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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

ENTERED
Office of the Secretary
JUN - 2 1999

Part of
Public Record

Finance Docket No. 32760



UNION PACIFIC CORPORATION, et al.

— CONTROL AND MERGER —

SOUTHERN PACIFIC RAIL CORPORATION, et al.

REPLY TO PETITION FOR CLARIFICATION

submitted on behalf of

THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

Nicholas J. DiMichael
Frederic L. Wood
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W.
Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

*Attorneys for The National Industrial
Transportation League*

Due and Dated: June 1, 1999

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 32760

UNION PACIFIC CORPORATION, et al.

— CONTROL AND MERGER —

SOUTHERN PACIFIC RAIL CORPORATION, et al.

REPLY TO PETITION FOR CLARIFICATION

submitted on behalf of

THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

INTRODUCTION

In accordance with the provisions of the Board's Rules of Practice, 49 C.F.R. § 1104.13(a), this Reply to the Petition for Clarification filed on May 12, 1999, by BNSF (BNSF-86)¹ is submitted on behalf of The National Industrial Transportation League ("League"). The League supports the relief requested by BNSF. In addition, the League urges the Board to direct UP to accept and implement a liberal interpretation of the broad remedial conditions imposed by the Board in this oversight proceeding. UP should be directed to cease

¹ Abbreviations used in this reply are the same as those used in Decision No. 44 in Docket No. 32760, *Union Pacific Corp., et al. — Control and Merger — Southern Pacific Rail Corp., et al.* (served Aug. 12, 1996) at 254 ("UP/SP").

frustrating the implementation of conditions specifically imposed by the Board to protect competition that was available between UP and SP prior to their merger.

BACKGROUND

In its principal decision in this proceeding, the Board imposed a condition requiring, among other matters, "that BNSF be granted the right to serve new facilities on both SP-owned and UP-owned track over which BNSF will receive trackage rights." *UP/SP* at 146 and 231. The condition expanded rights that BNSF had previously obtained as a result of its settlement agreement with UP and SP, as modified by the CMA Agreement.² There were two purposes for this condition, which was described by the Board as "broad-based."

The first was "to help ensure that the BNSF trackage rights will allow BNSF to replicate the competition that would otherwise be lost when SP is absorbed into UP." *UP/SP* at 145. The second was to meet one of the main concerns that the League and other parties had about the trackage rights operations by BNSF under the BNSF Settlement Agreement in *UP/SP*, namely, whether there would be sufficient traffic and revenue available to BNSF to enable it to be a viable competitor to the combined UP and SP. Moreover, the League was concerned that, as a landlord in control of the facility, UP would be able to frustrate BNSF's efforts to compete. Those concerns led to an expectation that BNSF would not be able to generate enough traffic to support its operations over the trackage rights lines. *See, e.g.,* NITL Comments NITL-9 at 31-39. These concerns were addressed by the Board, in part, by adding broad-based conditions to ensure that "BNSF will have sufficient traffic to compete effectively." *UP/SP* at 106, 145-146.

² The terms of this agreement (as described in *UP/SP* at 12, n. 15), were imposed as a condition by the Board. *Id.* and 145.

Both of these purposes have been relied on together by the Board in various actions subsequent to the principal decision involving these broad conditions. As the Board stated later in disposing of a similar dispute between UP and BNSF:

Our clearly stated intent in imposing the transloading condition was to continue and replicate the indirect competition that would otherwise be lost as SP is absorbed into UP without giving BNSF direct rail access to shippers that only received direct and exclusive rail service from either UP or SP prior to the merger. This balancing requires that we grant BNSF a focused form of access to shippers that would otherwise now be exclusively served by UP along the BNSF trackage rights lines.

UP/SP Decision No. 75 (served Oct. 27, 1997) at 2.

The BNSF-86 petition sets out the detailed factual background for the current dispute. The petition seeks a determination by the Board that BNSF has access under the conditions imposed by the Board in Decision No. 44 to a new facility constructed by a shipper at El Paso, Texas. BNSF obtained trackage rights on a former SP line from El Paso to Sierra Blanca, TX, in order to serve any existing 2-to-1 shippers on that line. The new facility (which is owned and operated by Four Star Sugars, a local distributor of liquid sugar products) is served by an industrial lead track that connects in El Paso to the line over which BNSF has trackage rights. UP has apparently taken the position that the new facility is not "on" the trackage rights line because it is served by the lead track, even though the lead track connects directly to the main line track from El Paso to Sierra Blanca, TX, over which BNSF acquired trackage rights under its settlement agreement.³

³ As shown in the map in Attachment B to BNSF-86, the lead track connects to the trackage rights line over five miles east of the nearest existing BNSF line entering El Paso from the

THE BOARD SHOULD GRANT THE RELIEF REQUESTED BY BNSF

In the League's view, it is very clear that, under the condition imposed by the Board, BNSF should have the right to access a new shipper facility located on a lead track connected to a trackage rights line. Indeed, that right is so clear that the relief request by BNSF could just as readily have been characterized as a request for enforcement of the conditions imposed by the Board. Cf. Decision No. 75. The Board needs to direct UP to cease its efforts to frustrate, through its control of the trackage rights lines as landlord, the fundamentally pro-competitive conditions involved. In light of the underlying purpose of the conditions at issue to replicate the competition that existed between UP and SP prior to their merger, it is essential that UP be directed to resolve all doubtful issues in favor of providing competition between BNSF and UP whenever and wherever possible. It is worth repeating what the Board clearly stated:

[W]e are imposing a number of broad-based conditions that augment the BNSF agreement to help ensure that the BNSF trackage rights will allow BNSF *to replicate the competition* that would otherwise be lost when SP is absorbed into UP.

UP/SP at 145. It is time for the Board to bring to a stop the continued efforts by UP use its landlord status to impede this replication of rail-to-rail competition in the Western United States.

THE BOARD SHOULD REJECT ANY CONTENTION BY UP THAT THIS DISPUTE SHOULD BE RESOLVED BY ARBITRATION

In certain communications between UP and BNSF attached to the BNSF-86 petition, UP has apparently taken the position that this dispute (and presumably others similar to this dispute) must be resolved by arbitration under the terms of BNSF Settlement Agreement. BNSF-86 at 10. UP is apparently relying on the Board's Decision No. 81 (served Oct. 5, 1998), which appeared to direct BNSF

northwest. The new facility is adjacent to a UP yard that is bisected by the main line tracks over which BNSF operates; however, the lead track does not enter the yard.

and UP to present any disputes "arising under their settlement agreement" to arbitration before presenting them to the Board. Decision 81 at 5.

BNSF contends convincingly that the ruling by the Board in that decision relates only to disputes between UP and BNSF that do not involve the rights of shippers to have access to BNSF. BNSF-86 at 10-13. Beyond that, the League urges the Board to clarify that Decision No. 81 was not intended to overrule the clear statement in Decision No. 75 that it will continue to resolve disputes concerning access to competitive service from BNSF for shippers locating new facilities (including new transload facilities) along the UP lines. Any requirement that such case-by-case resolution be preceded by arbitration will only be an invitation that will be seized by UP to delay and frustrate the rights of shippers to enjoy a replication of the competition that existed before UP's acquisition of SP. Moreover, this particular dispute between BNSF and UP has extremely broad implications for shippers' access to competition provided or to be provided by BNSF. This and all other future disputes should be guided by the Board's views of the broad pro-competitive policies behind the new facilities condition, rather than an arbitrator's view.

**THE BOARD SHOULD REJECT UP'S POSITION THAT A
NEW FACILITY ON A LEAD OR SPUR TRACK
IS NOT ON THE BNSF'S TRackage RIGHTS LINE**

The willingness of UP to frustrate the clear purpose of the Board's broad conditions in the matter in dispute is especially puzzling in light of the fact that the Board has already ruled that a new transload facility (a form of new facility covered by the broad condition involved) located on a spur or lead track connected to a BNSF trackage rights line is accessible by BNSF. In Decision No. 75, the transload facility involved was located on a spur track and the Board, once it satisfied itself that the transload facility was "new," ruled that BNSF had access to the facility. Decision No. 75 at 3-4.

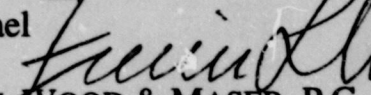
The same result should and must be reached in this dispute. The UP's position seems to be that a new facility must be immediately adjacent to the trackage rights line before BNSF may serve it. The modern method of providing competitive railroad service is to construct a track or connection into the shipper's facility, or locate a facility on such a track,⁴ and switch cars into and out of the facility. That is precisely what has occurred here with respect to the facility at issue in El Paso. The Board has already ruled that a new facility on a spur track connected to a trackage rights line is accessible by BNSF. It should likewise rule in this dispute that BNSF has access to any track connecting a new facility to a UP line (including a former SP line) over which BNSF received trackage rights as a result of this proceeding.

⁴ Such tracks have a variety of names applied to them – such as lead tracks, sidings, spur tracks switch tracks, etc. But whatever the nomenclature, they all have the common purpose of allowing service to be provided to a shipper facility.

CONCLUSION

For all of the foregoing reasons, the League urges the Board to grant the relief requested in BNSF's petition for clarification, with an additional directive to Union Pacific to implement the broad-based conditions imposed in *UP/SP* in accordance with their fundamental purposes.

Respectfully submitted,

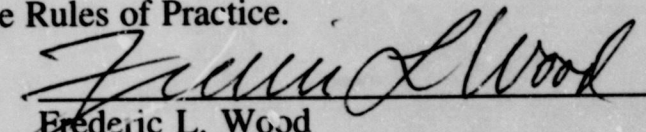
Nicholas J. DiMichael
Frederic L. Wood 
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W.
Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

*Attorneys for The National Industrial
Transportation League*

Due and Dated: June 1, 1999

CERTIFICATE OF SERVICE

I hereby certify that I have this 1st day of June, 1999, served a copy of the foregoing reply on all parties of record in this proceeding by first-class mail, postage prepaid, in accordance with the Rules of Practice.


Frederic L. Wood

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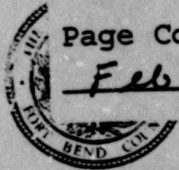
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COUNTY JUDGE

Port Bend County, Texas



Michael D. Rozell
County Judge

(713) 341-8608
Fax (713) 341-8609

February 5, 1996

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

RE: Finance Docket 32760



Dear Secretary Williams:

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

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

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

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

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PROCEEDINGS**

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Office of the Secretary

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Page Two of Two
The Honorable Vernon A. Williams, Secretary
February 5, 1996

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

Sincerely,

Mike D. Rozell

Michael D. Rozell
County Judge

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Page Count 2

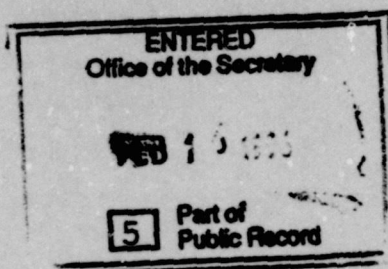
Filed in 18

Feb 12 1996

...oric Past . . . Progressing Into The Future

Kaysville City

Kaysville City Corporation
23 East Center, Kaysville, Utah 84037
(801) 546-1235 • FAX (801) 544-5646



February 12, 1996



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

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

Dear Secretary Williams:

As Mayor of Kaysville City, Utah, I am writing to strongly urge support and prompt approval for the proposed merger between Union Pacific Railroad Company and Southern Pacific Transportation Company.

