STB FD . 32760 11-6-95 D . 85391

Item No. _____

Page Count 10

Nov. 39A

85391

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
ROOM 830
OMAHA, NEBRASKA 68179-0001
FAX (402) 271-5610

FILED

NOV 6 1995

INTERSTATE COMMERCE COMMISSION

November 3, 1995

RECEIVED
NOV 6 1995
I.C.C.

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W
Washington, D.C. 20423

Re: Finance Docket No. 32760,
Union Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp. et al.; Notices of Intent To
Abandon and Discontinue Service

Dear Mr. Williams:

Enclosed are the original and 10 copies of four "Notices of Intent To Abandon and Discontinue Service" which are filed pursuant to the abandonment regulations at 49 C.F.R. § 1152.20(a)(1). The notices conform to the prescribed form of §1152.21 except in two areas; first, in the filing of comments or protests the notices were modified to reflect the procedural schedule adopted by the Commission in Decision No. 6 served October 19, 1995, in Finance Docket No. 32760, and second, in referring to the environmental document that will be prepared and made available by the Commission's Section of Environmental Analysis (SEA). SEA's suggested language was used in the paragraph pertaining to the environmental record.

The four "Notices of Intent To Abandon and Discontinue Service" and the respective docket numbers are as follows:

AB-33 (Sub-No. 96) — Union Pacific Railroad Company -- Abandonment -- Barr - Girard Line (Portin of Madison Subdivision) In Menard, Sangamon and Macoupin Counties, Illinois.

AB-33 (Sub-No. 98) — Union Pacific Railroad Company -- Abandonment -- Edwardsville - Madison Line (Portion of Madison Subdivision)In Madison County, Illinois.

ENTERED
Office of the Secretary
NOV 9 1995
8 Part of Public Record

AB-3 (Sub-No. 130) Missouri Pacific Railroad Company -- Abandonment -- Towner - NA Jct. Line (Portion of Hoisington Subdivision) In Kiowa, Crowley and Pueblo Counties, Colorado; and

AB-8 (Sub-No. 38) The Denver and Rio Grande Western Railroad Company -- Discontinuance of Overhead Trackage Rights -- Towner - NA Jct. Line (Portion of Hoisington Subdivision) In Kiowa, Crowley and Pueblo Counties, Colorado.

(The above Docket Nos. AB-3 (Sub-No. 130) and AB-8 (Sub-No. 38) are in one abandonment application.)

AB-3 (Sub-No. 131) Missouri Pacific Railroad Company -- Abandonment -- Hope - Bridgeport Line (Portion of Hoisington Subdivision) In Dickinson and Saline Counties, Kansas; and

AB-8 (Sub-No. 37) The Denver and Rio Grande Western Railroad Company -- Discontinuance of Overhead Trackage Rights – Hope - Bridgeport Line (Portion of Hoisington Subdivision) In Dickinson and Saline Counties, Kansas.

(The above Docket Nos. AB-3 (Sub-No. 131) and AB-8 (Sub-No. 37) are in one abandonment application.)

Service of each "Notice of Intent To Abandon and Discontinue Service" is being made today on those parties listed in the abandonment regulations at 49 C.F.R. §1152.20(a)(2). These "Notices of Intent To Abandon and Discontinue Service" will be included in the required Affidavits of Service. Publication and Posting (49 C.F.R. § 1152.24(b)) which accompany the abandonment Applications that will be contained in Volume 5 of the Application in Finance Docket No. 32760 and served on all parties of record.

Sincerely,

Jeanna L. Regier
Registered ICC Practitioner
Tel. (402) 271-4835

Enclosures

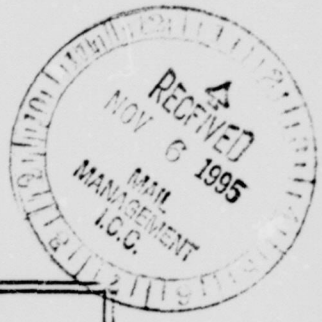
Item No. _____

Page Count 2

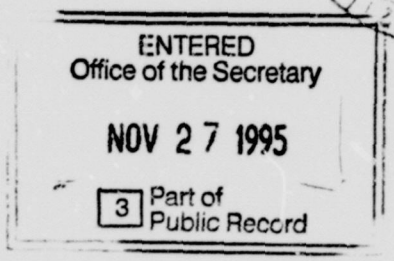
Nov #19

60352

Donald Wayne Weirich
5999 County Road 27
Eads, Colorado 81036-9651



October 20, 1995



Interstate Commerce Commission
ATTN: Honorable Vernon Willaims
12th & Constitution NW
Washington, D.C. 20423

RE: ICC FINANCE DOCKET #32760

Honorable Williams,

We, Donald Wayne and Barbara Ann Weirich, 5999 County Road 27, Eads, Colorado 81036, wish to hereby express our strong opposition to the pending abandonment of the Union Pacific railroad through Kiowa County, Colorado.

We have been farming and ranching for 55 years on 15,000 acres of land. We produce wheat averaging approximately 30 bushels per acre. We are located 15 miles from the Haswell Co-Op Elevator in Haswell, Colorado and 25 miles from the Bartlett & Company Elevator in Eads, Colorado, and if these elevators should be forced to close their doors due to the fact of the rail abandonment, it would mean that we would have to haul our wheat another 15 to 25 extra miles to Lamar, Colorado, the next nearest elevator. Our farm trucks have a 360 bushel capacity, making it a time-consuming operation. The roads and highways are already worn because of truck traffic, but would deteriorate even further with the added traffic if the abandonment is approved by the Interstate Commerce Commission.

This potential loss of the only rail line in Kiowa County would have a significant negative economic impact on the entire area. The loss of rail transportation would result in the loss of the grain elevators as well as many businesses and jobs and would lead to the people being forced to leave the area due to a shrinking economy and job market. With the loss of these businesses the tax burden on the remaining farmers and ranchers would increase. The loss of the tax base would lead to deterioration of County services.

An abandonment would also cripple the operation of the local school and hospital districts which also depend on property taxes. The loss of either our school or hospital would force our families with children and elderly to move to larger cities where crime and violence is on the increase. We believe that children who are raised in rural America are less prone to become criminals. Our country needs less violence and gangs. We also feel that moving these families to the bigger cities would increase the risk losing the "traditional family" way of life. Given complaints of controlling traffic and other related big city problems, an influx of people from rural Colorado worsens the situation. Ironically, we often hear how city residents want to move to the country to get away from these big city problems.

As you can determine, from the above stated, there would be a domino effect in our economy and all aspects of life as we know it now. The application for abandonment should be denied.

Thank you for your consideration.

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF KIOWA)

Donald Wayne Weirich and Barbara Ann Weirich of Kiowa County, Colorado deposes and says that he/she has personal knowledge of the matters contained in the foregoing statement, knows the contents thereof, and that the same are true and correct as stated.

Donald Wayne Weirich
Donald Wayne Weirich

Barbara Ann Weirich
Barbara Ann Weirich

Subscribed and affirmed before me this 31st day of October 1995, in the county of Kiowa, State of Colorado.

Carey Babe.
Signature of Notary Public

SEAL

Commission Expires: May 10, 1999

Item No. _____

Page Count 2

Nov #9

60328

SUPERIOR SPECIALTIES INC.

P.O. Box 2397
2525 N. Casaloma Dr.
Appleton, WI 54913

(800) 666-2545
(414) 830-5055
Fax (414) 830-5069

October 13, 1995

Mr. Vernon A. Williams
Acting Secretary
Interstate Commerce Commission
12th St. and Constitution Ave. N.W.
Washington, DC 20423

Re: Finance Docket 32760,
Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company - control and merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, et al.

Dear Mr. Williams:

This letter is written to express our support of the proposed merger of the Union Pacific Railroad Company and the Southern Pacific Rail Corporation.

As a supplier of decorative papers on a worldwide basis, we believe that the merger of these two companies would provide a competitive, seamless single line rail service to enhance our ability to service our present customers and future growth areas.

The merger of these two major rail systems will also enhance America's ability to market and compete in a world economy, decrease transit times to the west coast, and improve service to Mexico for our products.

Let me conclude this letter by reiterating the fact that we support the merger referenced above.

Yours very truly,

SUPERIOR SPECIALTIES INC.

Jim Schmitz
Controller

Mr. Vernon A. Williams
Washington, DC 20423

**Re: Finance Docket 32760,
Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company - control and merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, et al.**

VERIFICATION

STATE OF WISCONSIN)
) ss.
OUTAGAMIE COUNTY)

Jim Schmitz, being first duly sworn, deposes and says that he has read the foregoing statement and that the contents thereof are true and correct to the best of his knowledge and belief.

Jim Schmitz

Subscribed and sworn to before
me this 13th day of October, 1995.

Elizabeth J. Buss, Notary Public
Outagamie County, Wisconsin
My Commission expires 8/10/97

STB FD • 32760 10-20-95 D • 60246

Item No. 60246
Page Count 1
Oct. # 117

Superior Lumber Co.

2695 GLENDALE VALLEY RD. • P.O. BOX 250 • GLENDALE, OREGON 97442

October 16, 1995

Verified Statement
on behalf of
Superior Lumber Co.

Interstate Commerce Commission
Attn: Finance Docket 32760
1201 Constitution Ave, N.W.,
Washington, D.C. 20423

My name is Mitch Swanson and I am Sales Manager of Superior Lumber Co. which is located in Glendale, Oregon on the Central Oregon and Pacific Railroad (CORP). We manufacture green dimension lumber and plywood.

Our primary market is to California with some products moving to Texas, Oklahoma and various other destinations. In 1994, we shipped 867 boxcars and flatcars via Southern Pacific. Our traffic is presently interchanged to Southern Pacific at Eugene, Oregon and Black Butte, California.

We see many benefits that will be the result of the merger between Union Pacific and the Southern Pacific. The merged system will provide us with shorter single line routes to the Eastern gateways. It will also improve the amount of equipment supplied to our facility in Glendale, Oregon. We see this merger as necessary in order for Southern Pacific to compete with the recently merged system of Burlington Northern and the AT&SF. The merger of the Union Pacific and Southern pacific will provide a healthy competitive environment in the West. The recently signed agreement on trackage rights and sale of some tracks between the UP/SP and BNSF should eliminate any competitive concerns that the public would have in the approval of this merger. Superior Lumber Co. strongly supports the UP/SP merger application.

I, Mitch Swanson, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the verified statement.

Executed on October 16, 1995.

Mitch Swanson
Sales Manager

Lumber & Plywood Divisions
Office: (503) 832-2153
Sales: (503) 832-2151
FAX: (503) 832-2893

Veneer Division
Office: (503) 832-1121
Sales: (503) 832-1130
FAX: (503) 832-1139

Superior Timber Co., Inc.
Office: (503) 832-1121
FAX: (503) 832-1139

STB FD • 32760 10-20-95 D • 60244

Item No. 60244

Page Count 1

DOT 115

VONNE S. CHOWNING
ASSEMBLYWOMAN
District No. 28

COMMITTEES:
Chairman
Transportation

Member
Ways and Means
Education

DISTRICT OFFICE:
2015 Carroll Street
North Las Vegas, Nevada 89030
Office: (702) 642-8683

LEGISLATIVE BUILDING:
401 S. Carson Street
Carson City, Nevada 89710
Office: (702) 687-8146 or 687-5739
Fax No.: (702) 687-5962

State of Nevada Assembly

Sixty-Eighth Session

October 13, 1995

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

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

Dear Secretary Williams:

I serve as Co-Chair of the Assembly Transportation Committee and am writing to urge the approval of the proposal to merge the Union Pacific and Southern Pacific Railroads.

Railroads are extremely important to our state's economy with Union Pacific and Southern Pacific crossing the northern part of our state and Union Pacific having a long presence in the southern part of our state which encompasses the area which I serve.

You are aware of the recent merger of the Burlington Northern with the Atchison, Topeka & Santa Fe Railroads, thereby creating the country's largest railroad. This combined strength will create great pressure for Southern Pacific which is already in a precarious financial position.

I agree with the owners of the S.P. that the merger will best serve the employees, save assets and create the needed strenth to compete with B.N./A.T.S.F. Nevada shippers will be able to move goods via a single railroad to points throughout California, the Pacific Northwest as well as the Southwest and the Great Plains. Nevada sand producers currently served by U.P., for example, will have service to glass plants and foundries in California which are served by S.P., thus creating better efficiency. U.P. & S.P. have commited to continue two railroad service to shippers which currently use such service.

In conclusion, I feel that a stronger competition among Western Railroads will serve our state's shippers and employees very well through increased efficiency and long-term viability. I urge prompt approval to this proposed merger.

With sincere interest,

Vonne Chowning, Assemblywoman, D. 28

STB FD • 32760 10-20-95 D • 60242

60242

Item No. _____

Page Count 1

Oct. # 143

Matson Intermodal System
333 Market Street
P.O. Box 7452, San Francisco, CA 94120

MICHAEL R. CHECCHI
General Manager
(415) 957-4929

October 16, 1995

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

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

Dear Mr. Williams:

I am writing to you to extend my favorable support of the Union Pacific Railroad Company's application to merge with the Southern Pacific Transportation Company.

I am the Vice President-General Manager of Matson Intermodal System, an intermodal marketing company based in San Francisco, with offices throughout the United States. Matson Intermodal ranks in the top 15 companies of its type in the intermodal industry. In 1994, Matson Intermodal arranged nearly 60,000 rail shipments on behalf of its customers. Prior to joining Matson, I worked for American President Companies as Director, Logistics.

Matson Intermodal enjoys a favorable working relationship with all Class 1 railroads in the United States. It is my belief that a carefully structured combination of Union Pacific and Southern Pacific organizations will lead to a more efficient rail operation, translating into lower operating costs and lower/competitive rate levels for customers. The compromises reached with the Burlington Northern/Santa Fe railroads appear to be prudent and should insure a competitive market for rail services.

Sincerely,

Michael R. Checchi

Michael R. Checchi
Vice Presdient-General Manager
Matson Intermodal System, Inc.

"I declare under penalty of perjury that the foregoing is true and correct. Executed on this 16th day of October 1995."

Michael R. Checchi

Michael R. Checchi

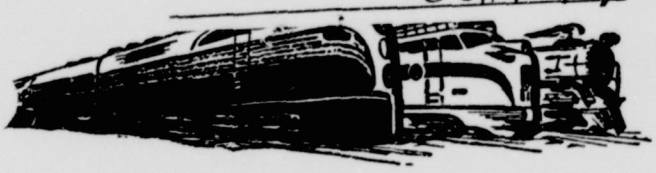
FAX (415) 495-2731

Item No. _____

Page Count 1

Oct # 107

60236



GENERAL COMMITTEE OF ADJUSTMENT

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

DENVER & RIO GRANDE WESTERN R. R.

"Serving since 1863"

P.O. BOX 7443, PUEBLO WEST, COLORADO 81007
PHONE (719) 547-2277

2

CARL L. JAMES, Chairman

October 16, 1995

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

RE: ICC Finance Docket No. 32760 Union Pacific Corporation, et al.

Dear Mr. Williams:

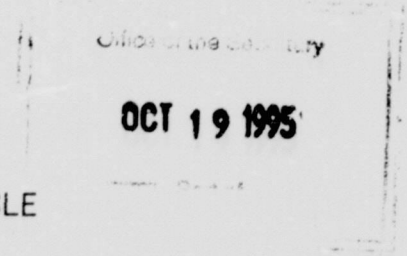
The undersigned, as Chairman of The General Committee of Adjustment of the Brotherhood of Locomotive Engineers, representing all of the engineers who are employees of the Denver and Rio Grande Western Railroad Company notifies the Interstate Commerce Commission and all of the interested parties involved in the Finance Docket referred to above, that this General Committed opposes the proposed merger because of the adverse effect this merger/acquisition will ultimately have on the employees represented by this Organization.

Further, it is requested that your office provide this General Committee will all correspondence that pertains to Finance Docket No. 32760.

