:  
401 S. Carson Street  
Carson City, Nevada 89710  
Office: (702) 687-3668 or 687-5739  
Fax No.: (702) 687-5962



December 17, 1995

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

RE: Finance Docket No. 32760, Union Pacific Corporation, Application for Control and Merger With the Southern Pacific Rail Corporation.

Dear Secretary Williams:

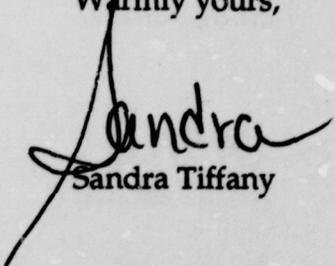
As Co-Speaker Pro-Tem, representing Henderson, I am writing to ask the Interstate Commerce Commission to give its speedy approval to the proposed merger between the Union Pacific and the Southern Pacific Railroads.

The Henderson area is served by the Union Pacific, which has a main line running through Las Vegas between Salt Lake City and Southern California. With the merger of the Union Pacific and the Southern Pacific, the geographic reach of the Union Pacific would expand, to the benefit of Henderson and Las Vegas area businesses that ship and receive freight by rail.

After the merger, the UP and SP will be better able to compete directly with the merged Burlington Northern and Santa Fe Railroad. Without the merge, the Union Pacific would remain much smaller than the BN&SF railroad, and would be at a competitive disadvantage to that railroad.

Given the many benefits involved, I ask the Interstate Commerce Commission to give its timely approval to this proposal

Warmly yours,

  
Sandra Tiffany

DEC 22 1995

Item No. \_\_\_\_\_  
Page Count 150

STB

FD-32760

12-21-95

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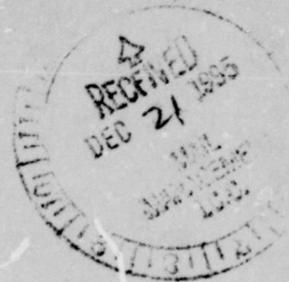
# LAKETRAIN

60604

Mailing Address: P.O. Box 158 • Grand River, Ohio 44045-0158  
Street Address: 555 Lake Shore Boulevard • Painesville, Ohio 44077  
Phone (216) 350-1000 • 942-6332 • Fax (216) 354-4202

December 5, 1995

Hon. Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue  
Washington, DC 20423



FD 32760

Dear Secretary Williams:

I am watching the proposed Union Pacific-Southern Pacific railroad merger and am wary of its effects on Northeast Ohio. I write to ask that the merger not be allowed as currently planned. Even with the provision that the Burlington-Northern-Santa Fe would obtain trackage rights on the eastern end of the old SP, the proposal is anti-competitive. It would have a negative impact on rail service here. Better alternatives exist. The UP/SP merger does not serve the public interest.

The merger may work well for the railroads who are parties, but does not serve our region's economic development or efficient transportation needs. In fact, it is disadvantageous because Conrail has proposed something that does serve the public interest: namely, acquiring a large portion of the SP's eastern lines. These run from Chicago and St. Louis into Arkansas, Texas, and Louisiana.

Conrail ownership would give Ohio direct, efficient rail access to growing Gulf Coast, Mid-South and Mexican markets. Its proposed one-line direct capacity is the fastest, most direct, and least complicated mode. Its plan would help us grow, help our companies compete, and strengthen the competition here by strengthening Conrail vis a vis the Norfolk & Southern and CSX. This ensures vigorous competition from the Midwest to the Mid-South and Gulf Coast.

Another Conrail proposal advantage is that ownership vs leasing. Conrail proposes to own the lines. BN-SF's rented trackage rights from UP give limited benefits which can easily be lost if the two disagree over traffic priority or operational authority. We also believe an owner will invest more in the economic development of the region around its lines. Thus, we believe Conrail's proposal will add to Ohio's economic partners. Conrail is a good corporate citizen of Ohio. Its service has greatly benefitted Ohio's manufacturers and shippers. The proposed acquisition by Conrail will enhance its current service, and help businesses and industries in our state expand. With direct shipments of Midwestern products to new markets in the Mid-South, and Gulf Coast regions and Mexico, new markets for these products could open.