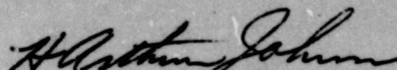
Union Pacific has had a long and rich history intertwined with the State of Utah since completion of the first transcontinental railroad commemorated by the driving of the golden spike in 1869 at Promontory Point, Utah. Southern Pacific, which now includes the Denver and Rio Grande Western Railroad Company, has also provided rail services in the State of Utah. Nevertheless, the recent merger of the Burlington Northern and Santa Fe Railroads has raised serious concerns regarding Southern Pacific's long-term economic viability as a competitive rail line. The UP/SP merger will assure that Utah shippers continue to have access to high quality rail service in the State.

In addition, Union Pacific's negotiated track agreement with BN/SF will assure maintenance of rail competition in Utah corridors presently served by Union Pacific and Southern Pacific. This trackage agreement eliminates concern that shippers may be held captive to rates dictated by only one railroad.

ADVISE OF ALL
PROCEEDINGS

In summary, the proposed UP/SP merger will dramatically improve rail services within the State of Utah. Competition will be strengthened with entry of BN/SF to serve Utah points now jointly served by UP and SP. Future concerns regarding 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. I urge your approval of the proposed merger.

Sincerely,


H. Arthur Johnson
Mayor

HAI:lr

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2-16-96

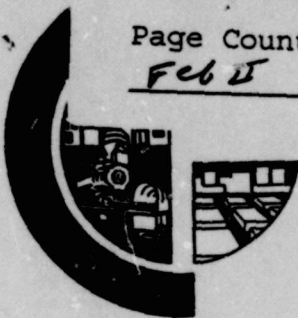
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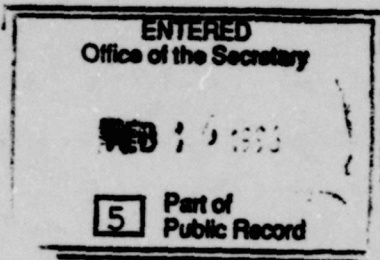
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Clearfield City

proud of our past keeping pace with the future

February 12, 1996



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

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

Dear Secretary Williams:

As Mayor of Clearfield City, in Clearfield, Utah, I am writing to strongly urge support and prompt approval for the proposed merger between Union Pacific Railroad Company and Southern Pacific Transportation Company.

Union Pacific has had a long and rich history intertwined with the State of Utah since completion of the first transcontinental railroad commemorated by the driving of the golden spike in 1869 at Promontory Point, Utah. Southern Pacific, which now includes the Denver and Rio Grande Western Railroad Company, has also provided rail services in the State of Utah. Nevertheless, the recent merger of the Burlington Northern and Sante Fee Railroads has raised serious concerns regarding Southern Pacific's long-term economic viability as a competitive rail line. The UP/SP merger will assure that Utah shippers continue to have access to high quality rail service in the State.

In addition, Union Pacific's negotiated track agreement with BN/SF will assure maintenance of rail competition in Utah corridors presently served by Union Pacific and Southern Pacific. This trackage agreement eliminates concerns that shippers may be held captive to rates dictated by only one railroad.

ENTERED
Office of the Secretary

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Public Record

(801) 774-7200

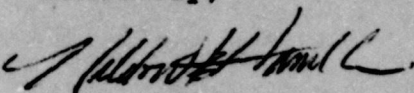
Clearfield, Utah 84015

ADVISE OF ALL
PROCEEDINGS

Vernon A. Williams
February 12, 1996
Page 2

In summary, the proposed UP/SP merger will dramatically improve rail services within the State of Utah. Competition will be strengthened with entry of BN/SF to serve Utah points now jointly served by UP and SP. Future concerns regarding 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. I urge your approval of the proposed merger.

Sincerely,



Neldon E. Hamblin
Mayor

NEH:jm
cc: R H. Rauschmeier

STB FD 32760

2-15-96

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Item No. _____

Page Count 2

ALA

Feb # 117

Y, INC.

ENTERED
Office of the Secretary

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P.O. Box 100
Claiborne Mill
Perdue Hill, Alabama 36470
Telephone: (334) 575-2000

February 6, 1996

A2307  ISO 9002
Letter #GW96-55

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



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

Dear Mr. Williams:

My name is Glenn Wiegel. I am Manager of Traffic and Sales Distribution for Alabama River Pulp Company, Inc., P. O. Box 100, Clairborne Mill, Perdue Hill, Alabama 36470. My duties include the management and planning of all transportation service for the Alabama River Companies which include Alabama River Pulp Company, Inc., Alabama Pine Pulp Company, Alabama River Newsprint Company and Alabama River Recycling Company, all located on the same complex at Claiborne, Alabama.

Total freight for all four companies is in excess of one million (1,000,000) gross tons of Bleached Kraft woodpulp, standard newsprint and waste paper. We are a major user of rail service for transportation of our products between the United States and Mexico; primarily using the Laredo/Nuevo Laredo gateway.

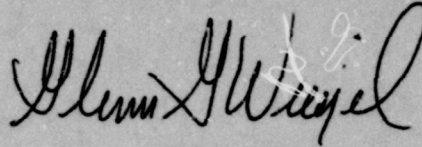
Our company depends on competition to keep prices down and believe that granting of trackage rights to the Texas Mexican Railway Company allowing them to operate between Corpus Christi and Houston would provide a more strongly competitive transportation environment.

ADVISE OF ALL
PROCEEDINGS

We therefore urge the board to condition the SP/UP merger with a grant of trackage rights to TexMex, allowing service to Houston

Very truly yours,

ALABAMA RIVER PULP COMPANY, INC.

A handwritten signature in dark ink, appearing to read "Glenn G. Wiegel". The signature is fluid and cursive, with the first name "Glenn" and last name "Wiegel" clearly distinguishable.

GLENN G. WIEGEL
MANAGER - TRAFFIC/DISTRIBUTION

GGW:jp

cc: Mr. S. E. Hughes, ARP

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2-15-96

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Item No. _____

Page Count 1

File # 114

☒ Public Record

BILL KENNEY

SENATOR, EIGHTH DISTRICT
88TH GENERAL ASSEMBLY
ROOM 328, STATE CAPITOL
JEFFERSON CITY, MISSOURI 65101
(573) 751-7060
TDD (573) 751-3969

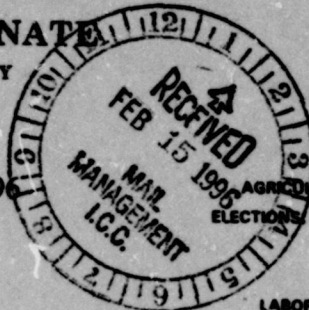
P.O. BOX 291
LEE'S SUMMIT, MISSOURI 64063
(816) 525-4063



MISSOURI SENATE

JEFFERSON CITY

February 9, 1996



COMMITTEES:

AGRICULTURE & LOCAL GOVERNMENT
ELECTIONS, PENSIONS & VETERANS' AFFAIRS

ETHICS

JUDICIARY

LABOR & INDUSTRIAL RELATIONS
WAYS & MEANS

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board (c/o ICC)
12th Street and Constitution Avenue
Washington, DC 20423

FD 32760

In Re: UP/SP Merger

Dear Secretary Williams:

I am aware that the Southern Pacific (SP) Railroad and the Union Pacific (UP) Railroad have filed an application for merger with the Interstate Commerce Commission. As a Missouri State Senator and member of the Senate Ways and Means, as well as the Senate Labor and Industrial Relations committees, I have concerns with the competitive effects on Missouri and regional businesses for competitive rail lines.

I am also aware Conrail has made a proposal to SP to acquire a portion of SP's eastern lines from Chicago and St. Louis to Arkansas, Texas and Louisiana. I think this proposal would be more effective in addressing Missouri's concerns.

Conrail's proposal would provide efficient service for shippers to northeast and Midwest markets from Texas and Louisiana. Conrail service to these markets would be the faster and direct, and involve fewer car handlings.

I think Conrail's proposal will ensure that Missouri's rail customers have multiple rail options, and that competition would exist to hold down shipping costs.

I urge you to give the UP/SP proposed merger and Conrail's proposal to SP your utmost consideration.

Sincerely,

Bill Kenney
Senator Bill Kenney

cc: David M. LeVan
President and Chief Executive Officer
Conrail

**ADVISE OF ALL
PROCEEDINGS**

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MADUKE, ARKANSAS 72443

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

February 09, 1996

Re: Finance Docket 32760

Dear Secretary Williams:

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

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

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

Thank you for your consideration of my views.

Sincerely,

James Hensley
James Hensley
Mayor, Marmaduke, AR

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PROCEEDINGS

STB FD 32760

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Office of the Secretary

MISSOURI

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Office of the Secretary

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Item No. _____

Page Count 2

Feb 14



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COMMITTEES

Chairman
Municipal Corporations
Appropriations-General
Administration
Budget
Commerce
Elections
Redistricting
Rules & Joint Rules
Joint Committee on Capital
Improvements (Statutory)

Room _____
Jefferson City, MO 65101-6806
(314) 751-2198

HOUSE OF REPRESENTATIVES

February 13, 1996

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



Dear Mr. Williams:

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

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

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

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

Southern Pacific has significant shipper coverage in Missouri, and many of SP's customers are exclusively served by SP. These customers have had to cope with service problems and uncertainties as to SP's finances. The merger of Union Pacific and Southern Pacific will provide SP shippers with the assurance of top-quality service with a financially strong

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PROCEEDINGS

Enterprise
Progress

Honor
Truth

Virtue
Charity

Temperance
Knowledge

Liberty
Equality

Law
Justice

Fraternity
Education

railroad that can afford the capital investments necessary to build new capacity, implement new technology, and continue to improve its operations.