Sincerely yours,

Carl L. James

Carl L. James
General Chairman



cc: R. P. McLaughlin, President, BLE
GCofA

60235

COMMITTEES:
JUDICIARY, Vice Chair
BUDGET
HEALTH
TRANSPORTATION

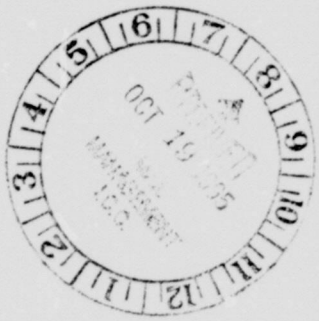
Assembly
California Legislature

BILL MORROW
ASSEMBLYMAN, SEVENTY-THIRD DISTRICT

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0001
PHONE: (916) 445-7676
FAX: (916) 323-8318

DISTRICT OFFICES
ORANGE COUNTY
27126A PASEO ESPADA, SUITE 1625
SAN JUAN CAPISTRANO, CA 92675
PHONE: (714) 489-2404
FAX: (714) 489-2969

SAN DIEGO COUNTY
302 NORTH HILL STREET
OCEANSIDE, CA 92054
PHONE: (619) 757-8084
FAX: (619) 757-8087



October 12, 1995

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

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

Dear Mr. Williams:

I would like to offer my support for the Union Pacific and Southern Pacific Control and Merger proposal referenced above, and to urge the Interstate Commerce Commission to take action to approve the application.

The proposed merger of the Union Pacific (UP) and Southern Pacific (SP) would bring with it substantial benefits throughout California. Railroad customers should see improved rail service, as a result of shorter routes and better coordination of rail assets. After the merger, the combined UP/SP plans to initiate truck-competitive single-carrier rail service between Southern California and the Puget Sound region. If successful, that new service should divert freight from California's North-South Interstate highways to the railroad, providing clear benefits to the motoring public.

Shippers of time-sensitive intermodal freight and automobiles from Southern California should see reduced delays and increased reliability for their rail shipments. Some shippers will obtain better access to distant markets, as their products and supplies will move via a single railroad rather than being handed off from one railroad to another.

For Southern Pacific customers, the UP/SP merger should provide an assurance that they will receive high-quality rail service from a financially strong railroad well into the future. They will gain the advantage of dealing with a merged railroad with a broad route structure, and one that has the financial resources needed to invest in capacity, technology and service improvements.

For all of these reasons, I support the proposed Union Pacific/ Southern Pacific merger and urge the Interstate Commerce Commission to grant its approval for the merger.

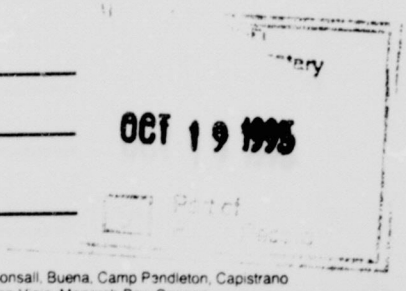
Sincerely,

BILL MORROW
73rd Assembly District

Item No. _____

Page Count 1

Oct. # 106



60234 Item No. _____

Page Count 2

Oct. #105

Board of County Commissioner

PROWERS COUNTY

P. O. BOX 1046
LAMAR, COLORADO 81052
(719) 336-9001 FAX: (719) 336-2255

OCT 19 1995

October 13, 1995

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

RE: Finance Docket 32760

Dear Mr. Williams,

We, the Prowers County Board of Commissioners, wish to hereby express our strong opposition to the pending closure of the Union Pacific railroad through neighboring Kiowa and Crowley Counties.

This rail line is a vital economic link to market for local agricultural products grown in Kiowa County, northern Prowers County and parts of other surrounding counties. Without this necessary rail link grain and other products would have to be shipped by truck to other railheads, at greatly increased cost and the resultant increased wear and tear on both County and state highways.

This potential loss of the only rail line in Kiowa and Crowley Counties would have a significant negative economic impact on the entire area. The loss of rail transportation would result in the loss of the grain elevators. This resultant reduction in economic activity would lead to local businesses closing and people leaving the area due to a shrinking local economy and job market. The loss of people and businesses would further concentrate the tax burden on the remaining farms, ranches and small businesses. The loss tax base would lead to deterioration of County services and further declines in economic activity. This would also cripple the operation of the local school districts which also depend on property taxes.

The continuation of this rail line is crucial to the economic viability of Kiowa and Crowley Counties and the surrounding area of southeast Colorado, and the petition for abandonment should be denied.

Thank you for your consideration.

Sincerely,

John R. Stulp
Chairman

Clede Widener
Vice Chairman

ATTEST:

Dorothy J. McCaslin
County Clerk

Leroy E. Mauch
Commissioner

Item No. 40232
Page Count 1
Oct # 103

SUN STUDS, INC. | SUN VENEER DIV.

GENERAL OFFICES: PHONE 503-673-0141 • FAX 503-440-2516
SALES: PHONE 503-672-5059 • FAX 503-673-8203
POST OFFICE BOX 1127 • ROSEBURG, OREGON 97470-0257

October 13, 1995

Interstate Commerce Commission
Attn: Finance Docket 32760

My name is Don Smith and I am Sales Manager of Sun Studs, Inc. located at Roseburg, Oregon. We manufacture and sell studs and veneer and ship our products on the CORP railroad who interchanges our shipments to the Southern Pacific at Eugene Oregon. Last year we shipped 560 carloads to various points in the U.S. with our primary markets being California, Nevada, Arizona, Utah, Colorado and various other points in the U.S.

Service is of prime concern to Sun Studs and to our customers. We see the merger of Union Pacific and Southern Pacific as a real benefit to our company. It will provide us with new shorter single line service to the important Las Vegas, Nevada market. It will also give us expanded markets to reach the Los Angeles basin and single line service to many points in the Midwest. The combined system will provide additional equipment at our facility with better turn times on the cars and more flexible car supply. We see approval of this merger as necessary for Southern Pacific and Union Pacific to effectively compete with the BNSF system. We want a healthy rail system in place and strongly support the Commissions approval of this merger

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

Executed on this 13th day of October, 1995.

Don Smith
Sales Manager
Sun Studs, Inc.

STB FD • 32760 10-18-95 D • 60231

Item No. _____

Page Count 3

Oct. # 102

6231

NORTH COAST RAILROAD AUTHORITY

October 13, 1995

Interstate Commerce Commission
1201 Constitution Avenue, N.W.
Washington, D.C.
20423

Re: Finance Docket 32760

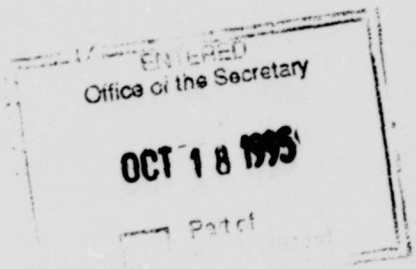
Gentlemen:

The attached verified statement is in support of the proposed merger between the Southern Pacific and Union Pacific Railroads. We have watched this development with interest and see it as a positive step for the connecting short lines and shippers utilizing these respective Class 1 carriers. Having worked with both the Union Pacific and Southern Pacific, I well know and understand the inherent benefits that can follow this proposed merger.

Thank you for the opportunity to submit this support letter as a formal statement of endorsement.

Sincerely,

Edward M. McLaughlin
Chief Executive Officer

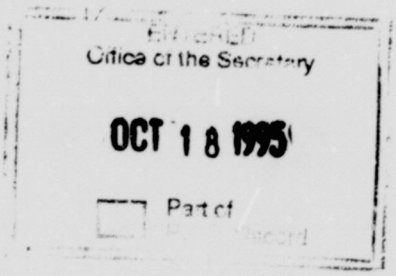


cc: David R. Hebert

4 West 2nd Street, Eureka, CA 95501 Phone: (707) 441-1625 Fax: (707) 441-1324

NORTH COAST RAILROAD

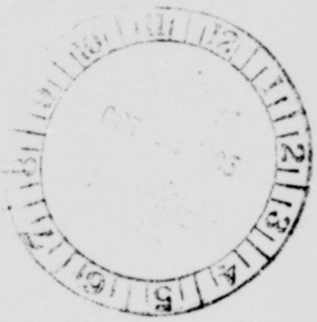
October 12, 1995



VERIFIED STATEMENT

OF

EDWARD M. McLAUGHLIN
DAVID R. HEBERT
on behalf of
NORTH COAST RAILROAD



1. Edward M. McLaughlin is the Chief Executive Officer, and David R. Hebert, General Manager for the North Coast Railroad, 4 West 2nd Street, Eureka, CA 95501, (707) 444-8055; Fax (707) 441-1324.

2. The North Coast Railroad (165 miles long including branch lines) is the only railway into Northwestern California. Our system operates between Willits and Eureka, Calif. The company annually ships 4,000+/- cars primarily hauling finished lumber and related building materials, powered milk, rock and other general merchandise to markets throughout the Western United States and California. We interchange our freight to the California Northern Railroad (CFNR) at Willits where it is delivered to Suisun-Fairfield for interchange with the Southern Pacific Railroad (SPRR). The NCRR and the CFNR represent the only railroad infrastructure into Northwestern California. It is therefore very important for our operations to have a stronger and more diversified interchange partner, i.e. a merged SP/ UP Railroad.

3. The NCRR fully understands that Union Pacific and the Southern Pacific are requesting authority to merge. We support this as a means of improving service and strengthening competition. When the BN/ATSF merger was announced over 18 months ago, it was Edward M. McLaughlin's personal opinion that the only strategic planning option open to Union Pacific was to either take over the struggling Southern Pacific or merge with a major east Coast Based Carrier. Southern Pacific was my first choice as a suitable partner.

4. In terms of supporting this merger, we see the Southern Pacific's car supply and general dependability should be improved with stronger and more decisive management style found on the Union Pacific. More to the point, this merged Class I railroad may be more responsive to the NCRR and its shippers in terms of timely car supply and equipment utilization.

5. The combined strengths of both the UP / SP Railroads should provide both more rapid service and a larger synergistic transportation network for all connecting short lines and related shippers. Additionally these short lines and shippers alike should enjoy expanded market opportunities with a more diverse single line movement.

6. In summary, the North Coast Railroad and its shippers depend on the services of the Southern Pacific Railroad. Generally speaking, we believe the merger of Southern Pacific with the Union Pacific will improve rail transportation for Northwestern California.

VERIFICATION

We, Edward M. McLaughlin, and David R. Hebert, jointly declare under penalty of perjury that the foregoing is true and correct. Further we certify that we am qualified and authorized to file this verified statement. Executed on October 13, 1995.

Edward M. McLaughlin
Chief Executive Officer

David R. Hebert
General Manager

STB FD • 32760 10-18-95 D • 60230

Page Count 1

As Oct # 101

SACRAMENTO ADDRESS
STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0001
(916) 445-8211

DISTRICT OFFICE ADDRESS
25 FAIR OAKS AVENUE, SUITE 383
SOUTH PASADENA, CA 91030
(818) 441-4484

California Legislature

COMMITTEES:
GOVERNMENTAL ORGANIZATION
Vice-Chairman
MEMBER:
AGRICULTURE
ELECTIONS, REAPPORTIONMENT, AND CONSTITUTIONAL AMENDMENTS
INSURANCE

JOINT LEGISLATIVE AUDIT COMMITTEE

BILL HOGE
ASSEMBLYMAN, FORTY-FOURTH DISTRICT

FD-32760

October 6, 1995

The Honorable Vernon Williams
Secretary, Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Suite 2215
Washington, D.C. 20423

Dear Secretary Williams:

I support the proposed merger of the Union Pacific (UP) and Southern Pacific (SP) railroad companies and I strongly urge the Interstate Commerce Commission (ICC) to grant approval.

The merger of UP & SP will benefit California, and indeed, the whole country. Increased competition with the recently merged Burlington Northern/Santa Fe railroad will directly benefit shippers and receivers. And as always, increased competition will result in better service and lower costs for the consumer.

It is my understanding that if the ICC prevents the proposed merger, SP will continue to be in a financially precarious position which could ultimately lead to decreased competition and jobs.

Again, I believe the best course of action is for the ICC to allow the UP/SP merger to take place as planned.

Sincerely,

Bill Hoge

BILL HOGE
Assemblyman, 44th District

Item No. 60224

Page Count 2

Oct # 95

Van Waters & Rogers Inc.
subsidiary of **Univar**

P.O. BOX 34325
SEATTLE, WA 98124-1325

6100 CARILLON POINT
KIRKLAND, WASHINGTON 98033
PHONE: (206) 889-3400
FAX: (206) 889-4100

October 13, 1995

FD-32760

The Honorable Vernon Williams
Office of the Secretary of the I.C.C.
Washington, DC 20423

Dear Sir:

Please accept this statement from Van Waters & Rogers opposing the merger of the Union Pacific and Southern Pacific railroads.

Sincerely,

Earl Williams

Earl C. Williams
Manager, Transportation Procurement

Ev[illegible]a

Attachment

October 11, 1995

VERIFIED STATEMENT
OF
EARL C. WILLIAMS
ON BEHALF OF
VAN WATERS & ROGERS, INC.

My name is Earl C. Williams and I am the Manager, Transportation Procurement for Van Waters and Rogers Inc. and we are located at 6100 Carillon Point, Kirkland, WA 98033. I have been in this position for 18 years and am responsible for the transportation and distribution of chemicals to our 106 distribution centers throughout the United States. Prior to this I worked as a Western Intermodal Manager for the Chicago and Northwestern Railroad for seven years.

Van Waters and Rogers is the world's largest distributor of industrial chemicals. We have 18 leased tank cars and receive of 2,000 carloads of chemicals per year which we buy from the major chemical manufacturers in the United States. We use the services of UP, SP, BN, ATSF, CR, CSXT and Norfolk Southern.

Van Waters and Rogers does not support the merger of the Union Pacific and Southern Pacific Railroads as we have serious concern over the level of competition of when the two railroads merge. We just recently tried to gain competitive rates on chemical in the East and found competition to be non-existent. Although two railroads (CSXT and Norfolk Southern) could have submitted competitive bids, they declined to bid on the points served by the other railroad. I believe the same thing will happen in this case. It is especially critical to us as most of the chemical traffic destined to us originates in the Houston area which is currently served by the SP, KCS and the UP. The KCS will be "blocked" from handling any of this traffic and we will be left with only one carrier to establish rates for all of our chemical business. This will increase costs to us and ultimately the end user of the products that are made from chemicals.

Van Waters and Rogers can not support the UP and SP merger. We would however entertain the idea of a merger of an Eastern railroad with either the UP or the SP.

Earl C. Williams

CC: Senator Slade Gorton, US Senate
Senator Patty Murray, US Senate
Rep. Jennifer Dunn, Eighth Congressional District

nlalt:RR

60223

Item No. _____

Page Count 1

Oct #94

WCTU Railway Company

7551-A Crater Lake Highway
White City, Oregon 97503
503/826-2631
Fax 503/826-4420
DeAnn R. Carlton
Manager of Operations

October 10, 1995

Interstate Commerce Commission
ATTN: Finance Docket 32760
1201 Constitution Ave., N.W.
Washington, D.C. 20423

This is a verified statement of DeAnn Carlton on behalf of the WCTU Railway Company. I have worked for the WCTU for sixteen years and have held the title of Manager of Operations for the past 4 years, prior to that I was the office manager.
The WCTU Railway is a switching yard located in the White City Industrial Park. Our main commodity is wood products, we also handle chemicals, cement and asphalt. We are served by the Central Oregon and Pacific Railroad, short line railroad, who is served by the SP.
I am in support of the UP/SP merger and believe it would be in our company and customers best interest. We hope that the merger would bring more efficient routes and service times and a better car supply. We have lost a lot of business over the last few years to trucks due to the SP's service and rates.

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

DeAnn Carlton

Item No. _____

Page Count 1

Oct. # 93

60997

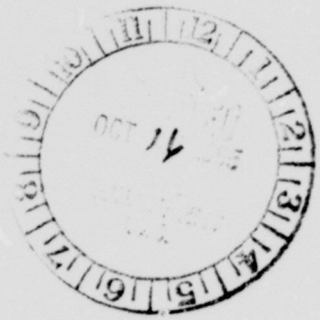
Goodpasture, Inc.

PHONE 806 – 637-2541

P. O. BOX 912
BROWNFIELD, TEXAS 79316

FAX 806 – 637-3089

October 11, 1995



Mr. Vernon A. Williams, Secretary
Case Control Branch
Attn: Finance Docket No. 32760
Interstate Commerce Commission
1201 Constitution Avenue N.W.
Washington, D.C. 20423

RE: Union Pacific Corp., Union Pacific Co. and Missouri Pacific Railroad Co. control and merger Southern Pacific, Southern Pacific Transportation Company

Dear Sir:

Goodpasture, Inc. is a shipper located in Brownfield, Texas P.O. Box 912 79316 and Seagraves, Texas on the SWGR Railroad. My name is Ken Keeney, Traffic Manager for 20 years in charge of moving all rail traffic.