I strongly support Conrail's purchase of the SP's eastern lines. Without the Conrail proposal included, the Union Pacific/Southern Pacific merger should be disallowed. Conrail ownership of the SP-East makes good business sense, brings more corporate responsibility than the proposed trackage rights agreements, and serves the public interest. Your consideration of my thoughts on this matter is appreciated.

Sincerely,

Dale Madison

DEC 22 1995

Item No. \_\_\_\_\_  
Page Count \_\_\_\_\_  
DEC 15 1995

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FD-32760

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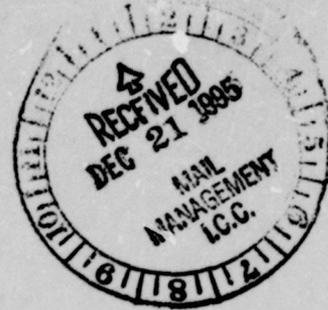


WALTER BAILEY & ASSOCIATES

ATTORNEYS AT LAW

ONE MEMPHIS PLACE, SUITE 800  
200 JEFFERSON AVENUE  
MEMPHIS, TENNESSEE 38103

901/575-8702  
FAX 901/575-8717



WALTER LEE BAILEY, JR.  
ASSOCIATES

LONNIE THOMPSON  
JAVIER BAILEY

December 12, 1995

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

Item No. \_\_\_\_\_  
Page Count 2  
Doc #155

Re: Finance Docket 32760

Dear Secretary Williams:

As a member of the Shelby County Commission in Shelby County, Tennessee I am extremely concerned about the competitive affects on Memphis and Shelby County businesses relative to the proposed acquisition of the Southern Pacific (SP) Railroad by the Union Pacific (UP). While I am somewhat familiar with the proposed agreement between UP and the Burlington Northern-Santa Fe (BNSF) which is intended to remedy those effects, I am not persuaded that this arrangement will produce effective competition for area rail traffic in Memphis, Tennessee.

I have also reviewed Conrail's proposal to acquire a significant portion of the SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana. I find this proposal to be more appropriate and far more effective in addressing the concerns of Memphis rail shippers. The Conrail proposal calls for ownership of the lines, whereas the UP-BNSF agreement primarily involves the granting of trackage rights. I believe an owning railroad is in a far better position than a renter to encourage economic development activities on its lines which is of primary importance to this office.

Another reason I favor Conrail's proposal is that it would provide efficient service for area shippers, especially to the Northeast and Midwest markets. Presently, the Port of Memphis averages 3000 loaded rail cars a month and Conrail's service to the Northeast would be the fastest and most direct and involve the fewest car handlings.

Finally, I believe Conrail's proposal will ensure that area rail customers have multiple rail options. I am extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses.

DEC 22 1995

The Honorable Vernon A. Williams

Page 2

December 12, 1995

For all of these reasons, I oppose the UP-SP merger unless it is conditioned upon acceptance of Conrail's Proposal.

Sincerely,



Commissioner Walter Bailey

cc: David LeVan  
President-Conrail

STB

FD

32760

12-7-95

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60556

# FAIRMOUNT MINERALS, LTD.

P.O. BOX 119 • SOUTH OLIVE ROAD  
WEDRON, ILLINOIS 60557 • 815/433-2449

Thomas A. Mitropoulos  
Vice President - Traffic

November 30, 1995

Office of the Secretary

DEC 07 1995

3 Part of



Mr. Vernon Williams  
Interstate Commerce Commission  
Room 3315  
12th & Constitution NW  
Washington, D.C. 20423-0001