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

Sincerely,

O. L. Shelton

O.L. Shelton

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Patrick J. O'Connor

Item No. _____

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Feb # 113

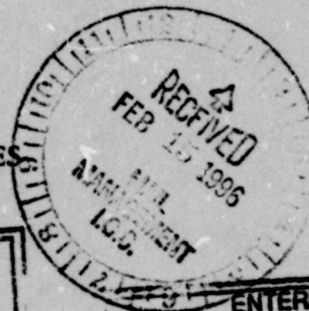


RESIDI
4413 CLAREN
BRIDGETON, MI:
(314) 29

OFFICE
ROOM 317-B, S
JEFFERSON CITY, MO 65101-6806
(314) 751-2726

COMMITTEES
VICE CHAIRMAN
PROFESSIONAL REGISTRATION
AND LICENSING
LABOR
PUBLIC HEALTH
AND SAFETY
HIGHER EDUCATION

79th District
MISSOURI
HOUSE OF REPRESENTATIVES
February 8, 1996



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

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Office of the Secretary

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Dear Mr. Williams:

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

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

Three hundred sixty million dollars will be spent to upgrade the lines between Kansas City and southern California, to increase capacity and improve service. Sixteen million seven hundred thousand dollars will be spent to develop a new intermodal terminal in the Kansas City area. Almost \$38 million will be spend to expand UP's Dupo intermodal terminal.

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

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

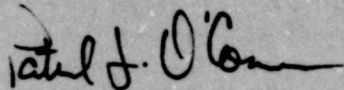
The Honorable Vernon A. Williams -

February 8, 1996

Page 2

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Patrick J. O'Connor", with a stylized flourish at the end.

Patrick J. O'Connor
State Representative
District 79

PJO/bj

STB

FD

32760

2-15-96

D

61252

Item No. _____

Page Count 1

Feb # 112

City of
DEKALB

61252.

5 Part of
Public Record

DEKALB MUNICIPAL BUILDING
200 SOUTH FOURTH STREET
DEKALB, ILLINOIS 60115-3391
FAX (815) 748-2056
TDD (815) 748-2302

February 9, 1996

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



RE: Finance Docket 32760 - Union Pacific/Southern Pacific

Dear Mr. Williams:

My name is Greg Sparrow. I am the Mayor of the City of DeKalb.

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

The reason for supporting this acquisition is that all information I have received, I have found to be informative and supportive of this acquisition.

Sincerely,

A handwritten signature in cursive script that reads "Greg Sparrow".

Greg Sparrow,
Mayor - City of DeKalb

**ADVISE OF ALL
PROCEEDINGS**

CITY MANAGER'S
OFFICE
815-748-2090

FINANCE
DIVISION
815-748-2080

LEGAL
DIVISION
815-748-2093

PERSONNEL
DIVISION
815-748-2094

CITY CLERK'S
OFFICE
815-748-2095



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2-14-96

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Item No.

7 11 8 11 9
61247

Page Count

1

FEB 4 1996

34 HARBORVILLE AVE
BRAintree, MA.

02164-1382

FEB. 6, 1996

DEAR MR. SECRETARY,

THIS LETTER IS TO URGE THE
BOARD NOT TO APPROVE THE
MERGER OF THE SOUTHERN PACIFIC
AND UNION PACIFIC RAILROADS
COMPETITION IS WHAT HAS
MADE THIS COUNTRY GREAT AND
THIS MERGER WILL CREATE A
MONOPOLY AND WILL CAUSE HUGE
JOB LOSSES IN THE RAILROADS AND
OTHER INDUSTRIES

Sincerely yours

John P. Laracy

ADVISE OF ALL
PROCEEDINGS

D-32760

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|-------------------------|--------------------------|
| ENTERED | |
| Office of the Secretary | |
| FEB 26 1996 | |
| 5 | Part of Public Record |

STB FD 32760

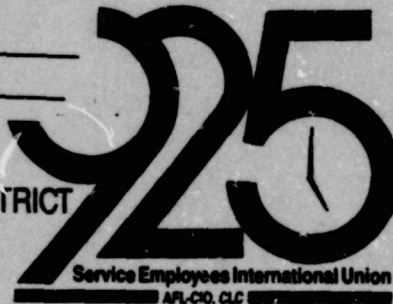
2-14-96 D

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Item No. _____

Page Count. 1
Feb 10 5

DISTRICT



February 12, 1996

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



Dear Secretary Williams:

FD 32760

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

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

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

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

Thank you for your consideration.

Sincerely,

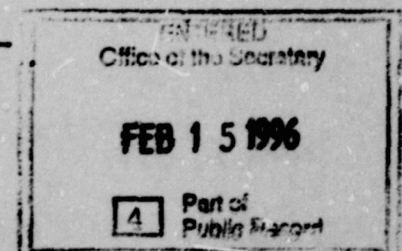
Anne Hill

Anne Hill
Executive Director

AH:brm

**ADVISE OF ALL
PROCEEDINGS**

The Rockefeller Building
614 W. Superior Avenue, Suite 852
Cleveland, Ohio 44113
(216) 566-0117
Fax (216) 566-0192



STB FD

32760

2-14-96

D

61245

Item No. _____

Page Count 1

Feb # 104

Utah

nity & Economic Development

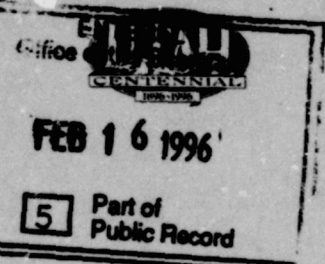
Division of State History
Utah State Historical Society

Michael O. Leavitt
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500 • FAX: 533-3503 • TDD: 533-3502
cehistory.ushs@email.state.ut.us

February 2, 1996

61245



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

Attention: Finance Docket No. 32760 - Comments

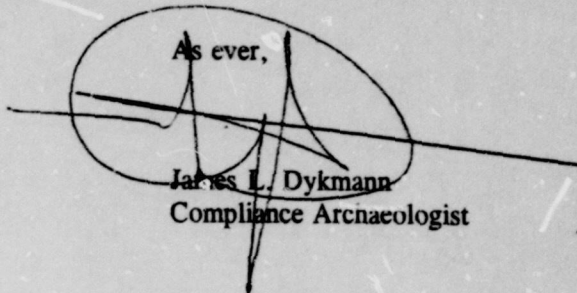
RE: Surface Transportation Board Request for Environmental Comments on the Potential Environmental Impacts of the Control and Merger Application between the Union Pacific and Southern Pacific Railroads (Finance Docket No. 32760)

In Reply Please Refer to Case No. 95-1312

Dear Ms. Kaiser:

The Utah State Historic Preservation Office received the above referenced report on February 1, 1996. After consideration of the material provided over the year, the Utah Preservation Office has no comments about the proposed merger or the environmental review process. Thank you for the keeping our office informed of the merger issues.

This information is provided on request to assist with Section 106 responsibilities as specified in 36CFR800. If you have questions, please contact me at (801) 533-3555. My computer address on internet is: jdykman@email.state.ut.us

As ever,

James L. Dykman
Compliance Archaeologist

JLD:95-1312

ADVISE OF ALL
PROCEEDINGS

Preserving and Sharing Utah's Past for the Present and Future

STB FD 327601 2-14-96 D 61243

61243



Item No. _____

Page Count 1

File # 102

N CITY CORPORATION

1 Tremont Street • Box 100
Tremonton, Utah 84337
(801) 257-3324
FAX (801) 257-1915

MAYOR

Max Weese

COUNCIL

Kendrick Campbell

Harry Gephart

Junior Lish

Blaine Mauchley

Wayne Payne

OFFICERS

Richard E. Woodworth, City Manager

Norene C. Rawlings, City Recorder

Sharri Oyler, Treasurer

Warren Hodge, Police Chief

Norvel Estep, Fire Chief

Daryl Robbins, Public Works

February 8, 1996
96MW001

FEB 14 1996

Part of
Public Reco.



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

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

Dear Secretary Williams:

As a member of Tremonton City Council, Tremonton, Utah, I am writing to strongly urge support and prompt approval for the proposed merger between Union Pacific Railroad Company and Southern Pacific Transportation Company.

Union Pacific has had a long and rich history intertwined with the State of Utah since completion of the first transcontinental railroad commemorated by the driving of the gold spike in 1869 at Promontory Point, Utah. Southern Pacific, which now included the Denver and Rio Grande Western Railroad Company, has also provided rail services in the State of Utah. Nevertheless, the recent merger of the Burlington Northern and Santa Fe Railroads has raised serious concerns regarding Southern Pacific's long-term economic viability as a competitive rail line. The UP/SP merger will assure that Utah shippers continue to have access to high quality rail service in the State.

In conclusion, I am very optimistic that the proposed UP/SP merger will not only improve rail services within the State of Utah, but benefit Box Elder County as a whole.

Cordially,

Max Weese, Mayor

ADVISE OF ALL
PROCEEDINGS

STB

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32760

2-12-96

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Item No. _____

Page Count 18
Feb 160

BEFORE THE
TRANSPORTATION BOARD

Finance Docket No. 32760

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ENTERED
Office of the Secretary

FEB 13 1996

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Public Record

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' RESPONSES TO DOW CHEMICAL'S
FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

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

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

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

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

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

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

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

February 12, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

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

APPLICANTS' OBJECTIONS TO DOW CHEMICAL'S
FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

UPC, UPRR, MPRR, SFR, SPT, SSW, SPCSL and DRGW,
collectively "Applicants," hereby respond to Dow Chemical's
First Set of Interrogatories and Requests for Production of
Documents.^{1/}

GENERAL RESPONSES

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

1. Applicants have conducted a reasonable search
for documents responsive to the interrogatories. Except as
objections are noted herein,^{2/} all responsive documents have

^{1/} In these responses, Applicants use acronyms as they have
defined them in the application. However, subject to General
Objection No. 8 below, Applicants will attempt to observe
Dow's definitions where they differ from Applicants'.

^{2/} Thus, any response that states that responsive documents
are being produced is subject to the General Objections, so
that, for example, any documents subject to attorney-client
privilege (General Objection No. 1) or the work product
doctrine (General Objection No. 2) are not being produced.

been or shortly will be made available for inspection and copying in Applicants' document depository, which is located at the offices of Covington & Burling in Washington, D.C. Applicants will be pleased to assist Dow to locate particular responsive documents to the extent that the index to the depository does not suffice for this purpose. Copies of documents will be supplied upon payment of duplicating costs (including, in the case of computer tapes, costs for programming, tapes and processing time).

2. Production of documents or information does not necessarily imply that they are relevant to this proceeding, and is not to be construed as waiving any objection stated herein.

3. Certain of the documents to be produced contain sensitive shipper-specific and other confidential information. Applicants are producing these documents subject to the protective order that has been entered in this proceeding.

4. In line with past practice in cases of this nature, Applicants have not secured verifications for the answers to interrogatories herein. Applicants are prepared to discuss the matter with Dow if this is of concern with respect to any particular answer.

GENERAL OBJECTIONS

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

1. Applicants object to production of, and are not producing, documents or information subject to the attorney-client privilege.

2. Applicants object to production of, and are not producing, documents or information subject to the work product doctrine.

3. Applicants object to production of, and are not producing, documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

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

5. Applicants object to the production of, and are not producing, draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.