Goodpasture is a Grain and Fertilizer company shipping and receiving freight from various locations in the western half of the United States. Goodpasture, Inc. has over one hundred dealers that they supply fertilizer for the various farmers.

Goodpasture, Inc. has only one main supplier of nitrogen fertilizer solution at the present located on the ATSF. Goodpasture, Inc. supports the UP/SP merger in their efforts. As a shipper dependent on SP service Goodpasture welcomes the merger as a means of ensuring that we receive top quality rail service from a financially sound carrier with single line access to Lubbock, Texas from various MP/SP origins.

This merger would ensure competitive benefits with the BN/ATSF merger giving Goodpasture, Inc. two routes to receive inbound freight.

VERIFICATION

I, KEN KEENEY declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 10-11-95
(Date)

Ken Keeney

pw

ENTERED
Office of the Secretary
OCT 1 [illegible]
5 Part of Public Record

Item No. _____

Page Count 1

Oct # 92

60571

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881

Senate

SENATOR GUY E. CAMERON
Senate District 7 – Laramie County
P.O. Box 5086
Cheyenne, Wyoming 82003

Committees:
Travel, Recreation & Wildlife
Minerals, Business & Economic Development

October 5, 1995

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

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

Dear Secretary Williams:

I am writing to ask your support and approval of the Union Pacific-Southern Pacific merger. The presence of two competing railroads in Wyoming has benefitted Wyoming consumers, producers, the state and local tax base, and the overall economy. The proposed merger will provide significant cost savings, from reduced overheads and use of the best systems of Union Pacific Railroad and Southern Pacific Railroad, will improve efficiency and justify increased investments to expand capacity and improve service, all benefitting the Wyoming economy.

As a means to improve rail service and strengthen competition, I strongly support this merger.

Sincerely,

Guy Cameron

CC: David Fischer
(Union Pacific Railroad Company
1416 Dodge St., Rm 801
Omaha, Nebraska 68179

60230

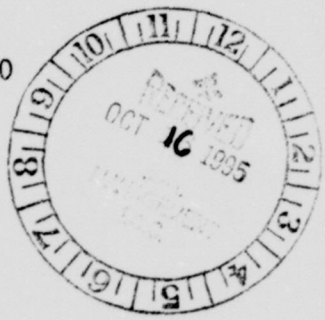
Item No. _____

Page Count 1

Oct # 91

COUNTY OF ALBANY

COURTHOUSE, ROOM 201 • LARAMIE, WYOMING 82070
(307) 721-2541 • FAX (307) 721-2544



October 10, 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, Union Pacific Corp., et al.-
Control & Merger - Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

The Board of Albany County Commissioners would like to support the Union Pacific and Southern Pacific's application for their proposed merger.

This merger will improve service and strengthen competition in the Rocky Mountain region and Western United States, especially for soda ash producers and coal producers.

Thank you for this opportunity to share our support of this merger.

Sincerely,

Pat Gabriel

Pat Gabriel, Chairman
Albany County Commissioners

PG/jap

cc: David Fischer, Union Pacific Railroad Co.
Wiley N. Jones, Southern Pacific

STB FD • 32760 10-16-95 D • 60219

Item No. 1

Page Count 1

Oct. # 90

California State Senate

COMMITTEES:
VETERANS AFFAIRS
CHAIR

PUBLIC EMPLOYMENT AND RETIREMENT
VICE CHAIR

AGRICULTURE AND WATER RESOURCES

INSURANCE, CLAIMS AND CORPORATIONS

NATURAL RESOURCES AND WILDLIFE

RURAL CAUCUS

SENATOR
DON ROGERS
Seventeenth Senatorial District

PLEASE RESPOND TO:

☐ SACRAMENTO OFFICE
STATE CAPITOL
SACRAMENTO, CA 95814
916-445-6637
FAX 916-443-4015

☐ P.O. BOX 1716
BARSTOW, CA 92312-1716
619-252-1716

☐ P.O. BOX 2360
HESPERIA, CA 92340-2360
619-949-1771
FAX 619-949-0170

☐ P.O. BOX 902725
PALMDALE, CA 93590
805-266-9353
FAX 805-266-1237

☐ P.O. BOX 803
RIDGECREST, CA 93556-0803
619-384-2515

October 10, 1995

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

Docket: Finance Docket No. 32760, Union Pacific Corporation--
Control and Merger -- Southern Pacific Rail Corporation

Dear Secretary Williams:

I am writing in support of the proposed merger of the Union Pacific and Southern Pacific railroads, and to urge the Interstate Commerce Commission to give its approval to this merger.

The merger of the two railroads appears to have substantial public benefits, including benefits to California shippers who will see greatly improved service for intermodal and carload traffic moving between California and the rest of the U.S. For California shippers now served by the UP, the merger UP/SP rail system should also be able to provide new opportunities to more efficiently move rail freight cross the SP's southern corridor lines.

Vigorous competition in rail service is a key to growth in our free market economy. By reaching an agreement with the Santa Fe/Burlington Northern railroad to provide competitive rail service at all points where the merger between the UP and SP would leave a shipper with only one railroad option, the UP/SP have shown their commitment to preserving rail competition. The UP/SP and SF/BN should provide strong head-to-head competition for rail service that will benefit California shippers and, ultimately, consumers.

Because of the many benefits of the proposed UP/SP merger, I urge the Interstate Commerce Commission to give its timely approval to the UP/SP application.

Sincerely,

Don Rogers

DON ROGERS

DAR:abr

STB FD • 32760 10-13-95 D • 86450

#86450

Item No. 86450

Page Count 1

Oct. # 66A

Processors of agricultural products

ADM

ARCHER DANIELS MIDLAND COMPANY BOX 1470 DECATUR, ILLINOIS 62525 TEL: 217/424-52

October 10, 1995

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

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

Dear Secretary Williams:

Please enter an appearance in the captioned proceeding for the undersigned on behalf of Archer Daniels Midland Company, whose position in this proceeding will be articulated subsequently, and place the undersigned on the service list to receive copies of all pleading, orders, and notices.

Sincerely,

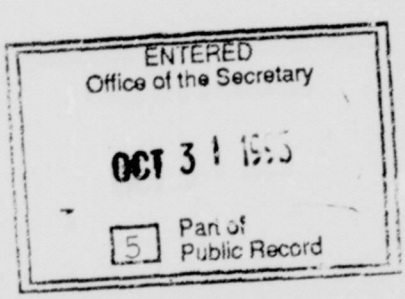
Jon A. Foy

(Name)

Director Rates - Grain

(Title)

Archer Daniels Midland Company
P. O. Box 1470
4666 Faries Parkway
Decatur, IL 62525



cc: Arvid E. Roach, II, Esq.
Paul Cunningham, Esq.

Item No. 60193

Page Count 3

Oct. # 63

NYK LINE (NORTH AMERICA) INC.

CORPORATE HEADQUARTERS
300 LIGHTING WAY, 5th FLOOR
SECAUCUS, N.J. 07094
Telephone : (201) 330-3000
Fax : (201) 867-9059, (201) 864-9180

October 11, 1995

Interstate Commerce Commission
1201 Constitution Avenue NW
Room 1324
Washington, D.C. 20423

VERIFIED STATEMENT
OF
MICHAEL E. STRICKLAND
ON BEHALF OF
NYK LINE (NORTH AMERICA) INC.

SUBJECT - Finance Docket No. 32760, Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company - control and merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, et al.

1. Witness Credentials

My name is Michael E. Strickland, Senior Vice President Operations, NYK Line (North America) Inc.; North American Headquarters, 300 Lighting Way, 5th Floor, Secaucus, NJ 07094. I graduated from the University of Oklahoma in May 1972 with a BBA degree in Marketing and Finance. I was employed by Matson Navigation Co., and its subsidiary Matson Agencies Inc. from 1975-1988. For eight of these years I was Vice President and General Manager of Matson Agencies Inc., a full service agency company representing various international ocean carriers in the thirteen western states.

I joined NYK Line (NA) Inc. in June of 1988 as General Manager of the Western Region, and was promoted to Vice President of the region in 1991. I assumed my current position of Senior Vice President and General Manager of Operations in April 1995. I am also Senior Vice President of Centennial Express Corporation (Centex) a Chicago based rail management company owned by NYK. I serve on the Board of Directors of both companies.

In my current capacity I am responsible for all NYK operational matters in the USA and Canada. My duties require that I have a good working knowledge of all

railroad operations in the USA and Canada especially as they relate to international cargo movement over the Pacific Coast gateways.

2. **Company Background**

NYK is a leading global logistics megacarrier. Our containerships call most ports on the east and west coasts of North America, including Seattle, Portland, Oakland, and Los Angeles. Directly, and through our Chicago-based Centex subsidiary, we buy rail transportation for import/export traffic between these ports and most major metropolitan areas in North America. Centex also buys transportation for domestic shipments moving over many of these same lanes. Though our primary western rail carriers are Southern Pacific (SP) and Burlington Northern (BN), we also use the services of Union Pacific (UP and Santa Fe (SF). Our total annual container load count with these rail carriers exceeds 125,000.

3. **Company Position on UP-SP Merger**

We support the merger of Union Pacific and Southern Pacific as a necessity to improve SP service and to present effective competition to the recently combined BNSF system.

4a. **Supporting Reasons - General**

In our view, necessary competitive improvement in SP operations will occur much earlier with UP involvement than without it. Further, we believe that UP could provide some balance with BNSF, but SP alone would be disadvantaged. We have concluded that UPSP will be stronger competitively with BNSF than would UP and SP separately.

As a user of what until recently were four major western rail carriers, we appreciated the availability of transportation competition and supply. Three carriers remain, but we feel that the issue now is how to best maintain this competition and supply. Is it to have one huge system, one strong-but-vulnerable system, and one relatively weak system? Or is it to have two huge systems? We feel the latter is the best way at this point, though we have a concern. It seems likely to us that a duopoly will not contribute as much to rate competition as did the four-carrier-system. We hope and expect that the operating efficiencies and improvements projected by these two systems will be shared with their customers to address this concern.

4b. **Supporting Reasons-Specific**

Two of NYK's key import lanes are from the Port of Los Angeles to Chicago and St. Louis. Two of our key export lanes are from Chicago and St. Louis. The intermodal routes planned by UPSP to serve these lanes hold promise to increase the schedule reliability and decrease the transit time of these components of our logistics system.

Similarly, we expect improvement between Los Angeles and both Dallas and Memphis. These points are important both as local markets and as distribution

centers for our customers. In addition, this lane is part of our logistics route between Los Angeles and the Southeast. Thus, shorter transit times will benefit our customers in the Southwest and Southeast.

The merger of UP and SP will allow NYK access to single-line intermodal service between Los Angeles and the Laredo border crossing. Today, we use trucks between Laredo and San Antonio.

5. **Conclusion**

To benefit our customers through intermodal rail service improvements, and through effective competition, we believe the merger of the Union Pacific and Southern Pacific is essential. NYK supports the application, but we add a condition related to the concern described above in paragraph two (2) of Section 4a. If certain issues concerning effective competition are not addressed to our satisfaction, NYK reserves the right to withdraw or modify this statement and to file any and all objections that are necessary for the protection of our customers and NYK.

VERIFICATION

STATE OF NEW JERSEY)
COUNTY OF HUDSON)

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

Michael E. Strickland

Subscribed and sworn to before me this 11th day of October, 1995.

Jacqueline K. Coins
Notary Public

My Commission Expires:

August 27, 1998

JACQUELINE K. COINS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 27, 1998

60141

SLOCAN GROUP

Slocan Group
Airport Executive Park
240 - 10451 Shellbridge Way
Richmond, British Columbia
Canada V6X 2W8
Fax (604) 278-7316
Tel. (604) 278-7311

October 11, 1995

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

Reference: **FINANCE DOCKET NO. 32760, UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY AND MISSOURI PACIFIC RAILROAD COMPANY--CONTROL AND MERGER--SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC TRANSPORTATION COMPANY, et al.**

Slocan Forest Products Ltd. of Richmond, B. C. is writing this letter as a means of support for the proposed merger between the Union Pacific and Southern Pacific Railroads.

Slocan Forest Products Ltd. is an integrated forest products company domiciled in the Province of British Columbia which operate 10 sawmills, 1 1/2 plywood plants, veneer plant, a pulp mill, a newsprint mill and are presently constructing an Oriented Strand Board facility which will have an estimated production of 400 million square feet. While all of the Slocan production facilities are located in the Province of British Columbia, the vast majority of products produced are sold and shipped into the U.S. market.

Slocan Forest Products Ltd. believe a merger between the Union Pacific and Southern Pacific would not only be desirable, it is necessary. This comment is based on the Interstate Commerce Commission August approval of the Burlington Northern-Santa Fe merger application. We further believe the approval of the Union Pacific-Southern Pacific merger application is necessary to maintain a competitive rail transportation corridor on the U.S. west coast. We believe that the proposed merger would be in our company's best interest as well as the interests of other shippers.

Item No. _____

Page Count 2

Dkt. # 61

SLOCAN GROUP

Many of the products produced by Slocan are destined to the Western U.S. market, particularly newsprint, OSB (forecasted), lumber and woodpulp (to Mexico). A combined UP-SP will provide a competitive alternative to the newly created BN-SF. We are very concerned about the long-term viability of the Southern Pacific without the necessary capital investment that would be provided by the Union Pacific. We concur with the statement made by the SP's chairman, Phil Anschutz, that the SP can't make it alone in the wake of the BN-SF merger.

We further believe operating agreements should become part of the process that would give both the UP-SP and BN-SF access to certain markets and corridors they do not reach directly. In this regard we would like the UP-SP to be granted running rights over the BN-SF from Vancouver, B. C. to Seattle, Wash. This action would result in a competitive rail route from Western Canada to the U.S. west coast market area.

Slocan Forest Products Ltd. supports the application of the Union Pacific and Southern Pacific Railroad to merge operations and urge the Interstate Commerce Commission to handle the application in an expedited manner.

Yours truly,

SLOCAN FOREST PRODUCTS LTD.

G. L. Rae
Transportation Consultant

STB FD . 32760 10-11-95 D . 60188

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881

60188

Senate

SENATOR ROBERT GRIEVE
Majority Floor Leader
Senate District 11
Albany/Carbon Counties
Star Route, Box 1400
Savery, Wyoming 82332

Committees:
Management Council
Rules and Procedure

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

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

Dear Secretary Williams:

I am submitting this statement in support of the proposed merger of Union Pacific and Southern Pacific Railroads. This merger will directly benefit Wyoming's economy. It will also provide fair competition for the railroad by giving the Union Pacific the opportunity to challenge the markets served by the recent merger of the Burlington Northern and Santa Fe Railroads

The Union Pacific has played an important role and partnership in the economics of Wyoming. I believe that the approval of the proposed merger will have significant impact on the ability of Wyoming producers to reach new markets and generate additional economic benefits for the state. Also, the additional traffic on Union Pacific's main line will create additional employment opportunities.

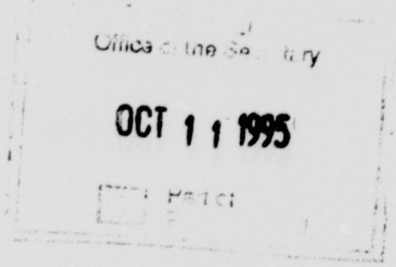
With the recent trackage right agreement between Union Pacific and the BN/Santa Fe, rail competition will be preserved resulting in vigorous efforts for efficiencies and improved service for Wyoming customers such as coal, soda ash, and grain producers.

I strongly urge your prompt approval of this merger.

Sincerely,

Robert Grieve

cc: David Fischer
(Union Pacific Railroad Company
1416 Dodge St., Rm. 801
Omaha, NE 68179)



Item No._____

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Oct # 58

Item No. _____

Page Count 10

Oct #59

60189

& BLACKWELL
TORNEYS AT LAW
SUITE 612
00 L STREET, N.W.
NGTON, D.C. 20036

TELEPHONE (202) 463-2500
FACSIMILE (202) 463-4950/4840

WRITER'S DIRECT DIAL NO.