Item No. \_\_\_\_\_

Page Count 2

Dec 4 1995

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

Dear Mr. Williams:

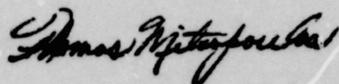
My name is Thomas A. Mitropoulos I am Vice President of Transportation for the Fairmount Minerals companies which is engaged in the production and sale of industrial minerals and sands with operating plants located at Wedron, IL, Troy Grove, IL, Chardon, OH, Richmond Dale, OH, Bridgman, MI, and Roff, OK. Our offices are located at South Olive Street, Wedron, IL 60557. The industrial sand plants of Fairmount Minerals have been engaged in the production and shipment of large percentage of industrial sands throughout the United States. We have been in business for well over one hundred years.

Our company is a major user of rail service for transportation and we presently are shipping between the United States and Mexico. As many companies in the manufacturing segment, we depend on competition to keep prices down which also leads us to improvements in our products and services. We are greatly concerned about what a merger of the Union Pacific and the Southern Pacific will do as far as reducing or eliminating our competitive alternatives via the Laredo, Texas gateway. Although there have been recently agreed upon trackage rights to the new Burlington Northern/Santa Fe Railroad we do not believe that the BNSF as the only other rail major rail system remaining in the Western United States will be an effective competitive replacement for an independent Southern Pacific on this very important route.

We are looking and hoping that the ICC will view other alternatives that will preserve effective competition into the corridor. 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 Commissioners 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.

Respectively,

FAIRMOUNT MINERALS



Thomas A. Mitropoulos

TAM/lj

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FD

32760

12-7-95

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Item No. \_\_\_\_\_

Page Count 1

Dec 4/95



60558

representative  
**JOE HARRIS, JR.**  
P. O. Box 781  
OSCEOLA, AR 72370  
501-563-6798 Business  
501-563-8360 Residence  
501-563-1292 FAX

**COMMITTEES**  
Public Transportation  
State Agencies and  
Governmental Affairs

STATE OF ARKANSAS  
*House of Representatives*



FD-32760

DISTRICT 94  
Part of Crittenden County  
Part of Mississippi County

December 4, 1995

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

Dear Secretary Williams:

I am opposed to the Union Pacific - Southern Pacific merger. It doesn't seem to be in the best interest of our State. We need more rail services.

Also, I have reviewed the Conrail proposal and find it to be a preferable option that would enhance rather than detract from the economic development of our area and state.

Sincerely yours,  
*Joe Harris, Jr.*

Joe Harris, Jr.

CC: Bill Brady

Office of the Secretary

DEC 07 1995

Part of

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FD

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NAOMI M. JOLLIFF  
MAYOR

Item No. \_\_\_\_\_

Page Count 1

Dec # 44

10553

Office of the Secretary

JEAN MULLINS  
CLERK

DEC 07 1995

# VILLAGE OF MT. VICTORY

3 Part of

MT. VICTORY, OHIO 43340

November 1, 1995

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



Re: Finance Docket 32760

Dear Secretary Williams:

The Village of Mt. Victory is extremely concerned about the competitive aspects on area businesses as a result of the proposed acquisition of the Southern Pacific Lines by the Union Pacific Railroad. While we are familiar with the proposed agreement between UP and the Burlington Northern-Santa Fe, intended to remedy those effects we are not persuaded that this arrangement will produce effective competition for rail traffic in the Mid-South region of the United States. This is of concern to my community.

We also have reviewed Conrail's proposal to acquire a significant portion of the SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis, to Arkansas, Texas and Louisiana. We find this proposal to be more appropriate and far more effective in addressing the above stated concerns. The Conrail proposal calls for ownership of the lines, whereas the UP-BNSF agreement mainly involves the granting of trackage right. We believe that trackage rights provide only limited benefits and limited guarantees which can be easily lost if railroads disagree over whose traffic is priority and who is in charge of operations of the line. Further, we believe an owning railroad is in a far better position than renter to encourage economic development activities on its lines.