6. Applicants object to providing information or documents that are as readily obtainable by Dow from its own files.

7. Applicants object to the extent that the interrogatories and document requests seek highly confidential or sensitive commercial information (including inter alia,

contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

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

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

10. Applicants object to Instructions A, C, D and E and the definition of "produce" to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

11. Applicants object to Instructions A, C, D and E and the definition of "produce" as unduly burdensome.

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"Identify all chemical and plastics production facilities that are rail-served exclusively by the UP or SP and which, since January 1, 1990, have threatened to shift their traffic to barge if they were not offered a more competitive rate for rail transportation. Identify the

producer and the commodity involved (by STCC), state whether UP or SP retained the traffic, state whether more competitive rates were offered by the UP or SP, and identify the percentage of total outbound traffic from each facility that was threatened by barge competition."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing illustrative examples, as well as their Dow files, in the document depository.

Interrogatory No. 2

"Identify all chemical and plastics production facilities that are rail-served exclusively by the UP or SP and which, since January 1, 1990, have threatened to shift production to another commonly owned facility if they were not offered a more competitive rate for rail transportation. Identify the producer and the commodity involved (by STCC), state whether UP or SP retained the traffic, state whether more competitive rates were offered by the UP or SP, and identify the percentage of total outbound traffic from each facility that was threatened by the potential shift in production."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the

General Objections stated above, Applicants respond as follows:

Applicants are placing illustrative examples, as well as their Dow files, in the document depository.

Interrogatory No. 3

"Identify all chemical and plastics production facilities that are rail-served exclusively by the UP or SP and which, since January 1, 1990, have threatened to "swap" production with a facility owned by another chemical or plastics producer if they were not offered a more competitive rate for rail transportation. Identify the producer and the commodity involved (by STCC), state whether UP or SP retained the traffic, state whether more competitive rates were offered by the UP or SP, and identify the percentage of total outbound traffic from each facility that was threatened by the proposed 'swap' arrangement. The term 'swap' should be give the same meaning as it has in the Verified Statement of Richard B. Peterson at page 247."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing illustrative examples, as well as their Dow files, in the document depository.

Interrogatory No. 4

"Identify each instance, since January 1, 1990, in which Dow has used its 'size and geographic diversity' -- as this phrase is used in the Verified Statement of Richard B. Peterson at page 246 -- to its advantage in contract negotiations encompassing traffic at the Freeport facilities

and/or Louisiana facilities. Identify the percentage of total outbound traffic from each Dow facility that would have been threatened by Dow's size and geographic diversity."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing their Dow files in the document depository.

Interrogatory No. 5

"State the name, address and job title or position of each individual (1) who was consulted for responses to these interrogatories and document requests, or (2) who participated in preparation of responses to these interrogatories and document requests, or (3) who have knowledge concerning the facts contained in the responses."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Responsive information will be produced.

Document Request No. 1

"Produce all documents that refer or relate to the possibility of any rail carrier other than UP or the merged rail entity gaining rail access to the Freeport facilities and/or Louisiana facilities for train service either through construction of a new line of rail or by operating over the track of Applicants."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing their Dow files in the document depository. See Response to Society of the Plastics Industry's Request No. 5, and the ruling by Judge Nelson on this matter at the hearing held on January 26, 1995, Tr., pp. 832-34.

Document Request No. 2

"Produce all documents that refer or relate to rates and/or contract negotiations between the UP and Dow which include traffic originating at Dow's Freeport facilities and/or Louisiana facilities."

Response

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

evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

UP's Dow files are being placed in Applicants' document depository.

Document Request No. 3

"Produce all documents that refer to relate to competition for traffic originating at Dow's Freeport facilities and/or Louisiana facilities."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing their Dow files in the document depository.

Document Request No. 4

"Produce all documents generated by, for, or at the request of one or both Applicants that refer or relate to Dow's ability to shift production capacity for any commodity produced at the Freeport facilities to any other Dow facility."

Response

Applicants object to this document request as unduly burdensome. Without waiving this objection, and subject to

the General Objections stated above, Applicants respond as follows:

Applicants are placing their Dow files in the document depository.

Document Request No. 5

"Produce all rail transportation contracts between one or both Applicants and all chemical producers for the movement of chemical commodities originating at production facilities located in the vicinity of Houston, Texas, the Texas Gulf Coast, and Baton Rouge, Louisiana."

Response

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

Document Request No. 6

"Produce all documents generated by, for, or at the request of one or both of the Applicants that refer or relate to truck, rail, barge, and pipeline competition for chemical commodities."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See the Verified Statements of Richard B. Peterson, Richard D. Spero, and Richard J. Barber in Volume 2 of the application. Documents in Applicants' Dow files, which Applicants are placing in the document depository, as well as shipper files for UP's 10 largest plastics shippers and SP's 10 largest plastics shippers, which have been placed in the document depository, contain material relating to these issues. See also Response to Conrail Document Request No. 1 and Response to Society of the Plastics Industry Request No. 7.

Document Request No. 7

"Produce all documents that refer or relate to potential competition from the BNSF for chemicals traffic on the Texas Gulf Coast after the merger is consummated."

Response

Applicants object to this document request as unduly vague and unduly burdensome. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See Response to Conrail Document Request No. 1.

Document Request No. 8

"Produce all documents that refer or relate to potential competition from any other rail carrier, including the SP, for traffic at Dow's Freeport facilities, before or after consummation of Applicants' proposed merger, including whether Applicants have determined if there are any market constraints on the rates that could be charged to Dow by Applicants or the merged rail entity for such service."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing their Dow files in the document depository.

Document Request No. 9

"Produce all documents, since January 1, 1990, that refer or relate to the any threats by Dow to use roll-on-roll-off barge service at the Freeport facilities or Louisiana facilities, including, but not limited to, the instance discussed in the Verified Statement of Richard B. Peterson at page 241. Such documents should include, but not be limited to, correspondence between UP and Dow, internal UP correspondence and memoranda, and any studies, analyses, or reports conducted by or at the request of UP."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing their Dow files in the document depository.

Document Request No. 10

"Produce all documents, since January 1, 1990, that refer or relate to any threats by Dow to use tankers to ship chemical commodities from the Freeport facilities, including the instance discussed in the Verified Statement of Richard B. Peterson at page 241-242. Such documents should include, but not be limited to, correspondence between UP and Dow, internal UP correspondence and memoranda, and any studies, analyses, or reports conducted by or at the request of UP."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants are placing their Dow files in the document depository.

Document Request No. 11

"Produce all documents that refer or relate to UP's agreement to lower Dow's rate for the transport of vinyl chloride to keep Dow competitive with Geon and Dow's subsequent threat to shift production to Alberta if UP later raised its rates, which are discussed in the Verified Statement of Richard B. Peterson at page 245. Such documents should include, but not be limited to, correspondence between UP and Dow, internal UP correspondence and memoranda, and any studies, analyses, or reports conducted by or at the request of UP."

Response

See Response to Interrogatory No. 1.

Document Request No. 14

"Produce all documents that refer or relate to your response to Interrogatory No. 2."

Response

See Response to Interrogatory No. 2.

Document Request No. 15

"Produce all documents that refer or relate to your response to Interrogatory No. 3."

Response

See Response to Interrogatory No. 3.

Document Request No. 16

"Produce all documents that refer or relate to each instance in your response to Interrogatory No. 4."

Response

See Response to Interrogatory No. 4.

Respectfully submitted,

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

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

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

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

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

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

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

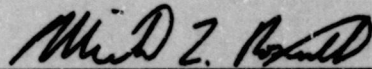
February 2, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 12th day of February, 1996, I caused a copy of the foregoing document to be served by hand on Nicholas J. DiMichael, counsel for Dow Chemical Company, Donelan, Cleary, Wood & Maser, P.C., 1100 New York Avenue, N.W., Suite 750, Washington, D.C. 20005-3934, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

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

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



Michael L. Rosenthal

STB FD 32760 2-12-96 D 61240

Item No. _____

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FEB 99

61240

UP/SP-84

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSES TO WESTERN RESOURCES'
FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

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

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

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

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

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

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

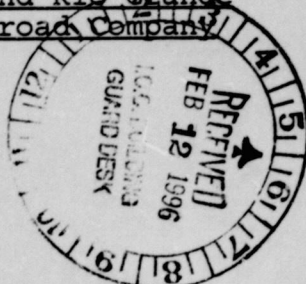
Attorneys for Union Pacific
Corporation, Union Pacific
Railroad Company and Missouri
Pacific Railroad Company

ENTERED
Office of the Secretary

FEB 13 1996

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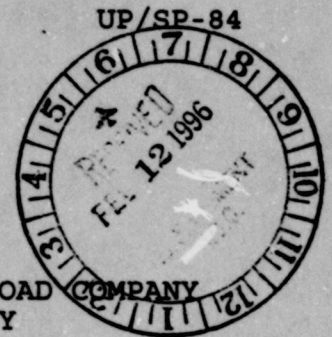
Part of
Public Record
February 12, 1996



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESPONSES TO WESTERN RESOURCES'
FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby respond to Western
Resources' First Set of Interrogatories and Requests for
Production of Documents.^{1/}

GENERAL RESPONSES

The following general responses are made with
respect to all of the interrogatories.

1. Applicants have conducted a reasonable search
for documents responsive to the interrogatories. Except as
objections are noted herein,^{2/} all responsive documents have

^{1/} In these responses, Applicants use acronyms as they have
defined them in the application. However, subject to General
Objection No. 8 below, Applicants will attempt to observe
Western Resources' definitions where they differ from
Applicants'.

^{2/} Thus, any response that states that responsive documents
are being produced is subject to the General Objections, so
that, for example, any documents subject to attorney-client
privilege (General Objection No. 1) or the work product
doctrine (General Objection No. 2) are not being produced.

been or shortly will be made available for inspection and copying in Applicants' document depository, which is located at the offices of Covington & Burling in Washington, D.C. Applicants will be pleased to assist Western Resources to locate particular responsive documents to the extent that the index to the depository does not suffice for this purpose. Copies of documents will be supplied upon payment of duplicating costs (including, in the case of computer tapes, costs for programming, tapes and processing time).

2. Production of documents or information does not necessarily imply that they are relevant to this proceeding, and is not to be construed as waiving any objection stated herein.

3. Certain of the documents to be produced contain sensitive shipper-specific and other confidential information. Applicants are producing these documents subject to the protective order that has been entered in this proceeding.

4. In line with past practice in cases of this nature, Applicants have not secured verifications for the answers to interrogatories herein. Applicants are prepared to discuss the matter with Western Resources if this is of concern with respect to any particular answer.

GENERAL OBJECTIONS

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

1. Applicants object to production of, and are not producing, documents or information subject to the attorney-client privilege.

2. Applicants object to production of, and are not producing, documents or information subject to the work product doctrine.

3. Applicants object to production of, and are not producing, documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

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

5. Applicants object to the production of, and are not producing, draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.

6. Applicants object to providing information or documents that are as readily obtainable by Western from its own files.

7. Applicants object to the extent that the interrogatories and document requests seek highly confidential or sensitive commercial information (including inter alia,

contracts containing confidentiality clauses prohibiting disclosure of their terms) that is of insufficient relevance to warrant production even under a protective order.