(202) 463-2510

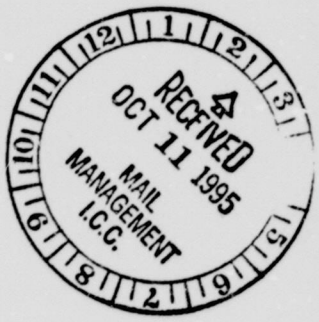
SUITE 3600
525 MARKET STREET
SAN FRANCISCO, CA 94105
TELEPHONE (415) 896-2880
FACSIMILE (415) 896-2979

SUITE 510
15 EXCHANGE PLACE
JERSEY CITY, NJ 07302
TELEPHONE (201) 915-0100
FACSIMILE (201) 915-0393

PHI
NAI
ROI
JOH
CINDY G. BUYS
MARC J. FINK
R. FREDERIC FISHER*
JEFFREY F. LAWRENCE
ANNE E. MICKEY
STEVEN Y. QUAN
WAYNE R. ROHDE
STANLEY O. SHER
TORBJORN B. SJOGREN
DAVID F. SMITH

*ADMITTED IN CA ONLY
*ADMITTED IN MD ONLY

October 11, 1995



The Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2215
12th and Constitution Avenue, N.W.
Washington, D.C.

Re: Finance Docket No. 32760

Dear Secretary Williams:

I enclose for filing on behalf of the International Brotherhood of Teamsters an original and twenty (20) copies of (1) Petition for Leave to File Response to Applicants' Reply to IBT's Petition to Reopen Decision No. 3 and (2) International Brotherhood of Teamsters' Response to Applicants' Reply to IBT's Petition to Reopen Motor Carrier Waiver Decision. I also enclose a disk containing IBT's Petition and Response in WordPerfect 5.1 format.

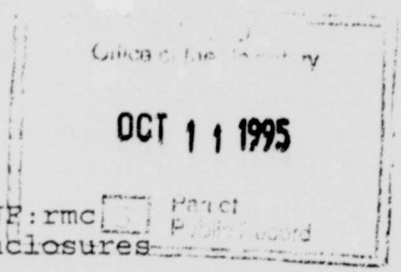
Extra copies of IBT's pleadings are attached. Please date stamp the copies and return them to us via our messenger.

Thank you for your attention to this matter.

Sincerely,

Marc J. Fink

Marc J. Fink

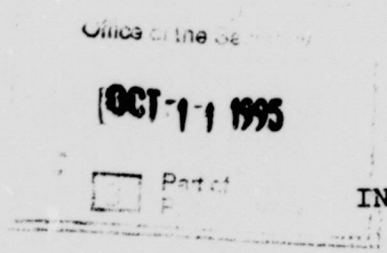


MJF:rmc
Enclosures

cc: The Honorable Jerome Nelson

11459.0072.01.00.01

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 CORP. AND THE DENVER AND
RIO GRANDE WESTERN RAILROAD COMPANY

INTERNATIONAL BROTHERHOOD OF TEAMSTERS' RESPONSE TO APPLICANTS' REPLY TO IBT'S PETITION TO REOPEN MOTOR CARRIER WAIVER DECISION

The International Brotherhood of Teamsters ("IBT") hereby responds to the Applicants' Reply to IBT's Petition to Reopen, filed October 4, 1995. IBT's Petition to Reopen, filed September 25, 1995, requested that the Commission rescind the waivers removing three affiliated motor carriers (Overnite, SPMT, and PMT) from the definition of "applicant carriers" in 49 C.F.R. § 1180.3(b).

IBT'S PETITION TO REOPEN IS A PROPER PLEADING UNDER THE COMMISSION'S RULES

Applicants argue first that IBT's Petition to Reopen is not a proper pleading. In support of this position, Applicants note that 49 C.F.R. § 1180.4(f)(3) states that replies to petitions for waiver are not permitted. This rule, Applicants

assert, would be circumvented by allowing waiver decisions to be reopened.

Applicants' argument fails for two reasons. First, if Applicants' reasoning were adopted, waiver petitions would be effectively converted into ex parte proceedings. Under Applicants' theory, interested party comment would be precluded both before and after the waiver decision is made. Applicants essentially argue that, with respect to waiver petitions, interested parties that are once excluded should be always excluded. This reading is inconsistent with the presumption of access by interested parties embodied in the Administrative Procedure Act, as well as with fundamental tenets of due process.

Rather than adopting Applicants' facially suspect interpretation of the Commission's rules, the IBT respectfully submits that the proper course is to give effect to the plain language of 49 C.F.R. § 1115.4. That section states that "[a]ny person at any time may file a petition to reopen any administratively final action of the Commission. . . ." The waiver decisions clearly fall within the scope of this section, and there is no rational reason to exclude those decisions from its operation.

Contrary to Applicants' suggestion, there is no conflict between the waiver rule and the rule on petitions to reopen. Applicants' "once excluded, always excluded" argument is not the only way to give effect to both 49 C.F.R. § 1180.4(f) and

§ 1115.4. Rather, it is far more natural to read § 1115.4 as a counterbalance to the lack of initial opportunity for comment on waiver applications mandated by § 1180.4(f). Section 1180.4(f) provides a means for ministerial[1/] decisions to be made quickly, while section 1115.4 provides a mechanism for reviewing those decisions if they impinge on the rights of interested parties. This is the sort of "checks and balances" system that is the cornerstone of our form of government, and it is a far more reasonable reading of the Commission's rules than is Applicant's radical interpretation. Thus, the IBT's right to file its Petition to Reopen is not contrary to the Commission's rules and is consistent with statutory and constitutional concepts of due process and open participation in matters of public interest.[2/]

THERE IS NO BASIS FOR THE COMMISSION TO IGNORE THE CRITERIA SET FORTH IN SECTION 11344

Applicants next assert that it does not matter that the waivers will prevent the Commission from collecting information

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1/ There is a very real question as to whether the administrative waiver power found at 1180.4(f) has the necessary statutory foundation to reach the type of substantive change (i.e., ad hoc revision of the definition of "applicant carriers") in the rules here involved.

2/ The IBT also notes that Applicants' footnote 3, Reply at 3, is recklessly, if not deliberately, inaccurate. The cited newspaper article nowhere says what Applicants say it does. The points raised by the IBT in its Petition to Reopen are firmly supported by statutory and judicial authority and have been presented in order to protect important and legitimate rights of the IBT and its members.

necessary to conduct the inquiries mandated by 49 U.S.C. § 11344(c). In support of this argument Applicants cite a number of Commission cases for the proposition that the Commission may ignore the requirements of section 11344(c) if it determines that the rail carrier acquisition of a motor carrier results in a "change of form, rather than a change of substance. . . ." See Reply at 3. This argument is flawed for a number of reasons.

At the outset, it appears that there is no statutory authority for the Commission's distinction based on "changes of form" versus "changes of substance." In Regular Common Carrier Conference v. U.S., 820 F.2d 1323 (D.C. Cir. 1987), the court reversed three Commission exemption decisions concerning acquisition of motor carriers by railroads on the grounds that the Commission improperly failed to consider the factors set forth in section 11344(c). In that case, the court ruled that the exemption language of 49 U.S.C. § 11343(e) did not remove the need to consider the congressionally mandated criteria in section 11344(c).

In its cases setting forth the "form versus substance" distinction, the Commission does not even rely on a statutory basis as it did (unsuccessfully) in Regular Common Carrier, supra, but simply announces that such a distinction will be made. Thus, there is even less support for the form/substance distinction than there was for the practice that the Court reversed in Regular Common Carrier. In short, the line of

Commission authority cited by Applicants is invalid under this recent appeals court decision.[3/]

Even if the cases cited by Applicants were still good law, which they are not, those cases are procedurally and factually different from the waiver proceedings here at issue. All of the cases cited by Applicants deal with exemption proceedings under section 10505, not waiver proceedings under the Commission's rules. Those cases dealt only with the need (or lack thereof) of the Commission to consider section 11344(c) factors in the context of the acquisition of a motor carrier by a rail carrier, independent of related rail mergers. The cases and the requested exemptions were limited to "incidental" transactions that were considered by the Commission to be only "collateral" results of larger railroad mergers. The IBT's Petition to Reopen, in contrast, challenges the waivers on a much broader basis. The IBT is not concerned merely with the section 11344(b)(1) and (c) factors as they relate to the so-called "collateral" rail/motor acquisitions, but also, and predominantly, with the relationships among the combined carriers as they relate to the "primary" rail merger transaction. Inasmuch as the loss of motor carrier information associated with

---

3/ The Commission acknowledged this statement of the law in Ex Parte No. 400 (Sub-No. 2), 5 I.C.C.2d 726 n.1 (1989), where it cited Regular Common Carrier and stated that "[e]xemption petitions involving rail carriers and motor carriers are now handled under 49 U.S.C. § 10505." One of the holdings of Regular Common Carrier is, of course, that section 10505 requires a consideration of section 11344(c). 820 F.2d at 1327.

the waivers will preclude the Commission from making mandatory statutory findings concerning the "primary" transaction, the waivers have far greater impact than the exemptions considered in the cases cited by Applicants in their Reply.

Finally, the starting point of the Commission's analysis in each of the cited exemption cases was that the rail/motor acquisitions there involved were "changes of form, not of substance," and therefore did not require section 11344(c) analysis. Although the cited cases provide no clear explanation of how the Commission determines that a particular acquisition is a change of "form" rather than of "substance," the motor carrier acquisitions here involved are, under any standard, substantive, and the cases cited by Applicants therefore do not apply. Overnite is one of the nation's ten largest motor carriers, and its inclusion in a merger that would create the nation's largest railroad has the potential to cause changes in transportation service that cannot rationally be described as merely a "change of form." If ever a rail/motor acquisition constitutes a "change of substance," this is it. For this reason alone, these waiver applications do not fit within the cited cases.

THE MOTOR CARRIER INFORMATION EXCLUDED BY THE WAIVERS IS NECESSARY TO THE COMMISSION'S EVALUATION OF REQUIRED STATUTORY CRITERIA

Applicants next argue that the information that would be filed by the motor carriers in the absence of the waiver is

unnecessary for the Commission to meet its statutory duties. This "argument" amounts to nothing more than a repetition of the Applicants' earlier unsupported statements that the required information is unnecessary and unduly burdensome.[4/] Applicants' assertions appear to be based on a misunderstanding of the IBT's position with regard to the waivers. To wit, as discussed above, the IBT is not concerned merely with the so-called "collateral" acquisition of the involved motor carriers, but also with the broader implications of those acquisitions on the section 11344 criteria as they apply to the entire merger application. In this context, the information required to be filed by "applicant carriers" is clearly relevant and necessary.

Finally, Applicants are simply wrong when they state that the IBT did not address why information available through discovery could not be substituted for the information lost through the waivers. In fact, the IBT noted that discovery was inadequate for two reasons: first, because the duty to collect and analyze the information has been placed by Congress on the Commission, not commenters; second, because it is not clear under

---

4/ The IBT notes that Applicants have not once explained the basis of their assertion that production of the required motor carrier information would be unduly burdensome. For example, they have provided no statement of how long it would take or how much it would cost to assemble and file the required information. Indeed, Applicants' suggestion at page 6 of their Reply that the information could be had through discovery indicates that burdensomeness is in fact not the reason for the waivers. How would the burden of producing the information be any different under discovery than under the application requirements?

the Commission's rules that adequate discovery would be available if the motor carriers are not considered applicant carriers. See Petition to Reopen at 14-15. Neither of these issues is addressed by Applicants in their Reply.

CONCLUSION

For the reasons stated in the IBT's Petition to Reopen and herein, the International Brotherhood of Teamsters respectfully requests that the Commission vacate that part of its Decision No. 3 that waives inclusion of Overnite, PMT and SPMT as applicant carriers in this proceeding.

Respectfully submitted,

Marc J. Fink /jwb

Marc J. Fink
John W. Butler
SHER & BLACKWELL
2000 L Street, N.W.
Suite 612
Washington, D.C. 20036
(202) 463-2500

Attorneys for
THE INTERNATIONAL BROTHERHOOD
OF TEAMSTERS

Dated: October 11, 1995

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on October 11, 1995, copies of the foregoing (1) Petition By The International Brotherhood of Teamsters for Leave to File Response to Applicants' Reply to IBT's Petition to Reopen Decision No. 3 and (2) International Brotherhood of Teamsters' Response to Applicants' Reply to IBT's Petition to Reopen Motor Carrier Waiver Decision were mailed, postage prepaid, to the following:

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

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

William G. Mahoney
Highsaw, Mahoney & Clarke, P.C.
1050 17th Street, N.W.
Suite 210
Washington, D.C. 20036

The Honorable Jerome Nelson
Administrative Law Judge
FERC
825 North Capitol Street, N.E.
Washington, D.C. 20426
(Also Delivered By Hand)

Rita M. Collins
Rita M. Collins

Item No. 60144

Page Count 1

Oct # 14

LYNN HETTRICK
ASSEMBLYMAN
District No. 39

SPEAKER OF THE ASSEMBLY

COMMITTEES:
Member
Ways and Means
Commerce
Labor and Management

Nevada Assembly

CARSON CITY

DISTRICT OFFICE:
1475 Glenwood Drive
Gardnerville, Nevada 89410
Office: (702) 265-4473
Fax No.: (702) 265-4473

LEGISLATIVE BUILDING:
401 S. Carson Street
Carson City, Nevada 89710
Office: (702) 687-3627
Fax No.: (702) 687-1040

September 28, 1995

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

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

Dear Secretary Williams:

As Co-Speaker of the Nevada Assembly, representing Douglas County and part of Carson City, I am writing to express my support for the proposed merger of the Southern Pacific and Union Pacific railroads and to urge you to act expeditiously to approve that merger.

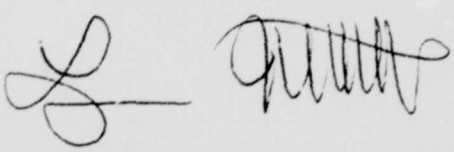
Nevada shippers should see improved equipment supply from the combined fleets and freed up capacity. Nevada shippers and freight receivers on the SP line will gain extensive single-line access to UP points in the Midwest and the Pacific Northwest, while those on the UP line will gain single-line access to SP points in California, Arizona and New Mexico. Substantial cost savings from reduced overhead and improved efficiency should benefit all shippers.

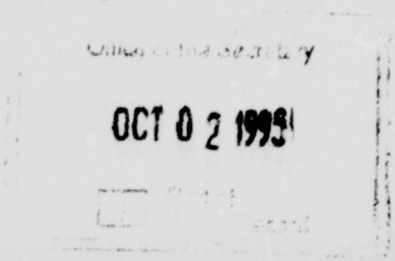
As you know, the SP's financial health has been a concern to shippers served by the railroad, as well as the communities served and the SP's employees. Merging the SP and the UP should provide a strong railroad that can compete with the combined Burlington and ATSF railroads.

Both railroads have made a commitment to allow another railroad to have access to the automobile and intermodal freight handled by them at Reno - that will assure market competition.

The SP and UP merger will improve service and maintain competition. The SP's financial and service problems will improve and Nevada rail users will have the high quality transportation service needed in our expanding economy. I urge you to approve this merger.

Yours truly,





SIXTY-EIGHTH LEGISLATURE

Item No. 60143

Page Count 2

Oct #13

Laramie County Wyoming

OFFICE OF

The Board of County Commissioners

LARAMIE COUNTY GOVERNMENT COMPLEX
CAREY AVENUE • P.O. BOX 608
CHEYENNE, WYOMING 82001
(307) 638-4260 • FAX (307) 638-4267

JEFF KETCHAM
VICE-CHAIRMAN

FRED EMERICH, DVM
COMMISSIONER

September 27, 1995

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

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

Dear Secretary Williams:

The Laramie County Commissioners strongly support the proposed merger between Union Pacific and Southern Pacific Railroads. Laramie County and Wyoming has benefited over the years from the presence of the Union Pacific Railroad. The proposed merger will help build a stronger rail transportation system resulting in improved markets availability and enhanced economic growth. Other benefits of the UP/SP merger sill be the job security of railroad employees; Laramie County shippers gain new single-line services to numerous points; routing of additional traffic onto UP main line; combining the strengths of two major railroads.

The results of the proposed merger will improve efficiency of UP/SP freight movements and justify increased investments to expand capacities and improve overall service, which means an economic benefit and growth for Laramie County.

We welcome this merger as a means of ensuring that Laramie County will receive top quality rail service from a stronger and more competitive

Union Pacific Railroad Company. We urge your approval of the proposed merger.