Another reason Mt. Victory Council and Mayor favor Conrail's proposal is that it would provide efficient service for rail customers in our area for movement of goods and raw materials to and from the Mid-South and Texas Gulf. Conrail's proposed one-line service to these markets would be the fastest; most direct and involve the fewest car handlings.

We are extremely concerned about the recent railroad merger trend in the United States. This trend seems to be leading our nation toward a few giant railroads. Clearly, mega-railroads will further limit competition and reduce productivity.

For all of the reasons above, Mt. Victory is actively opposing the UP-SP merger at the ICC unless it is conditioned upon acceptance of Conrail's proposal.

Sincerely,

*Naomi Jolliff*  
Naomi M. Jolliff, Mayor

CC: David M. Levan  
President & Chief Executive Officer  
Conrail

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Item No. \_\_\_\_\_

Page Count 1

NOV 134



Donald L. Plusquellic  
Mayor

THE MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT  
James W. Phelps, Deputy Mayor for Economic Development

November 8, 1995

Hon Vernon A. Williams  
Secretary, Interstate Commerce Commission  
12th Street & Constitution Avenue  
Washington, DC 20423



Dear Secretary Williams: **FD-32760**

I am concerned that the proposed Union Pacific-Southern Pacific railroad merger is not in the best interests of those I represent and the greater region in which our city interacts. In view of the current proposal, our region would be better served if the UP-SP's eastern routes were, as part of the proposed merger, sold to Conrail, not rented to another Western railroad.

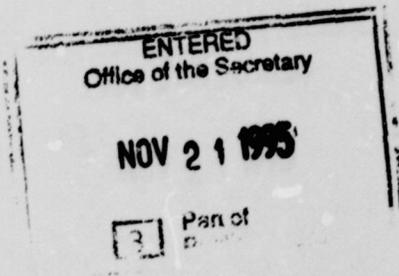
Both our businesses and residents work hard to make Akron an exceptional place to live and work. Many of the businesses in our area, especially our polymer manufacturing and tooling companies, need direct service to both raw materials and markets in many regions, such as the Gulf "chemical coast" region and Mexico production regions. Rail service is an important link to these systems. It is our belief that an owner-carrier, such as Conrail, would have greater incentives to improve markets along the route and remain more competitive. By keeping Conrail strong, we ensure a variety of services, options and strong price competition among the major railroads in our region, namely CSX, Norfolk and Southern and Conrail.

Because of these things, we believe the proposed merger would not be in the best interests of our businesses and residents unless it would include the Conrail purchase of the eastern lines of the old Southern Pacific. Only with the Conrail acquisition will the Akron area and our region be served in a competitive way, allowing it to be maximally served.

Thank you for your consideration.

Best Regards,

Donald L. Plusquellic  
MAYOR  
City of Akron



STB FD

32760

11-20-95

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60460



Item No. \_\_\_\_\_

October 27, 1995

Page Count 1

Nov 135



Mr. Vernon Williams  
Interstate Commerce Commission  
Room 3315  
12th and Constitution, N.W.  
Washington, D.C. 20423-001

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

Dear Mr. Williams:

Our company has facilities served by the Tex Mex Railroad. The proposed merger between the Union Pacific and the Southern Pacific will seriously reduce, if not eliminate, the competitive alternatives for rail service available to our company.

Our company depends on competition to keep prices down and to spur improvements in products and service. The only two U.S. carriers connecting with the Tex Mex are the Union Pacific at Laredo and the Southern Pacific at Corpus Christi. For many years the Union Pacific and Southern Pacific have competed to handle our shipments to and from the Tex Mex, resulting in substantial cost savings and service improvements. A merger of those two railroads will eliminate that competition. 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 the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route. I therefore anticipate significant price increases and serviced deterioration for that portion of our rail service need beyond Tex Mex.