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

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

10. Applicants object to Instructions A, C, D and E and the definition of "produce" to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

11. Applicants object to Instructions A, C, D and E and the definition of "produce" as unduly burdensome.

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"Describe all changes to Western's present route of movement of bituminous coal by SP set forth in the rail transportation agreement between Western, SP and The Atchison, Topeka and Santa Fe Railway Company ('Santa Fe') identified as ICC-DRGW-C-15052, which will be caused by Applicants'

Operating Plan if the proposed UP/SP consolidation is approved."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

The ultimate post-merger route for coal moving under contract ICC-DRGW-C-15052 would be via Denver and the "Kansas Pacific" route from Denver to Kansas City for interchange to BN/Santa Fe.

Interrogatory No. 2

"State how soon after the approval of their proposed merger Applicants intend to consummate the proposed abandonment of track known as the Towner-NA Junction Line (portion of Hoisington Subdivision) in Kiowa, Crowley and Pueblo Counties, Colorado, authority for which has been sought by the Missouri Pacific Railroad Company in Docket No. AB-3 (Sub No. 130)."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

The timing of this line abandonment has not been determined and will not be determined until after the merger is consummated.

Interrogatory No. 3

"State how soon after approval of their proposed merger Applicants intend to consummate the proposed discontinuance of trackage rights over the Towner-NA Junction Line, authority for which has been sought by the Denver and Rio Grande Western Railroad Company in Docket No. AB-8 (Sub No. 38)."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

The trackage rights will be discontinued at the
same time as the abandonment is effected. See Response to
Interrogatory No. 2.

Interrogatory No. 4

"State how soon after approval of their proposed
merger Applicants intend to consummate the proposed
abandonment of track known as the Hope-Bridgeport Line
(portion of Hoisington Subdivision) in Dickinson and Saline
Counties, Kansas, authority for which has been sought by the
Missouri Pacific Railroad Company in Docket No. AB-3 (Sub No.
131)."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

See Response to Interrogatory No. 2.

Interrogatory No. 5

"State how soon after approval of their proposed
merger Applicants intend to consummate the proposed
discontinuance of trackage rights over the Hope-Bridgeport
line, authority for which has been sought by the Denver and
Rio Grande Western Railroad Company in Docket No. AB-8 (Sub
No. 37)."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

See Response to Interrogatory No. 3.

Interrogatory No. 6

"State how soon after approval of their proposed
merger Applicants intend to consummate the proposed

abandonment of a 109-mile portion of track as the Malta-Canon City Line, between Malta and Canon City in Lake, Chaffee, and Fremont Counties, Colorado, authority for which has been sought by Southern Pacific Transportation Company in Docket No. AB-12 (Sub No. 188)."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

The timing of this abandonment has not been determined and will not be determined until after the merger is consummated.

Interrogatory No. 7

"State how soon after approval of their proposed merger Applicants intend to consummate the proposed discontinuance of trackage rights over the Malta-Canon City Line, authority for which has been sought by The Denver Rio Grande and Western Railroad Company in Docket No. AB-8 (Sub No. 39)."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

There are no trackage rights over this segment.
SP and DRGW are co-applicants in this abandonment because of their corporate relationship. See Response to Interrogatory No. 6.

Interrogatory No. 8

"State when the proposed upgrades to the original Kansas Pacific line from Denver to Topeka via Salina, Kansas described in Applicants' Operating Plan are expected to be commenced, and the estimated time for completion of such upgrades."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

The timing of these upgrades has not been determined.

Interrogatory No. 9

"State when Applicants proposed [sic] to begin rerouting SP trains carrying coal from Colorado mine origins which presently use the Tennessee Pass route to Kansas City via Pueblo, Colorado to the upgraded Kansas Pacific line to Kansas City via Denver, Colorado."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

The timing of the rerouting has not been determined, and it may be phased in over a period of time.

Interrogatory No. 10

"Describe in detail the '\$50 million worth of new track, ten new 9,300 foot sidings and five siding extensions' referenced in conjunction with the upgrades to the Kansas Pacific Line in the Merger Application, Volume 3, at pages 58 and 219."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

The requested information is set forth in workpapers in Applicants' document depository (Document No. C04-300349).

Interrogatory No. 11

"Describe in detail the means by which Applicants intend to route empty coal trains to the Powder River Basin of Wyoming via Topeka and Denver, including but not limited to all planned connections, interchanges, newly constructed track, upgrades, and other reconfigurations or additions or subtractions to existing trackage and routing deemed necessary to accomplish this objective."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Applicants do not intend to route empty coal trains to the Powder River Basin via Topeka and Denver on a regular basis. This route will be used only on an exception basis. Other than the upgrading of the Kansas Pacific line referenced in Interrogatory No. 10 and an improved connection at Topeka shown in Volume 6, Part 5 of the application (page 363), no additional connections, interchanges, newly constructed track, upgrades or other reconfigurations or additions or subtractions to existing trackage are needed to use this alternative route.

Interrogatory No. 12

"Describe any studies or analyses Applicants have conducted on the effect of the Operating Plan on coal unit train cycle times."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Using the MultiRail model described in the Operating Plan, Applicants developed schedules for unit coal trains

between Colorado and Utah origins and Midwestern destinations. These schedules are in Applicants' document depository within Documents Nos. N02-201273 to 494.

Interrogatory No. 13

"Describe in detail the extent to which the Operating Plan contemplates the use by Applicants of the line of rail currently owned by the Santa Fe running between Topeka, Kansas and Kansas City Kansas, Missouri, including but not limited to:

- a. Whether it is intended that loaded coal unit trains will traverse the line in either direction, and if so, the level of this traffic on a daily basis and the origins of such coal;
- b. Whether it is intended that empty coal unit trains will traverse the line in either direction, and if so, the level of this traffic on a daily basis and the origins of such empty trains;
- c. The extent to which intermodal trains use this line, and the level of such traffic on a daily basis; and
- d. The extent to which (a) - (c) above will improve Santa Fe's ability to serve existing shippers along the line."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Applicants made no plans to use this route, but it may be used as an alternative route for trains between Kansas City and Herington, Kansas, and beyond. See Response to Interrogatory No. 14.

- (a) This is not intended for UP/SP trains.
- (b) This is not intended for UP/SP trains.

(c) No such operations are planned, because UP/SP will have access to a shorter, faster route via BN/Santa Fe trackage rights between Kansas City and Hutchinson, Kansas.

(d) In view of the Responses to subparts (a)-(c), BN/Santa Fe service to its shippers should not be affected.

Interrogatory No. 14

"Describe how Applicant's trains traveling west over the Santa Fe line between Topeka and Kansas City will reach Herington, Kansas, including but not limited to a description of all new or modified interchanges, connections, trackage, or other rail facilities, between Applicants and Santa Fe in Topeka, Kansas, required to facilitate this routing."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Independently of whether the merger is approved, SP intends to construct an improved connection between SP and BN/Santa Fe lines at Topeka. The improved connection would be used by any UP/SP trains that operate over this route.

Interrogatory No. 15

"Describe how Applicant's trains traveling west over the Santa Fe line between Topeka and Kansas City will reach Salina, Kansas, including but not limited to all new or modified interchanges, connections, trackage, or other rail facilities, between Applicants and Santa Fe in Topeka, Kansas, required to facilitate this routing."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Applicants do not expect to route trains over the described route due to the lack of a direct connection between

the BN/Santa Fe route on the south side of the Kansas River in Topeka and the UP route to the west on the north side of the river and lack of capacity on the BN/Santa Fe line.

Interrogatory No. 16

"State when Applicants intend to close the current SP Lines' yard in Topeka, Kansas, as described in the Merger Application at Volume 3, page 182."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

Applicants intend to eliminate industry support and switch engine operations from the SP yard and to serve SP industries from the UP yard after implementing arrangements with labor organizations are resolved. However, as described on page 182 of Volume 3 of the application, the SP yard will continue to be used for setouts and pickups.

Interrogatory No. 17

"State whether the present rail interchange between the SP and Santa Fe at First Street in Topeka, Kansas is to be eliminated under Applicants' Operating Plan."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

No. See Response to Interrogatory No. 14.

Interrogatory No. 18

"If the Santa Fe/SP interchange at First Street in Topeka is to remain in place, describe the type and projected levels of UP/SP traffic over the Santa Fe main line pursuant to the trackage rights granted to SP by Santa Fe in the Agreements dated April 13, 1995 and August 1, 1995, between

SP, Santa Fe and the Burlington Northern Railroad Company, and SP and Santa Fe, respectively."

Response

Subject to the General Objections stated above,
Applicants respond as follows:

See Response to Interrogatory No. 13.

DOCUMENT PRODUCTION REQUESTS

Document Request No. 1

"All documents referring or relating to the new route for coal trains moving between the Powder River Basin in Wyoming and Texas using segments of UP and SP trackage identified and described in the Merger Application at Volume 3, page 123."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

All documents referring or relating to this route generated in connection with merger planning, including detailed track diagrams, can be found in Applicants' document depository, including Documents Nos. C02-000233 to 73. See also numerous maps in Volume 6, Part 5 of the application.

Document Request No. 2

"All documents, including but not limited to maps, diagrams and track charts which relate to the 'new route for

coal and grain traffic to Texas via Topeka, Kansas' identified and described in the verified statement of King/Ongerth in the Merger Application, at Volume 3, pages 56-58."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See Response to Document Request No. 1.

Document Request No. 3

"All documents, including but not limited to maps, diagrams and track charts which refer or relate to the Kansas Pacific Route identified in the verified statement of King/Ongerth."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

All documents referring or relating to this route generated in connection with merger planning, including

detailed track diagrams, can be found in Applicants' document depository, including Documents Nos. C02-000209 to 32.

See also numerous maps in Volume 6, Part 5 of the application and Response to Document Request No. 1 and Interrogatory No. 10.

Document Request No. 4

"All documents, including but not limited to maps, diagrams and track charts which refer or relate to the yard consolidation and conversion, and 'other changes in the routing of traffic' in UP's Neff Yard and 18th Street Yard, and SP's Armourdale Yard, located in Kansas City, Kansas/Missouri, which are described in the Merger Application, at Volume 3, pages 179-180."

Response

Subject to the General Objections stated above, Applicants respond as follows:

All documents generated in connection with merger planning referring or relating to the yard consolidation and conversion or other changes in the routing of traffic in Kansas City can be found in Applicants' document depository, including Documents Nos. C02-000523 to 31 and C02-300652 to 737.

Document Request No. 5

"All documents, including but not limited to maps, diagrams and track charts which discuss or illustrate (1) the present configuration of the SP's and UP's rail yards in Kansas City, Kansas and (2) the changes Applicants have proposed to make to these rail yards, as described in the Merger Application at Volume 3, at page 223."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See Response to Document Request No. 4.