Sincerely,

Nick Mirich	Jeff Ketchum	Fred Emerich
Chairman	Vice Chairman	Commissioner

cc: David Fisher
Union Pacific Railroad Company
Dick Hartman

60141

DISTRICT:
478 PENNSYLVANIA AVE., STE. 101
GLEN ELLYN, ILLINOIS 60137
(708) 858-0860
FAX (708) 858-0868

CAPITOL OFFICE:
2127 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
(217) 782-8037

COMMITTEES:
ENVIRONMENT & ENERGY
CHAIRMAN
HEALTH CARE & HUMAN
SERVICES - VICE-CHAIRMAN
ELECTIONS & STATE GOVERNMENT
FINANCIAL INSTITUTIONS
INSURANCE

GENERAL ASSEMBLY
STATE OF ILLINOIS

VINCENT A. PERSICO
STATE REPRESENTATIVE • 39TH DISTRICT

September 22, 1995

Vernon Williams
Secretary ICC
Interstate Commerce Commission
12th Street and Constitution Avenue, NW
Washington, DC 20423

Re: Finance Docket 32760 - Union Pacific/Southern Pacific

Dear Mr. Williams:

My name is Vince Persico. I am a member of the Illinois General Assembly.

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

My reason for supporting this acquisition is as follows:
The Up/SP merger will dramatically improve and strengthen competition. The merged system will meet the competitive challenge of BN/Santa Fe. Problems of SP service, finances and capital constraints will be overcome, and SP customers will have the assurance of long-term, top-quality service from a financially strong railroad.

Thank you for you consideration on this matter.

Sincerely,

Vincent A. Persico

Item No. _____

Page Count 1

Oct # 11

60140

CITY OF PARK RIDGE

505 BUTLER PLACE
PARK RIDGE, IL 60068
TEL: 708 / 318-5200
FAX: 708 / 318-5300

OCT 0 2 1995

September 25, 1995

Ms. Linda Morgan
Chairperson
Interstate Commerce Commission
12th Street & Constitution Avenue, NW
Washington, D.C. 20423

Dear Chairperson Morgan:

RE: Finance Docket 32760 - Union Pacific/Southern Pacific

My name is Ronald Wietecha. I am the Mayor of the City of Park Ridge, Illinois.

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

My reason for supporting this acquisition is as follows:

- The new system's routes will be significantly shorter than UP's or SP's routes today in many important corridors, including Chicago-Oakland.
- There will be greatly improved service for both intermodal and carload traffic moving between California and Chicago.
- Availability of alternative routings will provide UP/SP with flexibility to reroute traffic to improve service. For example, intermodal and automobile traffic moving between southern California and Chicago will be concentrated on SP's Tucumcari route, and other traffic will be concentrated on UP's Overland route. This will reduce delays, increase reliability, and create new capacity for the merged system.
- Coordination and specialization of intermodal yards at Chicago will allow reduced drayage and improved efficiency.
- UP/SP will have the opportunity to build run-through trains from the Gulf chemical region to Chicago, resulting in improved transit time for Illinois receivers.

Item No. _____

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Oct# 10

Thank you for considering my point of view.

Very truly yours,

Ronald W. Wietecha
Mayor

RWW:lh

CC: Vernon A. Williams
Secretary ICC

David Fischer
Director, Government Affairs
Union Pacific Railroad
1416 Dodge St., Rm. 801
Omaha, NE 68179

U. S. Department of Justice

Antitrust Division

555 4th Street, N.W.
Washington, DC 20001

Item No. 6 0134
Page Count 7
Oct #16

October 2, 1995

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

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

Dear Mr. Williams:

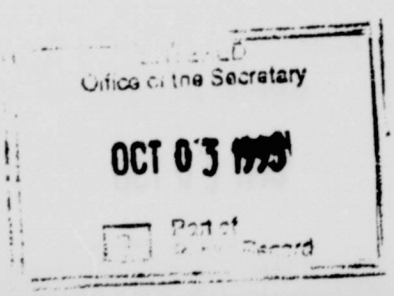
Enclosed for filing in the captioned docket are the original and twenty copies of (1) Petition of the Department of Justice for Leave to File Additional Comments on Procedural Schedule, and (2) Additional Comments of the Department of Justice on Proposed Procedural Schedule. Please have the extra copy of this filing date-stamped and return it to the messenger for our files.

In accordance with the Commission's request contained in Decision No. 1 issued in this proceeding, we also enclose a copy of these documents on a 3.5 inch floppy diskette formatted for Word Perfect 5.1.

Sincerely yours,

Michael D. Billiel
Attorney
Transportation, Energy and
Agriculture Section

CC: Hon. Jerome Nelson
Arvid E. Roach II, Esq.
Paul A. Cunningham, Esq.
All Parties of Record



DOJ-3

BEFORE THE
INTERSTATE COMMERCE COMMISSION
WASHINGTON, D.C.

UNION PACIFIC CORP., UNION PACIFIC RAILROAD CO. AND MISSOURI PACIFIC RAILROAD CO.-- CONTROL AND MERGER -- SOUTHERN PACIFIC RAIL CORP., SOUTHERN PACIFIC TRANSPORTATION CO., ST.LOUIS SOUTHWESTERN RAILWAY CO., SPCSL CORP.) AND THE DENVER AND RIO GRANDE WESTERN) RAILROAD CO.	))))))))	FINANCE DOCKET NO. 32760

ADDITIONAL COMMENTS BY THE DEPARTMENT OF JUSTICE
ON PROPOSED PROCEDURAL SCHEDULE

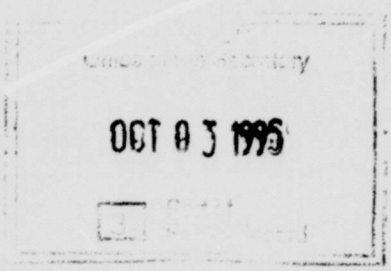
Communications with respect to this document should be addressed to:

Roger W. Fones, Chief
Donna N. Kooperstein, Assistant Chief

Michael D. Billiel
Joan S. Huggler
Robert L. McGeorge
Attorneys

Transportation, Energy &
Agriculture Section
Antitrust Division
U.S. Department of Justice
555 4th Street,N.W.
Washington, D. C. 20001

202-307-6666



October 2, 1995

DOJ-3

BEFORE THE
INTERSTATE COMMERCE COMMISSION
WASHINGTON, D.C.

UNION PACIFIC CORP., UNION PACIFIC RAILROAD CO. AND MISSOURI PACIFIC RAILROAD CO.-- CONTROL AND MERGER -- SOUTHERN PACIFIC RAIL CORP.,SOUTHERN PACIFIC TRANSPORTATION CO., ST.LOUIS SOUTHWESTERN RAILWAY CO., SPCSL CORP.) AND THE DENVER AND RIO GRANDE WESTERN RAILROAD CO.	)	FINANCE DOCKET NO. 32760

ADDITIONAL COMMENTS BY THE DEPARTMENT OF JUSTICE
ON PROPOSED PROCEDURAL SCHEDULE

The Department of Justice ("Department") hereby submits additional comments on the procedural schedule to be adopted in this proceeding for the limited purpose of addressing the effect of the settlement agreement between the Applicants and Burlington Northern/Santa Fe.

On September 1, 1995, the Commission, in Decision No. 1, requested comments on the procedural schedule proposed by Applicants (UP/SP-4) and certain modifications suggested by the Commission. Comments were due on September 18 and Applicants' reply on September 28. On September 18, the Department filed comments on the procedural schedule (DOJ-1) urging that the schedule be modified in order to allow sufficient time for the parties to fully develop the record on the numerous and complex

simple proceeding. Evaluating the adequacy of the competitive relief provided by the agreement to those shippers that will become captive to UP/SP as a result of the proposed transaction will entail the same analysis of the extremely complex competitive issues presented by the Application, as well as investigation of the adequacy of this (or alternative) proposed remedies. The extent to which the agreed upon trackage rights will provide meaningful competitive alternatives to the large number of affected shippers depends upon a number of factors, including the terms and conditions of the agreement and the compensation levels. Given the unprecedented scope of this agreement,[2] Applicants' procedural schedule is simply inadequate to provide for the development of a meaningful record of the adequacy of the proposed remedy to cure the competitive harm.

Furthermore, the agreement with BNSF does not, and cannot, remedy the competitive harm arising from the reduction in the number of carriers in the western United States from three to two. As the Department noted in its earlier comments, there is substantial empirical evidence that such a reduction leads to higher prices, DOJ-1 at 3 n.2, and there is evidence that three to two markets affected by the proposed transaction account for nearly $4 billion in annual revenues. KCS-3, Exhibit A (Verified Statement of Curtis M. Grimm) at 4. Thus, even if the effect on

---

[2]UP/SP would provide BNSF over 3800 miles of trackage rights and BNSF would purchase an additional 335 miles if track. By comparison, the Commission concluded that the competitive problems caused by the BNSF merger could be remedied by giving other carriers slightly over 1000 miles of trackage rights. Finance Docket No. 32549, Decision No. 38 (served Aug. 23, 1995).

rail rates or service in these markets were not as great as the effect in two to one markets, the potential competitive harm from a reduction in the number of western railroads from three to two is still enormous. Even if a close analysis eventually reveals that the BNSF agreement does remedy the concerns about two to one markets, the parties in this proceeding will still require time to develop an adequate record on the remaining competitive issues raised by this transaction.

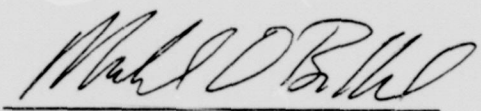
In sum, the Applicants characterize their agreement with BNSF as addressing "every legitimate competition issue with respect to the UP/SP merger." (UP/SP-14 at 2) This conclusion cannot, and should not be made at this stage of the proceeding. It is not at all self-evident that the scope of the agreement is co-extensive with the competitive problems raised by the transaction, or that the terms of the agreement replicate pre-merger competition. The Commission, by accepting the Applicants' assertion that the BNSF agreement is sufficient and setting the schedule accordingly, will effectively assume a conclusion that should be reached only after being tested by a full record.

CONCLUSION

For the reasons discussed above and in our September 18 comments (DOJ-1), the Department urges the Commission to modify the proposed procedural schedule to allow additional time for the

parties to take discovery and develop testimony in order to ensure a complete record in this extremely important proceeding.

Respectfully submitted,



Michael D. Billiel
Joan S. Huggler
Robert L. McGeorge

Attorneys

Transportation, Energy
and Agriculture Section

Antitrust Division
U. S. Department of Justice
555 Fourth Street, N.W.
Washington, D. C. 20001
(202) 307-6456

Roger W. Fones, Chief
Donna N.Kooperstein,
Assistant Chief

Transportation, Energy
and Agriculture Section

October 2, 1995

CERTICATE OF SERVICE

I hereby certify that on October 2, 1995, I caused to be served by, by hand or by first class mail, postage prepaid, copies of the foregoing Additional Comments of the Department of Justice on Proposed Procedural Schedule in Finance Docket No. 32760 on attorneys for the Applicants, the Honorable Jerome Nelson, and all known parties of record in this proceeding.

Michael D. Billiel

60136

Sacramento Office
STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0001
(916) 445-7498

District Office
1529 EAST PALMDALE BLVD.
SUITE 308
PALMDALE, CA 93550
(805) 947-9664

Assembly
California Legislature

WILLIAM J. "PETE" KNIGHT
ASSEMBLYMAN, THIRTY-SIXTH DISTRICT

Serving the cities of
LANCASTER
PALMDALE
SANTA CLARITA

September 28, 1995

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

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

Dear Secretary Williams:

I write to lend my full support to the merger of the Union Pacific and Southern Pacific Railroads. The proposed UP/SP merger will create a competitor that is fully the equal of BN/Santa Fe, thereby ensuring a market crucial to California's continued economic growth and to the nation's domestic and international competitiveness.

A UP/SP merger will provide California producers with more efficient movement of their products to all markets through greatly improved service, greater speed, reliability and more frequent scheduling. A merger will allow the implementation of new technology, a certainty of financial stability and assure the continued service of two strong railroads reaching throughout the western United States to the Mississippi River corridor.

Again, I urge your approval of the merger of the Union Pacific Railroad and the Southern Pacific Railroad and appreciate your consideration of this proposal.

Sincerely,

WILLIAM J. "PETE" KNIGHT

WJK:mw

Item No.

Page Count 1

Oct #6

60131

Assembly
California Legislature

BERNIE RICHTER
ASSEMBLYMAN, THIRD DISTRICT

DAVID READE
CHIEF OF STAFF

COMMITTEES
CHAIRMAN:
ENVIRONMENTAL SAFETY
AND TOXIC MATERIALS
MEMBER:
HOUSING AND COMMUNITY
DEVELOPMENT
NATURAL RESOURCES
PUBLIC EMPLOYMENT,
RETIREMENT AND SOCIAL SECURITY

September 20, 1995

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

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

Dear Secretary Williams:

I am writing this letter in support of the proposed merger of Union Pacific Railroad and Southern Pacific Railroad. This merger will improve service for both lines and strengthen competition.

The UP/SP merger will provide for competitive new shipping opportunities. Shorter routes can be expected, as well as, improved equipment supply. Customers may expect their shipping needs to be met with greater speed, reliability and more frequent schedules.

The proposed merger will result in greater efficiency than either line is capable of today. There will be major cost savings from reduced overhead and facility consolidations. This will also provide for the capacity to expand and improve service to benefit all shippers.

The merger will produce a financially stable railroad able to afford the capital investments necessary to build new capacity, implement new technology and continue improvement of its operations. Such a railroad will promote stronger competition and profit its patrons.

Thank you for giving me the opportunity to comment on the UP/SP merger. I urge your serious consideration of the proposal.

Sincerely,

Bernie Richter

BERNIE RICHTER

BR:jlw

OCT 0 3 1995 Item No. _____

Page Count 1

Ort # 1

OFFICES

STATE CAPITOL
SACRAMENTO, CA 95814
(916) 445-7298

460 W. EAST AVENUE, SUITE 120
CHICO, CA 95926
(916) 345-7807

10596 COMBIE ROAD
AUBURN, CA 95602
(916) 268-2320

STATE CAPITOL
SACRAMENTO, CA 94249-0001
(916) 445-8498

DISTRICT OFFICE:
100 W. COLUMBUS STREET
SUITE 201
BAKERSFIELD, CA 93301
(805) 324-3300

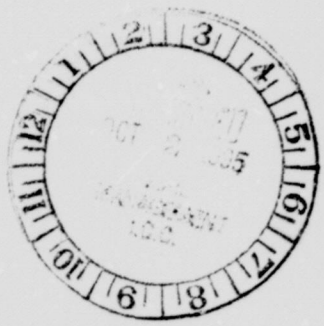
California Legislature

TRICE HARVEY
ASSEMBLYMAN, THIRTY-SECOND DISTRICT
CHAIRMAN
ASSEMBLY COMMITTEE ON AGRICULTURE

60139

COMMITTEES:
AGRICULTURE, Chairman
BUDGET
ELECTIONS, REAPPORTIONMENT & CONSTITUTIONAL AMENDMENTS
GOVERNMENTAL ORGANIZATION

FD-32760



September 29, 1995

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

Dear Mr. Williams:

I am pleased to write in support of the proposed merger between Union Pacific and Southern Pacific Railroad. As a member of the California State Legislature, I understand the important role that an integrated transportation system plays in our State economy. I believe that the benefits of this union will prove to be an excellent boost to economic growth and development in the San Joaquin Valley.

Union Pacific(UP) and Southern Pacific(SP) have set numerous goals in order to increase competition and provide new shipping opportunities up and down the West Coast. By joining forces, UP and SP will ensure that goods are moved with greater speed and reliability. This will enhance economic development in the state and ensure that California remains a leader in the world economy.

Again, I strongly support the merger between Union Pacific and Southern Pacific. If I can be of any assistance to you as you consider this matter, please contact my office.

Sincerely,

Trice Harvey
Member of the Assembly

TH:cr

cc: Wayne Horiuchi

OCT 03 1995

Item No.

Page Count 1

Oct #9

STB FD 32760 10-2-95 D 60138

OFFICE OF THE MAYOR

60138

Leo A. Pando, Mayor

SEP 29 1995

3 Part of Public Record

Jan Laverty Jones
Mayor of Las Vegas
400 East Stewart Ave
Las Vegas NV 89101

60137

COMMITTEES:
TELEVISING THE ASSEMBLY & INFORMATION TECHNOLOGY, Chairman
NATURAL RESOURCES
CONSUMER PROTECTION, GOVERNMENTAL EFFICIENCY & ECONOMIC DEVELOPMENT
EDUCATION
HUMAN SERVICES

Assembly
California Legislature

TOM WOODS
ASSEMBLYMAN, SECOND DISTRICT

☐ CAPITOL ADDRESS:
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☐ DISTRICT ADDRESS:
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SUITE 100
REDDING, CA 96002
(916) 223-6300

September 26, 1995

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

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

Dear Mr. Williams:

I am writing in strong support of the Union Pacific and Southern Pacific merger. The merger will dramatically improve service and strengthen competition, including providing the first single-carrier rail service ever between Seattle/Tacoma and both southern and northern California. We will also see greatly improved service for both intermodal and carload traffic moving between California and the gateways of Chicago, Kansas City, St. Louis, Memphis, and New Orleans.