In addition, Tex Mex itself has historically relied on international traffic interlined with the SP for much of its traffic base. Since the UP/SP merger is likely to eliminate most, if not all, of this traffic, this loss of traffic volume is likely to cause reduced train frequencies on Tex Mex and thus slow down my shipments. There is even a serious question whether Tex Mex will be able to sustain with his loss of international traffic.

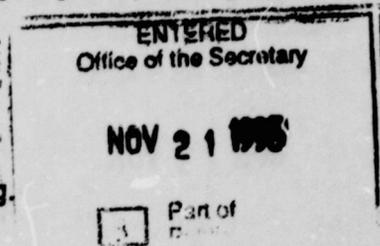
These price increases and service reductions will seriously reduce our ability to compete internationally.

I understand there is an alternative that will preserve effective competition in this corridor. Tex Mex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (our purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail 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 would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to Tex Mex allowing service to Houston.

Preserving competitive access to rail service is an important function of the Interstate Commerce Commission. Here it is possible to do so while furthering the goal of promoting international trade.

Yours truly,

Francisco Segura Barón Eng.  
Distribution & Logistics



STB

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# City of Cleveland

MICHAEL R. WHITE, MAYOR

DEPARTMENT OF ECONOMIC DEVELOPMENT

CHRIS WARREN  
DIRECTOR

Item No. \_\_\_\_\_

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CITY HALL  
801 LAKESIDE AVENUE, ROOM 210  
CLEVELAND, OHIO 44114  
216/664-2406  
FAX: 216/664-3881

November 15, 1995



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

*FO-32760*

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.

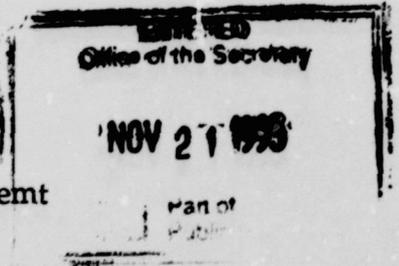
My reasoning is straightforward. First, our industrial companies, particularly in the booming polymers sector, need direct service to raw materials and markets in the Gulf "chemical coast" region and to Mexico. Second, we believe that an owner-carrier, such as Conrail, would have greater incentive to 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.

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,

*Chris Warren*  
Chris Warren  
Director



CW/emt

STB

FD

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11-20-95

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60455



**Ohio Senate**  
Senate Building  
Columbus, Ohio 43215-4276  
614/456-9737  
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513/563-6161

**Committees:**  
Ways and Means, Chairman  
Finance, Vice Chairman  
Rules  
Reference and Oversight  
Legislative Service Commission  
Capitol Square  
Review and Advisory Board,  
Chairman  
Ohio Tuition Trust Authority,  
Co-chairman  
Joint Committee on Federal  
Funds  
Campaign Finance Reform  
Task Force  
Joint Legislative Capital Finance  
Oversight Committee

**Richard H. Finan**  
7th Senate District  
President  
Pro Tempore

November 15, 1995



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

FD-32760

Dear Secretary Williams:

Ohio is very interested in the Union Pacific/Southern Pacific railroad acquisition case now pending before the Interstate Commerce Commission. I understand competitive concerns are being raised about this merger, primarily from states that would be left with a single rail line. Ohio's interest, however, is a bit different.

As you know, Conrail is very interested in acquiring the eastern routes of Southern Pacific. Conrail's plan would give Ohio direct rail access to the growing Gulf Coast and Mexican markets. Ohio is the second largest auto manufacturing state in the country as well as a major producer of auto parts, steel, paper and equipment for high tech applications.

Conrail's proposed acquisition would enhance its current service and help our industries export numerous products to the South and to the new Mexican markets now available because of NAFTA.

It is my hope that the ICC will look favorably on the Conrail alternative to the Union Pacific/Southern Pacific merger.

Sincerely,

Richard H. Finan  
State Senator - 7th District

RHF:mj