Document Request No. 6

"All documents, including but not limited to maps, diagrams and track charts which relate to the proposed changes to UP and SP trackage in Herington, Kansas, described in the Merger Application at Volume 3, pages 180-182."

Response

Subject to the General Objections stated above, Applicants respond as follows:

All documents referring or relating to proposed changes in trackage at Herington, Kansas, including detailed track diagrams, are in Applicants' document depository, including Documents Nos. C02-000532 to 34. See also the map in Volume 6, Part 5 of the application, at page 325.

Document Request No. 7

"All documents, including but not limited to maps, diagrams and track charts which discuss or illustrate (1) the present configuration of the SP's and UP's rail yards in Topeka, Kansas, and (2) all changes Applicants have proposed to make to these rail yards, as described in the Merger Application at Volume 3, at page 182."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

All documents referring or relating to proposed post-merger changes in trackage at Topeka, Kansas, including detailed track diagrams, are in Applicants' document depository, including Documents Nos. C02-000067 to 73. See also the map in Volume 6, Part 5 of the application at page 336.

Document Request No. 8

"All documents, including but not limited to maps, diagrams, and track charts referring or relating to the construction by UP and SP of a connection in Topeka 'to allow continued access to SP served industry while eliminating current UP-SP crossing,' described in the Merger Application at Volume 3, page 227."

Response

Subject to the General Objections stated above, Applicants respond as follows:

See Response to Document Request No. 7.

Document Request No. 9

"All documents which refer or relate to the effect of the Applicants' proposed Operating Plan on the current arrangement by which coal is delivered by SP for Western Resources, Inc. from Colorado origin mines to SP's interchange with Santa Fe in Kansas City, Kansas/Missouri, via Pueblo,

Colorado, for final delivery to Western's Lawrence and Tecumseh Energy Stations."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Other than the letter dated January 15, 1996 from Wm. Jack Reid to Rick Gough, which is already in Western Resources' possession, any unprivileged documents may be found in Applicants' document depository.

Respectfully submitted,

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

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

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

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

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

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

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

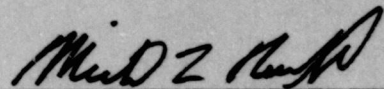
February 12, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 12th day of February, 1996, I caused a copy of the foregoing document to be served by hand on Nicholas J. DiMichael, counsel for Western Resources, Donelan, Cleary, Wood & Maser, P.C., 1100 New York Avenue, N.W., Suite 750, Washington, D.C. 20005-3934, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

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

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



Michael L. Rosenthal

STB

FD

32760

2-12-96

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61237

Item No. _____

Page Count 1

Feb 27 96

GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

February 8, 1996



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

Re: Finance Docket 32760

Dear Secretary Williams:

Office of the Secretary

FEB 13 1996

Part of
Division Document

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

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

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

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

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

Sincerely,

Herbert W. Appel, Jr.
President

HWA:mav

**ADVISE OF ALL
PROCEEDINGS**

STB FD 32760

2-12-96

D

61236

DISTRICT OF Item No. _____
155 NO. _____
DEKALE _____
(618) 74 Page Count 1
FAX: (61 Feb # 95
CAPITOL OF _____
2028-M 1 _____
SPRINGFIELD, ILLINOIS 62656
(217) 782-0425



COMMITTEES:

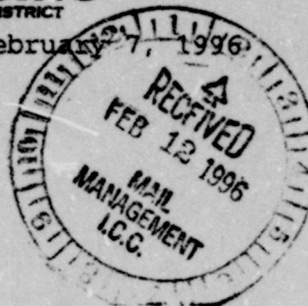
- HIGHER EDUCATION • CHAIRMAN
- AGRICULTURE & CONSERVATION
- ELECTIONS &
STATE GOVERNMENT
ADMINISTRATION
- PUBLIC UTILITIES

89TH GENERAL ASSEMBLY
STATE OF ILLINOIS

DAVID A. WIRSING
STATE REPRESENTATIVE • 70TH DISTRICT

February 7, 1996

FD 32760



Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, DC 20423

Dear Secretary Williams:

Recently, I became aware of a proposal by the Union Pacific to acquire the Southern Pacific railroad.

As a legislator who represents a number of Illinois shippers and rail communities, I have some concerns about the merger and its effect on competition in Illinois. In short, a merger of the UP and SP gives the UP control of the two major lines running between Chicago and St. Louis. This could impair competitive pricing for local and national freight rail customers, and ultimately affect the transportation of goods along the eastern lines of the SP.

I understand that Conrail has proposed a solution for preserving competition along the SP-East line by offering to purchase the lines from the UP. I also understand the UP has tried to address the competition issue by establishing a partnership with Burlington Northern-Santa Fe.

Communities with strong transportation and freight rail alternatives are attractive to businesses, which in turn fuel local economies. I encourage you to take the time to thoroughly review both the Conrail and UP proposals and make a decision that ensures fair competition and provides the higher level of quality and service for the shippers, customers and communities we represent.

Thank you for your attention.

Sincerely,

David A. Wirsing
DAVID A. WIRSING
State Representative
70th District

ADVISE OF ALL
PROCEEDINGS

cc: David M. Levan, President & CEO
Consolidated Rail Corporation
2001 Market Street, 17N
Philadelphia, PA 19101-1417

STB FD 32760

2-12-96

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Item No. _____

Page Count 2

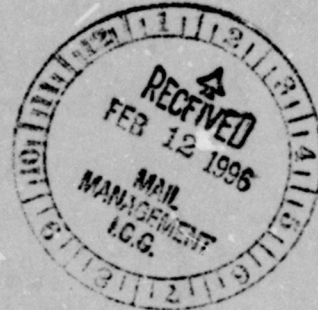
Feb # 94

ENTERED
Office of the Secretary

FEB 13 1996

5 Part of
Public Record

OFFICE OF THE MAYOR
CITY HALL — FIRST FLOOR
455 NORTH MAIN STREET
WICHITA, KANSAS 67202
(316) 268-4331



February 7, 1996

Secretary
Interstate Commerce Commission
12th and Constitution Ave NW
Washington DC 20423

FD 32760
RE: Finance Docket 3/2760

Dear Sir:

**ADVISE OF ALL
PROCEEDINGS**

We would like to enter our deep concerns on the proposed merger of the Union Pacific Railroad with the Southern Pacific Railroad, as documented in their Railroad Merger Application, Volume 3.

In Volume 3, on page 56, a proposed solution to train delays occurring in the Kansas City area, is to implement a Kansas City Bypass which would route additional trains through Wichita on the former OKT line, now owned by the UP. The narrative (on page 56) further explains that the nature of this new train traffic would be both from coal trains (from the Powder River Basin in Wyoming) and grain trains (from Nebraska and Kansas) all moving south to locations in Oklahoma or Texas.

While we understand the efficiency benefits of this new alignment for the UP, we wish to voice our concern for the anticipated and significant increase in vehicle delays that will result in Wichita. Thirteen arterial streets which accommodate 150,000 daily trips, will be blocked more frequently than at present. In addition to Wichita, four other communities in Sedgwick County will be negatively impacted by the proposed increase in train movements. Such delays created by more train traffic and longer trains will create not only inconvenience and serious traffic congestion, but will significantly impact community safety.

We believe that the UP should be obligated to financially assist the City of Wichita in building the necessary overpasses/underpasses so that this City will not be adversely impacted from traffic stoppages which will also reduce public safety, including law

Secretary

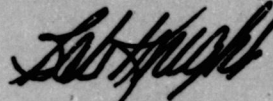
- 2 -

February 7, 1996

enforcement, fire and ambulances.

Without some assurance from the UP on this request for financial assistance, the City of Wichita will have no alternative but to officially oppose the UP/SP merger.

Sincerely,



Bob Knight
Mayor

• CC/lfb

cc: Dave Fisher, Governmental Affairs Office
Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

STB

FD

32760

2-12-96

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Item No. _____

Page Count 1

Feb # 93

Ohio



of Representatives

627 E. Lincoln Way
Lisbon, Ohio 44432
Home: (216) 424-0919
Courthouse: (216) 424-9511
Columbus Office: (614) 466-8022

Office of the Secretary

SEAN D. LOGAN
State Representative
3rd House District

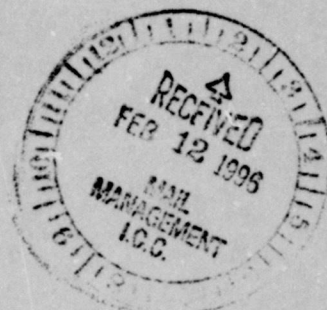
COMMITTEES:
Energy and Environment
Ranking Minority Member
Financial Institutions
State Government
Ethics and Elections

FEB 13 1996

Per of
Public Representative

February 8, 1996

Vernon A. Williams
Secretary
Interstate Commerce Commission
42th Street & Constitution Ave.
Washington D.C. 20423



Dear Secretary Williams:

I am writing this letter in support of Conrail's initiative, currently before the ICC, to acquire a portion of the Southern Pacific Railroad.

As an alternative to the merger between Union Pacific and Southern Pacific railways, Conrail's proposal enhances both competition and efficiency. It will allow for one-line direct capacity, the fastest and least complicated mode, and provide a direct rail connection between Ohio and markets in the Southwest.

Ohio would truly benefit from this proposal with access to recently opened markets in Mexico. With all that Ohio manufacturers including automobiles, glass, steel and paper, a connecting route as proposed by Conrail would prove most beneficial for Ohio's labor force and economy.

I strongly support Conrail's initiative and commend them on their efforts to help keep Ohio and other states economically sound and competitive.

Thank you in advance for your consideration of this matter. If you have any questions about this letter, please feel free to contact me.

Sincerely,

Sean D. Logan
State Representative
3rd House District

ADVISE OF ALL
PROCEEDINGS

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2-12-96

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Office
Item No. _____
Page Count 2
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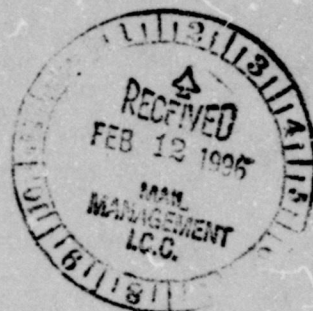
MISSOURI SENATE
JEFFERSON CITY

ROOM 321, STATE CAPITOL
JEFFERSON CITY, MO 65101
(573) 751-2504
TDD (573) 751-3969

WILLIAM P. (BILL) MCKENNA
22ND SENATORIAL DISTRICT

DISTRICT OFFICE:
P.O. BOX 205
BARNHART, MO 63012
(314) 942-3993

February 8, 1996



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

Dear Mr. Williams:

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

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

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

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

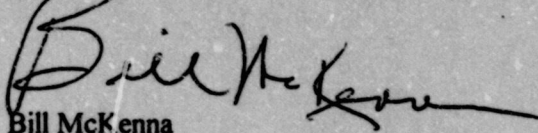
Southern Pacific has significant shipper coverage in Missouri, and many of SP's customers are exclusively served by SP. These customers have had to cope with service problems and uncertainties as to SP's finances. The merger of Union Pacific and Southern Pacific will provide SP shippers with the assurance of top-quality service with a financially strong

ADVISE OF ALL
PROCEEDINGS

railroad that can afford the capital investments necessary to build new capacity, implement new technology, and continue to improve its operations.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill McKenna", written over a horizontal line.