Service-sensitive southern California intermodal and automobile traffic will be concentrated on SP's Tucumcari route and slower traffic will be concentrated on UP's Overland route. I anticipate a reduction in delays, increased reliability and new capacity for the merged system will be seen.

We will find UP/SP being able to challenge Santa Fe's dominance of California-Chicago intermodal traffic for the first time. Vigorous competition in this market is crucial to California's continued economic growth and to the nation's domestic and international competitiveness. Between Oakland and Chicago, mileage savings and operating efficiencies will allow UP/SP to offer a new third-morning intermodal service, which neither UP nor SP can do today. Between Los Angeles and Chicago, route specialization, plus linking SP's excellent L.A. Basin intermodal terminals with UP's excellent Chicago-area terminals, will the

Item No. _____

Page Count 3

Oct # 7

greatly improve service; the merged system will be able to provide more reliable third-morning service, for the first time rivalling the service of BN/Santa Fe. Also, the combined system expects to build a new "Inland Empire" facility in southern California to handle less-than-truckload ("LTL") traffic of trucking companies in railers and containers, as well as other intermodal business.

I expect Transcontinental carload shippers will see greatly improved service with greater speed, reliability and frequency of schedules. As a result, milage savings, gradient improvements and operating efficiencies will be enhanced. Equipment supply will be dramatically improved as a result of operating efficiencies, as well as the ability to reposition cars efficiently between northern and southern California and between California and the Pacific Northwest, along with taking advantage of backhaul and triangulation opportunities and seasonality.

The new system's routes would be significantly shorter than UP's or SP's routes today in many important corridors, including Chicago-Oakland, St. Louis-Oakland, Dallas-Los Angeles, and Memphis-Los Angeles. California shippers and receivers will enjoy extensive new single-line service.

There would be major cost savings from reduced overheads, facility consolidations, the use of the best systems of each railroad would improve efficiency and justify increased investment to expand capacity and improve service, all to the benefit of shippers. I foresee competition being strengthened in all markets.

SP officials have indicated they can't make it alone in the wake of the BN/Santa Fe merger. The BN/Santa Fe system will be far larger than either UP or SP and will have the crucial competitive strength that UP or SP separately lack. The UP/SP merger will create a competitor that is fully the equal of BN/Santa Fe.

SP has by far the most extensive shipper coverage in California, and most of SP's California customers are exclusively served by SP. SP customers have had to cope with service problems and uncertainties as to SP's finances. The UP/SP merger will provide SP shippers the assurance of top-quality service with a financially strong railroad that can afford the capital investments necessary to build new capacity, implement new technology, and continually improve its operations.

Again, I strongly support the merger between Southern Pacific and Union Pacific Railroads. If I may be of any assistance during the decision-making process, please do not hesitate to contact me.

Sincerely,

Tom Woods

TOM WOODS
Assemblyman

TW:mc

60136

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SACRAMENTO, CA 94249-0001
(916) 445-7498

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SUITE 308
PALMDALE, CA 93550
(805) 947-9664

Assembly
California Legislature

Serving the cities of
LANCASTER
PALMDALE
SANTA CLARITA

WILLIAM J. "PETE" KNIGHT
ASSEMBLYMAN, THIRTY-SIXTH DISTRICT

September 28, 1995

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

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

Dear Secretary Williams:

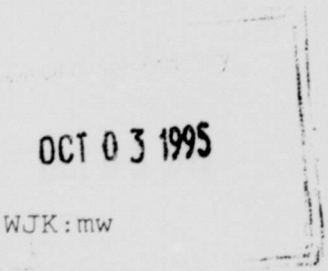
I write to lend my full support to the merger of the Union Pacific and Southern Pacific Railroads. The proposed UP/SP merger will create a competitor that is fully the equal of BN/Santa Fe, thereby ensuring a market crucial to California's continued economic growth and to the nation's domestic and international competitiveness.

A UP/SP merger will provide California producers with more efficient movement of their products to all markets through greatly improved service, greater speed, reliability and more frequent scheduling. A merger will allow the implementation of new technology, a certainty of financial stability and assure the continued service of two strong railroads reaching throughout the western United States to the Mississippi River corridor.

Again, I urge your approval of the merger of the Union Pacific Railroad and the Southern Pacific Railroad and appreciate your consideration of this proposal.

Sincerely,

WILLIAM J. "PETE" KNIGHT



WJK:mw

Item No. _____

Page Count 1

Oct #6

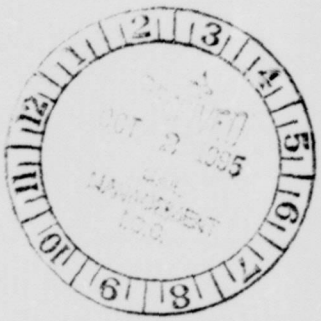
REPLY TO:
SACRAMENTO ADDRESS:
STATE CAPITOL
SACRAMENTO, CA 95814
(916) 445-6161
DISTRICT OFFICE
1948 MT. DIABLO BLVD.
WALNUT CREEK, CA 94596
(510) 933-2196

60135

Assembly
California Legislature

RICHARD K. RAINEY
ASSEMBLYMAN, FIFTEENTH DISTRICT

CHAIRMAN
LOCAL GOVERNMENT
MEMBER
ENVIRONMENTAL SAFETY AND
TOXIC MATERIALS
PUBLIC SAFETY
UTILITIES AND COMMERCE



September 26, 1995

The Honorable Vernon A. Williams
Secretary, Interstate Commerce Commission
Twelfth Street & Constitution Ave., 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 Mr. Williams:

May I add my support to others from whom you have heard regarding the proposed merger of Union Pacific Railroad and Southern Pacific Railroad.

It has been determined that the UP/SP merger will improve service and strengthen competition. It will take trucks off busy Interstate 5 and provide new shipping opportunities up and down the West Coast. There will be greatly improved service for both intermodal and carload traffic moving between California and the gateways of Chicago, Kansas City, St. Louis, Memphis and New Orleans.

UP/SP will be able to challenge Santa Fe's dominance of California-Chicago intermodal traffic for the first time. Vigorous competition in this market is crucial to California's continued economic growth and to the nation's domestic and international competitiveness.

Therefore, for the reasons of improved service and overall stronger competition, I respectfully request your serious consideration of this proposed merger.

Sincerely,

RICHARD K. RAINEY
Assemblyman, 15th District

OCT 03 1995

RKR:fd

Item No. _____

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Oct #5

JOSEPH E. DINI, JR.
ASSEMBLYMAN
District No. 38

SPEAKER OF THE ASSEMBLY

COMMITTEES:
Member
Ways and Means
Elections and Procedures

60133

DISTRICT OFFICE:
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401 S. Carson Street
Carson City, Nevada 89710
Office: (702) 687-3625 or 687-5739
Fax No.: (702) 687-8187 or 687-5962

State of Nevada Assembly

Sixty-Eighth Session

September 26, 1995

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

Subject: Finance Docket No. 32760
Proposed Merger Between the Union Pacific and Southern Pacific Railroads

Dear Secretary Williams:

I am writing to express my support for the proposed merger of the Union Pacific and the Southern Pacific Railroads.

I am the Co-Speaker of the Nevada Assembly and the Assembly Member representing Lyon and Storey Counties and part of Carson City in Western Nevada.

A merger between the Union Pacific and the Southern Pacific would bring the financial strength of the Union Pacific together with the routes of the Southern Pacific. That is important because the SP's Phil Anschutz has said publicly that his railroad cannot survive long with the recent merger of the Burlington Northern and Atchison, Topeka & Santa Fe railroads. Survival of the SP, as part of the Union Pacific, is crucial to the employees and customers of the Southern Pacific. Merging the two railroads will ensure the financial strength needed to invest in the future.

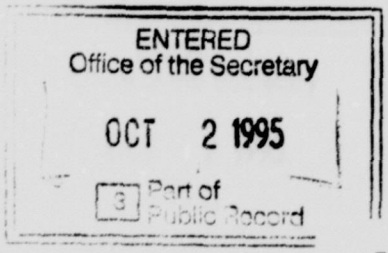
A merger would also provide Nevada businesses with improved rail service, since facilities located on the UP and SP would have single-railroad service to points now located on the other railroad's system. For example, businesses with facilities on the UP in Western Nevada will have single-railroad service to facilities in Northern and Central California. Businesses in Western Nevada would for the first time, have single-railroad service as far North as Seattle and Spokane, Washington.

For all these reasons, I believe that a merger between the Union Pacific and Southern Pacific Railroads would be in the public interest, in the interest of the employees of the two Railroads, and in the interest of railroad customers, and I would like to urge your support for their merger proposal.

Sincerely,

Joseph E. Dini, Jr.
Co-Speaker

cc: Larry Bennett
Joe Guild
Wayne Horiuchi



Item No.

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Oct # 3

Item No. _____

Page Count 1 60132

Oct # 2

California Legislature

DICK ACKERMAN
ASSEMBLYMAN, SEVENTY-SECOND DISTRICT
ORANGE COUNTY
Anaheim, Brea, Buena Park, Fullerton, La Habra, Placentia, Yorba Linda

FD32760

September 27, 1995

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

Dear Secretary Williams:

As a member of the California State Assembly I add my support to the proposed merger of The Union Pacific Railroad and the Southern Pacific Railroad.

The UP/SP merger will dramatically improve service and strengthen competition. I believe this will meet the competitive challenge presented by the BN/Santa Fe Railroad.

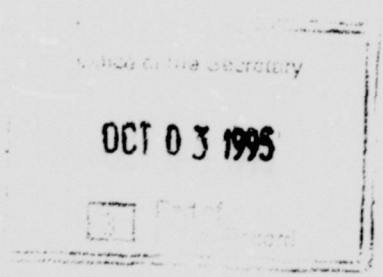
This merger provides many benefits for shippers including improved traffic considerations which will reduce delays and increase reliability.

The new merger's routes will change the efficiency of railroad transport. The routes will be significantly shorter than UP's or SP's routes today in many important corridors including Chicago-Oakland, Dallas-Los Angeles, and Memphis-Los Angeles.

Thank you for your consideration of the proposed merger.

Sincerely,

DICK ACKERMAN
Assemblyman, 72nd District



District Office
1501 North Harbor Blvd., Suite 101
Fullerton, California 92635
(714)525-0175 Fax (714)525-0183

Sacramento Office
State Capitol, Room 5126
Sacramento, California 95814
(916)445-7448 Fax (916)32[illegible]

Item No. _____

Page Count 1

Sept #101

60130

September 25, 1995

newsham

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

RE: Finance Docket # 32760

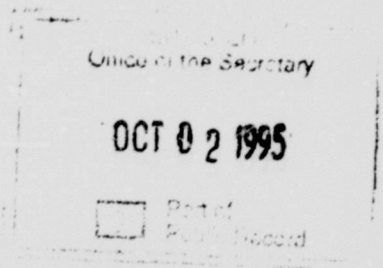
Dear Sir:

Our company is a swine breeding stock company which has been doing business in southeast Colorado for four years. We are a new business, and still trying to grow. One aspect of our growth plan is for the company to build and operate a feed mill to prepare and distribute the feed for our internal requirements of our business. Our expected feed production in a year is 40,000 tons, with corn being the primary ingredient. The feed mill would create jobs, increased property taxes and other economic benefit to the local area, which is sorely in need of such positive economic actions.

We recently purchased land near an existing railroad line which runs through Kiowa County, Colorado. We expected to begin construction on the mill later this year, and begin operation early in 1996. It was our intent to be able to have our corn, and possibly other ingredients, shipped to our feed mill location by rail when it was economical to do so.

The recently filed notice of the Union Pacific and Southern Pacific merger indicates that the rail line that runs near our feed mill site may be abandoned within three (3) years. If this action occurs, then we will have much less flexibility for transportation of feed ingredients to our feed mill. This will no doubt hinder our prospects for growth. In fact, we are evaluating whether we should proceed with the mill project in the current location.

I request that the potential rail abandonment not be approved.



Sincerely,

Charles Bogan

Charles Bogan
Vice President, Finance and Administration

Newsham Hybrids (USA) Inc.
2965 Broadmoor Valley Road
Colorado Springs, CO 80906
Tel (719) 576-7085
Fax (719) 576-6714

Item No. _____

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Sept # 100

60159

California Legislature

Assembly Committee on Utilities and Commerce

MICKEY CONROY
VICE-CHAIRMAN
MEMBER OF THE ASSEMBLY
SEVENTY-FIRST DISTRICT

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Chief Consultant
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Senior Consultant
Patrick Sullivan
Senior Consultant
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Committee Consultant
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Sacramento, California
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(916) 445-2778

September 26, 1995

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 Railroad Merger

Dear Secretary Williams:

I am writing to express my strong support of the Union Pacific Railroad (UP) and Southern Pacific Railroad (SP) proposed merger of the two railroad companies. The merger will allow the companies to increase efficiencies, improve service, and strengthen competition.

Equipment supply and increased railroad track availability will dramatically improve operating efficiencies through greater speed, reliability and frequency of schedules. Additionally, the new systems routes will be significantly shorter than existing routes.

These improved efficiencies and services will benefit consumers and allow for more competition. In the wake of the BN/Santa Fe merger, UP/SP has to respond and meet the competitive challenge. The UP/SP merger will create a competitor that is fully the equal of BN/Santa Fe.

SP has the most extensive shipper coverage in California. SP customers have had to cope with service problems and uncertainties as to SP's finances. The merger will provide SP shippers the assurance of top-quality service with a financially strong railroad that can continue to afford capital investments necessary to build capacity and improve its operations.

The merger is good for California and the railroad industry. I urge you to support the proposed UP/SP merger.

Sincerely,

Mickey Conroy

Mickey Conroy
Vice-Chair, Assembly Utilities and Commerce Committee

California Legislature
Assembly Committee on Utilities and Commerce

MICKEY CONROY
VICE-CHAIRMAN
MEMBER OF THE ASSEMBLY
SEVENTY-FIRST DISTRICT

State Capitol
P. O. Box 942849
Sacramento, California
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(916) 445-2778

September 26, 1995

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 Railroad Merger

Dear Secretary Williams:

I am writing to express my strong support of the Union Pacific Railroad (UP) and Southern Pacific Railroad (SP) proposed merger of the two railroad companies. The merger will allow the companies to increase efficiencies, improve service, and strengthen competition.

Equipment supply and increased railroad track availability will dramatically improve operating efficiencies through greater speed, reliability and frequency of schedules. Additionally, the new systems routes will be significantly shorter than existing routes.

These improved efficiencies and services will benefit consumers and allow for more competition. In the wake of the BN/Santa Fe merger, UP/SP has to respond and meet the competitive challenge. The UP/SP merger will create a competitor that is fully the equal of BN/Santa Fe.

SP has the most extensive shipper coverage in California. SP customers have had to cope with service problems and uncertainties as to SP's finances. The merger will provide SP shippers the assurance of top-quality service with a financially strong railroad that can continue to afford capital investments necessary to build capacity and improve its operations.

The merger is good for California and the railroad industry. I urge you to support the proposed UP/SP merger.