Bill McKenna
State Senator
District 22

WPM/kc

STB FD 32760

2-12-96 D

61232

Item No. _____

DISTRICT OF

411 S. STATE

BELVIDERE

815/547-771

Page Count 1

Feb 1990

STATE OF ILLINOIS

200 S. WYMAN STE. 303

ROCKFORD, IL 61101

815/987-7478

FAX: 815/987-7471

CAPITOL OFFICE:

2021-H STRATTON BUILDING

SPRINGFIELD, IL 62706

217/782-0548



RONALD A. WAIT
STATE REPRESENTATIVE - 68TH DISTRICT

COMMITTEES:

CHAIRMAN
TRANSPORTATION

MEMBER:

AGRICULTURE & CONSERVATION
COUNTIES & TOWNSHIPS
APPROPRIATIONS - PUBLIC SAFETY &
INFRASTRUCTURE

February 9, 1996

FD 32760

Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, DC 20423

Dear Secretary Williams:

As Chairman of the Illinois Transportation Committee, recently I became aware of a proposal by the Union Pacific to acquire the Southern Pacific railroad.

As a legislator who represents a number of Illinois shippers and rail communities, I have some concerns about the merger and its effect on competition in Illinois. In short, a merger of the UP and SP gives the UP control of the two major lines running between Chicago and St. Louis. This could impair competitive pricing for local and national freight rail customers, and ultimately affect the transportation of goods along the eastern lines of the SP.

I understand that conrail has proposed a solution for preserving competition along the SP-East line by offering to purchase the lines from the UP. I also understand the UP has tried to address the competition issue by establishing a partnership with Burlington Northern-Santa Fe.

Communities with strong transportation and freight rail alternatives are attractive to businesses, which in turn fuel local economies. I encourage you to take the time to thoroughly review both the Conrail and UP proposals and make a decision that ensures fair competition and provides the higher level of quality and service for the shippers, customers and communities we represent.

Thank you for your attention.

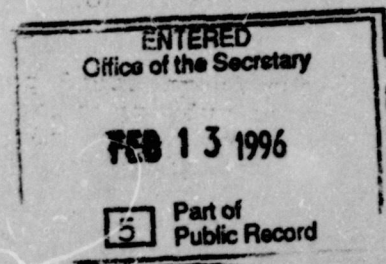
Sincerely,

Ron Wait

Ronald A. Wait
State Representative
68th District

cc: David M. Levan, President and CEO
Consolidated Rail Corporation
2001 Market Street, 17N
Philadelphia, PA 19101-1417

**ADVISE OF ALL
PROCEEDINGS**



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STATE CAPITOL
P
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STOK

Item No. _____
Page Count 2
Feb 11 89

Assembly California Legislature

VICE CHAIR:
ASSEMBLY COMMITTEE
ON AGRICULTURE

MEMBER:
BANKING AND FINANCE
BUDGET
CONSUMER PROTECTION,
GOVERNMENTAL EFFICIENCY
& ECONOMIC DEVELOPMENT

Office of the Secretary

FEB 13 1996

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Public Record

MICHAEL J. MACHADO
ASSEMBLY MEMBER, SEVENTEENTH DISTRICT



February 6, 1996

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

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

Dear Secretary Williams,

I am writing in support of the above-referenced merger of Union Pacific (UP) and Southern Pacific (SP) railroads.

The UP/SP merger will greatly improve service and strengthen competition in California's rail market. A stronger, merged UP/SP will be able to provide the market competition necessary to maintain California's economic growth and the international competitiveness of the nation as a whole. The agreement of UP/SP to provide Santa Fe/BN with access to routes and points in California that would otherwise lost two rail competition is indicative of UP/SP's commitment to fostering such competition and allowing the merger to benefit businesses in California and elsewhere. In sharp contrast to the benefits of a merger, SP has previously expressed their inability to continue providing service if the merger does not take place. Loss of the SP services would be disastrous to many industries and individuals in California.

It is my understanding that the UP/SP merger will not adversely affect current negotiations UP has entered with the San Joaquin Rail Commission in an effort to bring rail service through San Joaquin County to the Bay Area.

ADVISE OF ALL
PROCEEDINGS

ADVISE OF ALL
PROCEEDINGS

I thank you for your favorable consideration of the UP/SP merger. As a businessman, I am looking forward to the new opportunities UP?SP will bring to the transportation market in California, and across the nation. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Michael J. Machado', written over a horizontal line.

MICHAEL J. MACHADO
Assemblymember, 17th District

MJM:kb

STB FD 32760

2-12-96

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Item No. _____

February 7, 1996

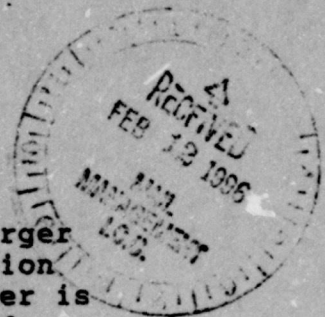
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Page Count 1

Feb # 89

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

FEB 13 1996



Dear Sir,

I am writing you with concern for you to oppose the merger of the UP-SP Railroads. I urge you to stop the decimation of our jobs so greedy owners can get richer. This merger is bad for our country. It should be rejected. The Railroads application predicts there will be a net loss of 3,390 agreement and non agreement jobs and the transfer of 2,952 workers.

In our experience, the loss of jobs, transfers and other hardships on workers is more than the Railroads predict when they are trying to win government approval for their sneaky schemes.

The UP's takeover of the CNW which led within a week of its approval to the loss of 1300 jobs. I once again ask of you to oppose the merger, warning that it would create a monopoly that would "prey on businesses, trample on communities and destroy good jobs.

These big Railroads are asking the Federal Government to sanction the creation in America of what surely is the largest private Railroad monopoly in the history of the world.

This also calls for the proposed merger to be held to the Antitrust standards by which the justice department should judge mergers.

For some critics of the merger, divestiture of Southern Pacifics Cotton Belt line is a way to meet Antitrust concerns. But the Union Pacific says that the Cotton Belt is not for sale.

The scenario to this merger due to lots of money and power that once approved, this is a guide line for all other Railroads.

Thank you for your time and I will appreciate hearing from you sometime soon on this issue..

Sincerely,

Jim Russell

Leg. Rep. Mo.
TCU 1326
2824 Mason Ave.
Indep. Mo. 64052

cc
ras
ptt
rfd
cjh

ADVISE OF ALL
PROCEEDINGS

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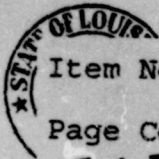
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Item No. _____

Page Count 2

Feb # 86

STATE OF LOUISIANA
OFFICE OF REPRESENTATIVES

JOHN C. "JUBA" DIEZ
DISTRICT 59

Office of the Secretary

FEB 13 1996

42126 HWY. 931
GONZALES, LOUISIANA 70737
(504) 644-8808
FAX (504) 647-6068

VICE CHAIRMAN
HIGHWAYS & TRANSPORTATION
AGRICULTURE
INSURANCE



February 7, 1996

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

RE: FINANCE DOCKET 32760

Dear Secretary Williams,

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

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

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

I firmly believe that there has to be a better way to obtain the goals to improve this situation without monopolizing the Louisiana railroad market.

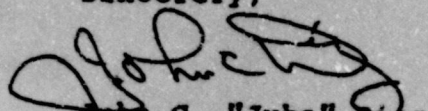
ADVISE OF ALL
PROCEEDINGS

Page 2 of 2
Conrail

Please review this information and let me know your thoughts on this matter. I welcome your opinion.

Your help concerning this matter is greatly appreciated.

Sincerely,



John C. "Juba" Diez
Representative
District 59

JCD/tga

cc: David M. LeVan-President and CEO Officer
Conrail
2001 Market St., P.O. Box 41417
Philadelphia, Pennsylvania 19101-1417

STB FD

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C
State of
Jefferson
3

Item No. _____
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Fee # 88

DISTRICT ADDRESS
P.O. Box 134 Office of the Secretary
Caruthersville, MO 63830
314 • 333-2066

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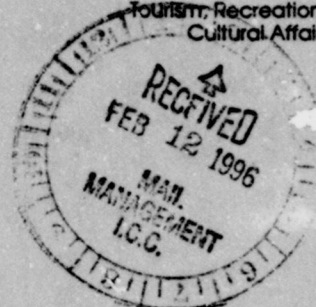


DONALD PROST
STATE REPRESENTATIVE
DISTRICT 162

February 8, 1996

61230

COMMITTEES
CHAIRMAN
Joint Committee on Legislative
Research
VICE-CHAIRMAN
Motor Vehicle and Traffic
Regulations
MEMBER
Appropriations - Natural and
Economic Resources
Agriculture
Banks and Financial Institutions
Tourism, Recreational and
Cultural Affairs



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

Dear Secretary Williams:

I, as a Missouri State Representative, am concerned about the competitive effects on Missouri businesses of the proposed acquisition of the Southern Pacific Railroad (SP) by the Union Pacific (UP) Railroad.

I am aware Conrail has made a proposal to SP to acquire a portion of SP's eastern lines from Chicago and St. Louis to Arkansas, Texas and Louisiana and think this proposal would be more effective in addressing Missouri's concerns. I believe Conrail's proposal would provide efficient service for shippers to northeast and Midwest markets from Texas and Louisiana. It would be faster and more direct and involve fewer car handlings.

For these reasons, I urge you to give the UP/SP proposed merger as well as Conrail's proposal your utmost consideration.

Yours sincerely,

Donald Prost

DP:lw

cc: David M. LeVan, President and CEO of Conrail

ADVISE OF ALL
PROCEEDINGS

ENTERED
Office of the Secretary

FEB 13 1996

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Public Record

STB FD 32760

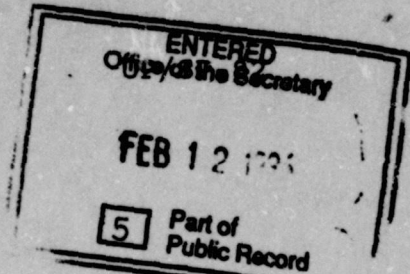
2-9-96

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Page Count 15
Feb 12 79

BEFORE THE
TRANSPORTATION BOARD



Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSES TO KCS'
THIRD DISCOVERY REQUESTS



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

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

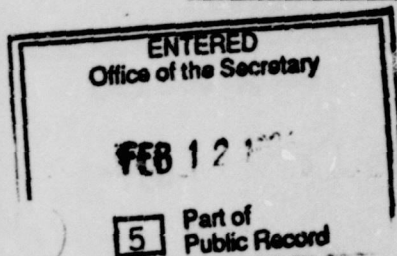
Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
The Denver and Rio Grande
Western Railroad Company

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

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

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

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



February 9, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSES TO KCS'
THIRD DISCOVERY REQUESTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively "Applicants," hereby respond to KCS' Third Discovery
Requests to Applicants, received by Applicants^{1/} on January 25,
1996.