Sincerely,

Mickey Conroy
Vice-Chair, Assembly Utilities and Commerce Committee

OCT 0 2 1995

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Sept #96

60125

VINGTON & BURLING
01 PENNSYLVANIA AVENUE, N. W.
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TELEX: 89-593 (COVLING WSH)
CABLE: COVLING

MICHAEL L. ROSENTHAL
DIRECT DIAL NUMBER
(202) 662-5448
DIRECT TELEFAX NUMBER
(202) 778-5448

LECONFIELD HOUSE
CURZON STREET
LONDON W1Y 8AS
ENGLAND
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BRUSSELS CORRESPONDENT OFFICE
44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE 32-2-512-9890
TELEFAX 32-2-502-1598

September 28, 1995

BY HAND

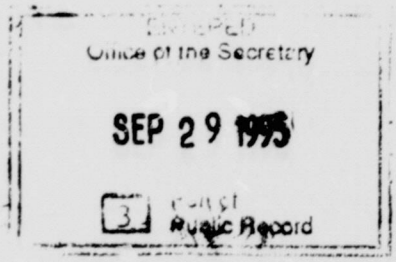
Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Twelfth Street and Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423

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 Applicants' Reply to Comments on Proposed Schedule (UP/SP-14). 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 L. Rosenthal

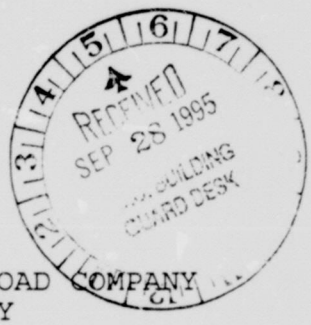
Attorney for Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company

Enclosures

cc: The Honorable Jerome Nelson

UP/SP-14

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' REPLY TO COMMENTS ON PROPOSED SCHEDULE

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

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RICHARD B. HERZOG
JAMES M. GUINIVAN
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
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Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp.,
and The Denver and Rio Grande
Western Railroad Company

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

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

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

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

September 28, 1995

UP/SP-14

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' REPLY TO COMMENTS ON PROPOSED SCHEDULE

On August 4, 1995, the Applicants, Union Pacific Corporation ("UPC"), Union Pacific Railroad Company ("UPRR"), Missouri Pacific Railroad Company ("MPRR"),[1] Southern Pacific Rail Corporation ("SPR"), Southern Pacific Transportation Company ("SPT"), St. Louis Southwestern Railway Company ("SSW"), SPCSL Corp. ("SPCSL"), and The Denver and Rio Grande Western Railroad Company ("DRGW"),[2] submitted their Petition to Establish Procedural Schedule (UP/SP-4). On September 1, 1995, the Commission served Decision No. 1, requesting comments on the Applicants' proposed schedule, and also on a variation on that schedule under which the time for submitting condition requests, opposition, comments and

---

[1] UPC, UPRR and MPRR are referred to collectively as "Union Pacific." UPRR and MPRR are referred to collectively as "UP."

[2] SPR, SPT, SSW, SPCSL and DRGW are referred to collectively as "Southern Pacific." SPT, SSW, SPCSL and DRGW are referred to collectively as "SP."

similar submissions would be reduced by thirty days, and that thirty days would be reinserted later in the schedule. See also 60 Fed. Reg. 45737 (Sept. 1, 1995). A number of comments were filed by the due date of September 18. This is the Applicants' reply to those comments.

The Applicants respectfully submit that the schedule that they proposed in UP/SP-4 should be adopted. Two key points should be made at the outset.

First, none of the comments offers any valid reason why additional time beyond the six months used in BN/Santa Fe is needed to review and pass upon this matter. This case is no more complex than BN/Santa Fe, in which the Commission proved that it can efficiently process a Class I railroad merger application in six months. Indeed, in one crucial respect it is less complex. On Monday of this week, the Applicants reached a definitive agreement with BN/Santa Fe under which BN/Santa Fe will serve every point and corridor that would have gone from two railroads to one in an unconditioned UP/SP merger. The press release announcing that agreement and detailing its terms is attached hereto. The Applicants' agreement with BN/Santa Fe addresses every legitimate competitive issue with respect to the UP/SP merger, creates new competition in important markets where it does not exist today, and renders an already pro-competitive merger manifestly in the public interest. The agreement gives

BN/Santa Fe access to the facilities of many of the shippers submitting comments on the proposed schedule, including, for example, the Lower Colorado River Authority, Texas Crushed Stone, and Exxon. Unlike in the BN/Santa Fe case, in which settlement agreements were not reached by the primary applicants until many months after the application was filed, here the Applicants' competition-preserving and -enhancing agreement with BN/Santa Fe has been arrived at and publicly announced two months before the application will be filed, and that agreement will be fully reflected in the primary application itself.

The Commission accordingly should not heed calls for delay that are premised on painting this case as qualitatively different from BN/Santa Fe. Thanks to the settlement agreement with BN/Santa Fe, it is simply not so that, as the U.S. Department of Justice says in arguing that this case is different from BN/Santa Fe, "many shippers would lose their only competitive alternative as a result of the proposed merger."[3/] In fact, not a single shipper will lose its only competitive alternative as a result of the merger.[4/] This is

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3/ Comments of the Department of Justice (DOJ-1), Sept. 18, 1995, p. 2.

4/ Similarly, the BN/Santa Fe agreement completely belies the assertion by the Georgetown Railroad and Texas Crushed Stone Company that UP/SP "will control the only railroad routes along the Gulf Coast, between Corpus Christi and New Orleans, the only railroad routes along the Pacific Coast,

(continued...)

because, like the applicants in BN/Santa Fe -- but far earlier in the process than they did so -- UP and SP have addressed such situations through voluntary settlement negotiations. Moreover, applicants have addressed all such situations, and they have done so in the most pro-competitive way possible -- by granting access to BN/Santa Fe, the one competitor that can offer direct routes to all Western markets and gateways and that will unquestionably be fully the competitive equal of the UP/SP system. This is what affected UP/SP shippers told the Applicants they wanted, and this is what the Applicants have done.

Second, the need for expedition here is far more acute than it was in BN/Santa Fe. Burlington Northern and Santa Fe have now merged, creating a Western rail system that is nearly twice the size of UP and SP separately. The present transaction is a competitive response to the BN/Santa Fe merger. Only with this merger can UP and SP contest BN/Santa

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4/ (...continued)
between Seattle and San Diego, and the only central corridor routes, between Denver and San Francisco." Comments of GRR/TCS, Sept. 18, 1995, pp. 1-2. The settlement agreement gives BN/Santa Fe routes in every one of these corridors.

As the primary application will make clear, the estimates presented by Kansas City Southern Railway Company ("KCS") of the amount of traffic that would go from two railroad options to one in an unconditioned UP/SP merger (Comments of KCS on Proposed Procedural Schedule (KCS-3), Sept. 18, 1995, pp. 11-12) are vastly overstated -- but whatever the correct figure, every carload of "2-to-1" traffic will have a second competitive railroad option preserved by the BN/Santa Fe settlement agreement.

Fe in, for example, offering reliable expedited intermodal service between the California ports and Chicago or direct single-line service between Los Angeles and Memphis. Every day that passes, BN/Santa Fe is securing competitive gains over UP and SP that will be difficult ever to reverse. These gains may well affect SP, in particular, as SP continues to grapple with continuing service difficulties and capital constraints. Expedited handling of this case is vital if the Commission is not to risk irremediable damage to rail competition in the West.

Many of the other specific points made in the comments have already been addressed by the Applicants in their replies, filed on August 18 (UP/SP-6) and August 29 (UP/SP-10), to the earlier comments of KCS and the Save the Rock Island Committee, Inc. ("STRICT"). We shall not repeat here what we said in those pleadings, but offer only the following additional brief replies:

1. A number of commentators endorsed, or did not object to, the basic proposed schedule, but argued against the variant mentioned by the Commission, under which the time for responsive applications, opposition testimony and similar pleadings would be reduced by thirty days.[5/] Applicants

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[5/] See, e.g., Comments of the Chemical Manufacturers Association, Sept. 18, 1995, p. 1 ("CMA's members will need the full allotment of time proposed by the applicants to assess the UP/SP merger."); Comments of Exxon Company, U.S.A., (continued...)

believe there is much merit to the Commission's suggestion. Nonetheless, Applicants will stand by their original schedule proposal. Applicants urge the Commission to resolve any doubts in favor of leaving the additional thirty days for the preparation of opponents' and responsive applicants' submissions in the schedule.

2. Some commentators argue that the BN/Santa Fe precedent is not relevant here because there was an initial delay in that case to allow for the contest to acquire Santa Fe Pacific Corporation to be resolved. Thus, these commentators argue, the schedule in that case was really longer than six months, and the schedule here should be similarly extended.[5/] But in fact, the parties adverse to

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[5/](...continued)
Sept. 14, 1995, p. 2 ("ECA requests that the Commission retain the original proposed schedule submitted in the UPC Petition."). See also Comments of ARCO Chemical Company, Sept. 15, 1995; Comments of Albemarle Corporation, Sept. 15, 1995; Comments of BP Chemicals, Inc., Sept. 14, 1995; Comments of Bethlehem Steel Corporation, Sept. 14, 1995; Comments of Canadian Pacific, Ltd., Sept. 18, 1995; Comments of Dow Chemical Company, Sept. 15, 1995; Comments of DuPont Company, Sept. 15, 1995; Comments of Eastman Chemical Company, Sept. 15, 1995; Comments of Mallincrodt Chemical, Inc., Sept. 14, 1995; Comments of Monsanto Company, Sept. 15, 1995; Comments of Olin Corporation, Sept. 15, 1995; Comments of Union Carbide Corporation, Sept. 15, 1995.

[5/] Comments of the Department of Justice (DOJ-1), Sept. 18, 1995, p. 3 n.4; Comments of the Department of Transportation, Sept. 18, 1995, p. 2; Comments of the Lower Colorado River Authority (LCRA-1), Sept. 18, 1995, p. 7; Comments of the National Industrial Traffic League (NITL-2), Sept. 18, 1995, p. 4; Comments of the Railway Labor Executives' Association, Its Affiliated Organizations and the United Transportation
(continued...)

the applicants in BN/Santa Fe -- including some of the same parties commenting here -- stressed in that case that the schedule hiatus freed them from having to pursue discovery and prepare their opposition testimony and responsive applications. KCS and the National Industrial Transportation League ("the NIT League"), for example, asked that the schedule be suspended so that they would not have to expend resources pursuing discovery and preparing their evidence.[7] And after the schedule hiatus ended, parties asked (unsuccessfully) for more time to do the analysis they maintained they had not done during the schedule hiatus.[8]

3. Certain commentators suggest that the schedule should be slowed down because of the possibility of ICC

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[6] (...continued)
Union, Sept. 18, 1995, pp. 5-6; Comments of Transportation Unions (TCU/UTU/IAM-1), Sept. 1, 1995, p. 4; Comments of the Western Coal Traffic League (WCTL-1), Sept. 18, 1995, pp. 6-7.

[7] See Petition of the Kansas City Southern Railway Company for Leave to Intervene and Request to Suspend the Procedural Schedule (KCS-1), Nov. 16, 1994, pp. 5-6; Petition of the National Industrial Transportation League to Reopen Denial of Petition for Extension of Time (NITL-3), Nov. 17, 1994, pp. 1, 7.

[8] See, e.g., Comments of the National Industrial Transportation League to Applicants' Petition to Modify Procedural Schedule (NITL-6), Feb. 21, 1995, pp. 4; Comments of Tucson Electric Power Company in Opposition to Decision No. 9 (TEP-3), Feb. 21, 1995, p. 7; Transportation•Communications International Union, United Transportation Union and International Association of Machinists (Transportation Unions) Response to Applicants' Petition to Modify Procedural Schedule, Feb. 17, 1995, pp. 3-4. See also Decision No. 10, served Mar. 7, 1995 (adopting six-month schedule).

"sunset" legislation.[9/] As Applicants have previously pointed out (UP/SP-10, p. 8), however, this is if anything further reason for expedition, so that the expertise of the Commission and its staff can be brought to bear to the greatest possible extent on the review of this transaction.

4. Finally, various commentators propose various longer schedules, ranging from eight months to two and a half years.[10/] But other than presenting conclusory arguments -- some of them verbatim repetition of arguments presented and rejected in BN/Santa Fe[11/] -- none explains why the six-month

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[9/] Comments of the Lower Colorado River Authority (LCRA-1), Sept. 18, 1995, p. 8; Comments of the National Industrial Traffic League (NITL-2), Sept. 18, 1995, p. 7; Comments of the Western Coal Traffic League (WCTL-1), Sept. 18, 1995, pp. 7-8.

[10/] E.g., Comments of the Department of Justice (DOJ-1), Sept. 18, 1995, Appendix (nine months); Comments of the Department of Transportation, Sept. 18, 1995, pp. 4-5 (eight to nine months); Comments of KCS on Proposed Procedural Schedule (KCS-3), Sept. 18, 1995, pp. 6-7 (two and a half years); Comments of the Lower Colorado River Authority (LCRA-1), Sept. 18, 1995, Attachment 1 (one year); Comments of the Railway Labor Executives' Association, Its Affiliated Organizations and the United Transportation Union, Sept. 18, 1995, pp. 8-9 (425 days); Comments of Transportation Unions (TCU/UTU/IAM-1), Sept. 1, 1995, pp. 2, 6 (425 days); Comments of the Western Coal Traffic League (WCTL-1), Sept. 18, 1995, Attachment 1 (one year); Comments of Western Resources, Inc. (WSTR-2), Sept. 18, 1995, Attachment A (one year).

[11/] For example, substantial portions of KCS' comments here follow word-for-word the comments it submitted in BN/Santa Fe, which the Commission rejected when it adopted the six-month procedural schedule in that case. See Comments of KCS on Proposed Revision of Procedural Schedule (KCS-3), Feb. 21, 1995. KCS argued then, as it does now, that the proposed procedural schedule was unauthorized and inappropriate, and submitted then, as it does now, verified statements of Curtis

(continued...)

schedule is not fully adequate. As the Commission has noted, the evidentiary record and the arguments of the contending parties were very fully developed in BN/Santa Fe. Despite initial skepticism by a number of parties -- UP and SP included -- what had once been thought to be an unattainable schedule actually proved very effective in forcing parties to focus their discovery efforts, testimony and arguments; and nothing was lost in the process but unnecessary time. The parties in BN/Santa Fe conducted extensive discovery -- most of the witnesses submitting verified statements were deposed, and a number of non-testifying witnesses were deposed as well; a multitude of discovery requests were submitted and answered -- and the Commission issued a comprehensive, well-reasoned decision. None of the parties in BN/Santa Fe or the commentators here has pointed to any issue in BN/Santa Fe that was not adequately addressed as a result of the six-month schedule. The Commission kept control of the schedule in BN/Santa Fe, and kept the parties on track. It should do the same here.

11/ (...continued)
Grimm and Joseph Plaistow, who averred that the proposed schedule would make a fair proceeding impossible. As we know from the experience of the BN/Santa Fe case, KCS' witnesses were wrong then and they are just as wrong now. (KCS seems at times to confuse the schedule initially proposed in BN/Santa Fe with the schedule proposed here; thus, KCS attacks, at KCS-3, pp. 8-9, a page limit on opposition testimony which was dropped from the BN/Santa Fe schedule and is not part of Applicants' proposed schedule here.)

CONCLUSION

For these reasons and the reasons stated in UP/SP-4, UP/SP-6 and UP/SP-10, the Applicants' proposed procedural schedule should be adopted.

Respectfully submitted,

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

September 28, 1995

UNION PACIFIC RAILROAD

NEWS RELEASE

Communications Dept.
1416 Dodge Street
Omaha, NE 68179
(402) 271-3475

FOR IMMEDIATE RELEASE:

OMAHA, September 26 -- Union Pacific and Southern Pacific railroads today announced a comprehensive agreement with Burlington Northern Santa Fe Corporation to preserve and intensify rail competition following the UP/SP merger.

Under the agreement, BNSF will be able to serve every shipper that is served jointly by UP and SP today. In addition, UP/SP and BNSF will grant each other further rights which will create new competitive routes in a number of markets.

The agreement calls for nearly 4,100 miles of trackage rights and line sales between UP/SP and BNSF. It guarantees strong rail competition for the Gulf Coast petrochemical belt, U.S.-Mexico border points, the Intermountain West, California, and along the Pacific Coast.

"As part of our merger proposal with Southern Pacific Lines, we promised our customers that we would bring strong rail competition to every point that loses a two-carrier option," said Dick Davidson, Union Pacific Railroad Chairman.

"This agreement backs up that pledge, " he said. As part of the agreement, BNSF will not oppose UP's proposed acquisition of SP. "Many of our customers had requested that BNSF be selected as the competitive choice," Davidson added.

"After taking the terms of our agreement with BNSF into account, we're confident we can show a net annual benefit from our proposed merger with SP exceeding $500 million," Davidson said.

-MORE-

Under the agreement, UP/SP will share more than 3,800 miles of track with BNSF under trackage rights and sell more than 335 miles of track to BNSF.

The line sales portion of the agreement would total about $150 million.

Trackage rights are a contractual arrangement which allow one railroad to operate its trains with its own crews over the tracks of another railroad in exchange for a per mile fee. They are a proven means of providing effective rail service.

"The combined UP/SP competing against the Burlington Northern Santa Fe will benefit rail customers through shorter routes, faster schedules, extensive new single-line service, elimination of capacity bottlenecks, improved car handling at terminals and cost efficiencies," said Davidson.

The competitive agreement covers the following regions:

WEST COAST-INTERMOUNTAIN

Burlington Northern Santa Fe

--BNSF will operate over SP and UP lines between Denver, Colorado and Oakland, California. BNSF will serve Provo, Geneva, Salt Lake City and Ogden, Utah; Reno, Nevada and various other intermediate points. BNSF will operate over both UP's "Feather River" route and SP's Donner Pass line.

--BNSF will purchase UP's "Inside Gateway" route in Northern California between Keddie and Bieber, linking its Oregon lines with its California network.

--BNSF will serve the Oakland-San Jose area via UP trackage rights.

--BNSF will improve its access to the Port of Oakland over SP trackage rights.

--UP/SP will work with BNSF to assure uninterrupted rail service to the Ports of Long Beach and Los Angeles while the Alameda Corridor project is constructed.

Union Pacific/Southern Pacific

--UP/SP will have trackage rights in Oregon over BNSF between Bend and Chemult, Oregon to connect eastern Oregon and Washington with the SP's I-5 Corridor linking the Pacific Coast.

--UP/SP will gain overhead trackage rights over BNSF's Mojave to Barstow, California line.

--BNSF will enter into a proportional rate agreement with UP/SP over the Portland Gateway which will allow UP/SP to compete with BNSF on business originating or terminating in an area extending from Montana west and from Canada to the Columbia River and destined to or originating in an area extending from Oregon to West Texas.

TEXAS-LOUISIANA

--BNSF will operate over UP between Houston and Brownsville, Texas.

--BNSF will be granted trackage rights on SP's line between Houston and Iowa Jct, Louisiana near Lake Charles. The remaining SP line east to Avondale, Louisiana near New

Orleans from Iowa Jct. will be sold to BNSF, with UP retaining full trackage rights. This will give BNSF a through route between Houston and New Orleans, where the lines of UP and SP are parallel.

--BNSF will gain access to major petrochemical plants at Mont Belvieu, Baytown, Amelia and Orange, Texas.

--BNSF will operate over various UP and SP routes in Texas, including San Antonio-Sealy, San Antonio-Eagle Pass, Taylor-Round Rock and Waco-Taylor-Smithville.

--UP will sell its Dallas-Waxahachie line to BNSF, but will retain exclusive rights to serve on-line customers.

HOUSTON-MEMPHIS

--BNSF will operate over SP between Houston and Fair Oaks, Arkansas and over UP between Fair Oaks and Memphis, Tennessee. This will give BNSF a through route between Houston and Memphis.

ACCESS

--BNSF will grant UP/SP improved access to the BNSF Chicago-Kansas City line at points west of Chicago; and to dock and port facilities in Superior, Wisconsin and Portland, Oregon.

-MORE-

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 28th day of September, 1995, I caused a copy of the foregoing document to be served by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties of record in Finance Docket No. 32760, and on

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

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

Michael L. Rosenthal

60124

Robert A. Madigan
S Item No. _____
C Page Count 1
Sept #95

Chairman:
Insurance, Pensions and
Licensed Activities

121B State Capitol
Springfield, Illinois 62706
217/782-6597

District Offices:
618 North Chicago
Lincoln, Illinois 62656
217/732-1323

106 South Main
P.O. Box 152
Eureka, Illinois 61530
309/467-5464

GENERAL ASSEMBLY
STATE OF ILLINOIS

September 20, 1995

Copy

Ms. Linda Morgan
Chairperson
Interstate Commerce Commission
12th Street and Constitution Avenue, NW
Washington, DC 20423

Re: Fiance Docket 32760 - Union Pacific/Southern Pacific

Dear Chairperson Morgan:

My name is Robert A. Madigan. I am a member of the Illinois General Assembly representing the 45th district.

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

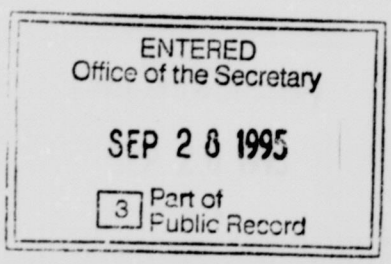
The UP/SP merger will dramatically improve service and strengthen competition. The merged system will meet the competitive challenge of BN/Santa Fe. Problems of SP customers will have the assurance of long-term, top-quality service from a financially strong railroad. Therefore, I fully support this acquisition.

Sincerely,

Robert A. Madigan
State Senator
45th District

cc: Vernon A.Williams
Secretary ICC

David Fischer
Director Government Affairs, Union Pacific Railroad
1416 Dodge Street, Room 801
Omaha, NE. 68179



60123

Vulcan CHEMICALS

P.O. BOX 530390
BIRMINGHAM, ALABAMA 35253-0390
(205) 877-3000

Item No. _____

Page Count 3
Sept # 94

JOY C. PHILLIPS
DIRECTOR
LOGISTICS AND PUBLIC AFFAIRS

September 22, 1995

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

SUBJECT: Finance Docket No. 32760

Dear Mr. Williams,

I am the Director of Logistics and Public Affairs for Vulcan Chemicals, a division of Vulcan Materials Company, Inc. I have been employed by Vulcan Materials for eighteen years and have been involved in the transportation of chemicals during the past thirteen years.

Vulcan Chemicals produces chloralkali chemicals and a variety of specialty chemicals. The chloralkali plants are located in Wichita, KS; Geismar, LA; and Port Edwards, WI. All three plants ship products via rail utilizing both the Union Pacific (including MP and CNW) and the Southern Pacific (including DRGW and SSW) routes. The Wichita plant also utilizes the Burlington Northern Santa Fe. The Geismar plant is served by the Illinois Central and the Port Edwards plant is also served by the Wisconsin Central. In 1994, Vulcan Chemicals shipped over a million tons of chemical products by rail.

We support the proposed merger of the Union Pacific Railroad Company and the Missouri Pacific Railroad Company with the Southern Pacific Rail Corporation and the Southern Pacific Transportation Company. We believe this merger would be in best interest of our company's chemicals division.

The merger will result in improved competitive rates on the Southern Pacific and improved service on both the UP and SP lines within the Union Pacific and into Mexico. Additionally, we believe the Union Pacific's proactive progressive management will be a major asset to the current Southern Pacific rail system.

Today the Union Pacific is financially strong but lacks efficient routes to many markets. The Southern Pacific has many excellent routes but lacks the volume and capital to take advantage of its opportunities. The merged system will be able to overcome bottlenecks and to apply capital dollars where they will accomplish the most. This should result in stronger competition generally.

We believe that the proposed merger will provide significant benefits to shippers. Vulcan Chemicals supports the application.

Sincerely.

Joy C. Phillips

Joy C. Phillips

VERIFICATION

STATE OF Alabama)
) ss.
COUNTY OF Jefferson)

Joy C. Phillips, being first duly sworn, deposes and says that she has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Joy C. Phillips
Joy C. Phillips

Subscribed and sworn to before me this 22nd day of Sept., 1995.

Lynda S. Adkins
Notary Public

My Commission Expires:
March 5, 1996

Item No. _____

Page Count 1

Sept A 88

60117

Bank of Harrisburg

P.O. BOX 17
HARRISBURG, ARKANSAS 72432

TELEPHONE
501-578-2472

September 19, 1995

ICC Fiance Docket No. 32760
Union Pacific-Control and Merger
Southern Pacific Rail Corp.
Vernon A. Williams, Secretary
Interstate Commerce Commission
12th and Constitution Avenue
N.W., Room 2215
Washington, DC. 20423

Dear Mr. Williams,

This letter is being written out of concern of the purposed rail abandonment in the Harrisburg, Arkansas area.

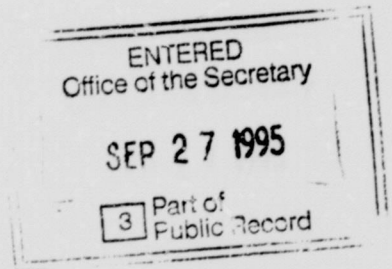
The railroad is pertinent to our survival as an agricultural community. As a Banker I am very much concerned for this community and its growth.

Poinsett County is the second largest rice producing county in Arkansas. Gulf Pacific Rice Company has announced plans to build a $5,000,000.00 rice mill in Harrisburg. Without rail shipping facilities I suspect they will cancel the construction of the mill. This would greatly effect and hinder our farmers marketing their rice. We need competitive markets for a healthy economy and future growth. Without rail shipping the future of our farmers, rice industry, Farmers Co-op and the banking industry would be in jeopardy.

The closing of the rail lines would have a domino effect that would involve the entire community. We need the railroad and certainly feel the railroad can benefit from our community.

Sincerely,

Jim Tom Buter
Chairman of the Board
The Bank of Harrisburg



Item No. _____

Page Count 1

SACRA Sept #98

60137

DISTRICT OFFICE
9584 MURRAY DRIVE
LA MESA, CA 91942
(619) 465-7723

Assembly
California Legislature

STEVE BALDWIN
ASSEMBLYMAN, SEVENTY-SEVENTH DISTRICT

COMMITTEES:
VICE CHAIR
EDUCATION COMMITTEE
MEMBER
CONSUMER PROTECTION, GOVERNMENTAL EFFICIENCY & ECONOMIC DEVELOPMENT
HEALTH
REVENUE AND TAXATION

September 22, 1995

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

SEP 29 1995

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

Dear Mr. Williams:

This letter is to support the proposed merger between the two referenced companies. There are several reasons for my support of such a proposal:

1. Combining the two lines will increase service and access to new markets that are not available to California businesses served only by Southern Pacific. After the merger, Southern Pacific customers will have direct access to Las Vegas, Seattle, and Minneapolis/St. Paul currently serviced by Union Pacific.

2. With this merger, competition will ensue between BP/Santa Fe and the newly formed UP/SP. Competition, as we both know, is key to providing the best service at the lowest cost. Only a merger between UP/SP will provide a railroad capable of competing with BP/Santa Fe. Without another railroad to provide competition to BP/Santa Fe, a possible monopoly of service could be perpetuated, leaving some shippers no choice on cost and service.

3. Southern Pacific has the most extensive shipper coverage in California. Because of SP's current financial situation and uncertain future, many shippers could be "stranded" without a carrier. A merger with UP will provide SP shippers a certain future that will be backed by UP's financial strength and capital. This merger is critical not only for Southern Pacific's future, but the California businesses who rely on SP to bring their products to market.

Thank you for the opportunity to present a few of my reasons for supporting this merger. Please contact me if you have any questions or comments concerning this letter.

Sincerely,

STEVE BALDWIN
Assemblyman, 77th District

ENTERED
Office of the Secretary
SEP 29 1995
3 Part of Public Record

SCB:cb

Item No. _____

Page Count 2

Sept #55

60048

CMA

CHEMICAL MANUFACTURERS ASSOCIATION

RECEIVED
SEP 18 1995
MAIL MANAGEMENT I.C.C.

September 18, 1995

Office of the Secretary

SEP 18 1995

5 Part of Public Record

Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2215
12th Street & Constitution Avenue, Northwest
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:

The Chemical Manufacturers Association (CMA) appreciates the opportunity to comment on the procedural schedule proposed by the Commission in Decision No. 1 of Finance Docket No. 32760 (the "UP/SP merger").

CMA is a non-profit trade association whose 185 member companies represent more than 90 percent of the productive capacity of basic industrial chemicals in the United States. In 1994, the chemical industry was responsible for more than $341 billion in gross annual sales, shipped 142 million tons by rail, and paid over $4.5 billion in rail freight charges. CMA policy regarding rail transportation supports competition, service, and safety.

The proposed UP/SP merger would have significant effects on the chemical industry. UP and SP combined represent about 35% of U.S. chemical rail tonnage. UP and SP together account for $1.6 billion of chemical rail transportation revenue (Rail Price Advisor, Page 2, Third Quarter 1995, Volume 4, Number 3). Moreover, UP and SP handle a very high proportion of rail traffic in the Gulf Coast region, particularly in Texas, which is a key area of operations for many CMA member companies.

The UP/SP merger would create the largest railroad in the nation, with over $8 billion in revenues. This quite possibly will lead to further consolidation of Class I railroads, a trend that has already created problems for the chemical industry and could threaten its ability to compete in world markets. Any merger that potentially reduces the level of competition in the rail industry, regardless of service implications, will be viewed as detrimental by many chemical shippers.

CMA's members will need the full allotment of time proposed by the applicants to assess the UP/SP merger. Since CMA is still developing its own position, even the schedule proposed by the applicants and published in Decision No. 1 would allow shippers little opportunity to prepare comments, protests, and requested conditions.

2501 M Street, NW, Washington, DC 20037 Telephone 202-887-1100 Fax 202-887-1237

Responsible Care®
A Public Commitment

Given uncertainties about the future of the Commission and the rail merger approval process itself, there is no reason for unjustified acceleration of the proposed procedural schedule. CMA therefore opposes the "variation" suggested in Decision No. 1, which would give shippers 30 fewer days to prepare and submit their own comments, protests, and requested conditions.

Rather than less time, CMA urges that shippers should be given a more meaningful opportunity to participate. At a minimum, CMA urges the Commission to adhere to the procedural schedule proposed by the applicants.

Sincerely,

Thomas E. Schick
Assistant General Counsel

cc: Arvid E. Roach II, Esq.
Paul A. Cunningham, Esq.

60087

Item No. _____

Page Count 3

Sept #58

CMA CHEMICAL MANUFACTURERS ASSOCIATION

TELECOPY COVER SHEET

DATE: 9/18/95

TOTAL PAGES INCLUDING COVER SHEET: 3

TO: ICC Office of the Secretary

COMPANY: Cage Control Branch

PHONE NUMBER: _____

FAX NUMBER: 202-927-5984

FROM: THOMAS E. SCHICK
ASSISTANT GENERAL COUNSEL
PHONE: 202-887-1158
FAX: 202-463-1594

SENDER: RHINA Y. CHRONIGER
STAFF ASSISTANT
PHONE: 202-887-1359

COMMENTS: re. Finance Docket No. 32760
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CHEMICAL MANUFACTURERS ASSOCIATION

September 18, 1995

Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2215
12th Street & Constitution Avenue, Northwest
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:

The Chemical Manufacturers Association (CMA) appreciates the opportunity to comment on the procedural schedule proposed by the Commission in Decision No. 1 of Finance Docket No. 32760 (the "UP/SP merger").

CMA is a non-profit trade association whose 185 member companies represent more than 90 percent of the productive capacity of basic industrial chemicals in the United States. In 1994, the chemical industry was responsible for more than $341 billion in gross annual sales, shipped 142 million tons by rail, and paid over $4.5 billion in rail freight charges. CMA policy regarding rail transportation supports competition, service, and safety.

The proposed UP/SP merger would have significant effects on the chemical industry. UP and SP combined represent about 35% of U.S. chemical rail tonnage. UP and SP together account for $1.6 billion of chemical rail transportation revenue (Rail Price Advisor, Page 2, Third Quarter 1995, Volume 4, Number 3). Moreover, UP and SP handle a very high proportion of rail traffic in the Gulf Coast region, particularly in Texas, which is a key area of operations for many CMA member companies.

The UP/SP merger would create the largest railroad in the nation, with over $8 billion in revenues. This quite possibly will lead to further consolidation of Class I railroads, a trend that has already created problems for the chemical industry and could threaten its ability to compete in world markets. Any merger that potentially reduces the level of competition in the rail industry, regardless of service implications, will be viewed as detrimental by many chemical shippers.

CMA's members will need the full allotment of time proposed by the applicants to assess the UP/SP merger. Since CMA is still developing its own position, even the schedule proposed by the applicants and published in Decision No. 1 would allow shippers little opportunity to prepare comments, protests, and requested conditions.

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Given uncertainties about the future of the Commission and the rail merger approval process itself, there is no reason for unjustified acceleration of the proposed procedural schedule. CMA therefore opposes the "variation" suggested in Decision No. 1, which would give shippers 30 fewer days to prepare and submit their own comments, protests, and requested conditions.

Rather than less time, CMA urges that shippers should be given a more meaningful opportunity to participate. At a minimum, CMA urges the Commission to adhere to the procedural schedule proposed by the applicants.

Sincerely,

Thomas E. Schick
Assistant General Counsel

cc: Arvid E. Roach II, Esq.
Paul A. Cunningham, Esq.