GENERAL RESPONSES

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

1. Applicants have conducted a reasonable search for
documents responsive to the interrogatories. Except as
objections are noted herein,^{2/} all responsive documents have

^{1/} In these responses, Applicants use acronyms as they have
defined them in the application. However, subject to Applicants'
previous objections to KCS' definitions of "Applicants," "SP,"
and "UP," Applicants will attempt to observe KCS' definitions
where they differ from Applicants'.

^{2/} Thus, any response that states that responsive documents are
being produced is subject to the General Objections, so that, for
example, any documents subject to attorney-client privilege
(General Objection No. 1) or the work product doctrine (General
Objection No. 2) are not being produced.

been or shortly will be made available for inspection and copying in Applicants' document depository, which is located at the offices of Covington & Burling in Washington, D.C. Applicants will be pleased to assist KCS to locate particular responsive documents to the extent that the index to the depository does not suffice for this purpose. Copies of documents will be supplied upon payment of duplicating costs (including, in the case of computer tapes, costs for programming, tapes and processing time).

2. Production of documents or information does not necessarily imply that they are relevant to this proceeding, and is not to be construed as waiving any objection stated herein.

3. Certain of the documents to be produced contain sensitive shipper-specific and other confidential information. Applicants are producing these documents subject to the protective order that has been entered in this proceeding.

4. In line with past practice in cases of this nature, Applicants have not secured verifications for the answers to interrogatories herein. Applicants are prepared to discuss the matter with KCS if this is of concern with respect to any particular answer.

GENERAL OBJECTIONS

The following objections are made with respect to all of the discovery requests. Any additional specific objections are stated at the beginning of the response to each interrogatory.

1. Applicants object to production of, and are not producing, documents or information subject to the attorney-client privilege.

2. Applicants object to production of, and are not producing, documents or information subject to the work product doctrine.

3. Applicants object to production of, and are not producing, documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Board or the Securities and Exchange Commission or clippings from newspapers or other public media. Notwithstanding this objection, Applicants have produced some responsive material of this kind, but Applicants have not attempted to produce all responsive material of this kind.

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

6. Applicants object to providing information or documents that are as readily obtainable by KCS from its own files.

7. Applicants object to the extent that the discovery requests seek highly confidential or sensitive commercial information (including, inter alia, contracts containing

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

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

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

10. Applicants incorporate by reference their prior objections to the definitions and instructions set forth in KCS' First Interrogatories.

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 62

"Identify each instance of a shipper on a UP line having requested lower rates or other adjustments to the transportation contract or tariff in order to compete with a shipper on an SP line and vice versa, and identify all documents that refer to, relate to or evidence the requests referred to in your response. The request shall be limited to the shippers listed in Attachment I attached hereto on the ten corridors identified by KCS in Attachment II hereto."

Response

See Applicants' objections to KCS Interrogatory No. 21. This issue has been resolved by a stipulation between the parties.

Interrogatory No. 63

"Please indicate for each shipper and shipper station identified on Attachment III attached hereto whether or not the shipper sought to obtain either (1) lower rates or other adjustments to the transportation contract or tariff or (2)

improved service based on the fact that one of the Applicants provided an alternative means of transportation or represented an alternative carrier to another of the Applicants. The response to this interrogatory may be handwritten on a copy of Attachment III. As to those shippers from whom such requests were received, produce all documents that refer to, relate to or evidence negotiations or communications between the shipper and the Applicant."

Response

See Applicants' objections to KCS Interrogatory No. 22.

This issue has been resolved by a stipulation between the parties.

Interrogatory No. 64

"Identify and produce all documents that refer to, relate to or evidence the complaints to UP from shippers arising from UP's acquisition of CNW, as referred to in the Verified Statement of R. Bradley King (Application, Vol. 3, p. 60), including, but not limited to, shipper complaints and responses thereto, press releases, internal memoranda, reports, studies and analyses."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See Responses to Conrail Document Request No. 21(a) and DOJ Document Request No. 14. In addition, Applicants are producing the analyses that UP has recently completed of operational and service problems that arose in connection with UP's acquisition of CNW. Applicants also will be producing

documents from certain shipper files, pursuant to Judge Nelson's order (Tr., Jan. 26, 1996, pp. 951-52), some of which may be responsive to this request. Mr. King has been available to discuss these matters further during his deposition.

Interrogatory No. 65

"Identify and produce all documents that refer to, relate to or evidence actions taken or considered by UP to remedy the service problems resulting from UP's acquisition of CNW, as referred to in the Verified Statement of R. Bradley King (Application, Vol. 3, p. 60)."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See Response to Interrogatory No. 64.

Interrogatory No. 66

"Identify the employee or representative of UP who has the most knowledge of the source and nature of (a) complaints to UP from shippers arising from UP's acquisition of CNW and (b) any actions taken or considered by UP to remedy such problems, as referred to in the Verified Statement of R. Bradley King (Application, Vol. 3, p. 60)."

Response

Subject to the General Objections stated above, Applicants respond as follows:

(a) No single person can be identified as having superior knowledge of the source and nature of such complaints.

Mr. King has been available to discuss this subject during his deposition.

(b) R. Bradley King.

Interrogatory No. 67

"To the extent not included in your response to interrogatory no. 56 concerning the BNSF Agreement (and excluding earlier proposals or counter proposals that went back and forth between the parties during negotiations of the Agreement), identify and produce:

- a. all documents that refer to, relate to or evidence the initiation of discussions with BN, BNI, SFP, Santa Fe or BNSF, as referred to on page 292 of the Verified Statement of John H. Rebensdorf;
- b. all documents that refer to, relate to or evidence the creation of guidelines for conducting negotiations, as referred to on page 292 of the Verified Statement of John H. Rebensdorf;
- c. all documents that refer to, relate to or evidence the determination of a definition for '2-to-1' points, as referred to on page 293 of the Verified Statement of John H. Rebensdorf;
- d. all documents that refer to, relate to or evidence communications with shippers that preferred settlement with a Class I railroad because of the shippers' belief that only major carriers would have the resources necessary to meet their transportation needs, as referred to on page 293 of the Verified Statement of John H. Rebensdorf;
- e. all documents that refer to, relate to or evidence communications with shippers indicating that BNSF was the leading candidate because of its geographic reach and financial resources, as referred to on page 293 of the Verified Statement of John H. Rebensdorf;
- f. all documents including internal communications or analyses, that reflect the identification or determination of '. . . the rights we would need to grant . . .,' as referred to on page 294 of the Verified Statement of John H. Rebensdorf;

- g. all documents that refer to, relate to or evidence the determination that only BNSF's operational infrastructure and network would support the rights UP/SP would need to grant in order to maximize opportunities of the merger, as referred to on page 294 of the Verified Statement of John H. Rebensdorf;
- h. all documents that refer to, relate to or evidence possible alternatives to BNSF considered, but not accepted, by UP and SP, as referred to on page 294 of the Verified Statement of John H. Rebensdorf;
- i. all documents that refer to, relate to or evidence the numerous phone calls and six negotiating meetings with BNSF, as referred to on page 294 of the Verified Statement of John H. Rebensdorf;
- j. all documents that refer to, relate to or evidence the 'marathon three-day session' resulting in the September 25 agreement, as referred to on page 294 of the Verified Statement of John H. Rebensdorf;
- k. all documents that refer to, relate to or evidence UP/SP's initial feeling that KCS would end up with significant rights as a result of the merger, as referred to on page 295 of the Verified Statement of John H. Rebensdorf;
- l. all documents that refer to, relate to or evidence that the focus of UP/SP's efforts was to preserve competition for '2-to-1' customers, as referred to on page 296 of the Verified Statement of John H. Rebensdorf; and
- m. all documents that refer to, relate to or evidence the identification of geographic points on the combined UP/SP system where both UP and SP and no other railroad provided service to one or more customers, as referred to on page 296 of the Verified Statement of John H. Rebensdorf.
- n. all documents that refer to, relate to or evidence the identification of '2-to-1' points where UP/SP determined that a comprehensive trackage rights agreement would not be justified, as referred to on page 296 of the Verified Statement of John H. Rebensdorf.
- o. all documents that refer to, relate to or evidence the 'alternative arrangements,' including possible

utilization of haulage arrangements, to be considered to preserve competition at '2-to-1' points not reached by the trackage rights and line sales in the BNSF Agreement, as referred to on page 296 of the Verified Statement of John H. Rebensdorf.

- p. all documents that refer to, relate to or evidence the exchange of rights between UP/SP and BNSF that UP/SP considered not justified by competitive concerns, including any exchange of rights concerning the I-5 corridor, referred to as 'trades' on page 298 of the Verified Statement of John H. Rebensdorf.
- q. all documents that refer to, relate to or evidence the negotiation of the direct marketing/proportional rate agreement reflected in Exhibit B to the BNSF Agreement, including documents that reflect or refer to the claim that the direct marketing/proportional rate agreement preserves competition for customers now using SP, as referred to on page 298 of the Verified Statement of John H. Rebensdorf.
- r. all documents that refer to, relate to or evidence the negotiation of issues having no connection to the merger, including documents concerning how such negotiated rights enhance competition, as referred to on page 300 of the Verified Statement of John H. Rebensdorf.
- s. all documents that refer to, relate to or evidence UP/SP's understanding that a flat rate compensation for the joint facility arrangements between UP/SP and BNSF was the best compensation alternative, as referred to on page 302 of the Verified Statement of John H. Rebensdorf.
- t. all documents that refer to, relate to or evidence the review of 'other recent trackage rights agreements' in determining the flat rate compensation for the joint facility arrangements between UP/SP and BNSF, including a detailed list of trackage rights agreements used and trackage rights agreements considered but not used in arriving at the flat rate, as referred to on pages 302 and 306 of the Verified Statement of John H. Rebensdorf.

- u. all documents that refer to, relate to or evidence the anticipated return UP/SP will receive from the BNSF Agreement and the extent to which UP/SP's investment of capital would subsidize BNSF's operations, as referred to on page 307 of the Verified Statement of John H. Rebensdorf."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

The following reflects Applicants' best understanding based on an extensive inquiry and review of documents. Applicants are completing final checks and will supplement or revise this response if called for.

- (a) No responsive documents have been located.
- (b) No responsive documents have been located.
- (c) No responsive documents have been located.
- (d) Files of pertinent UP and SP executive officers are being searched, and Applicants will produce any responsive, non-privileged documents that are located.
- (e) Files of pertinent UP and SP executive officers are being searched, and Applicants will produce any responsive, non-privileged documents that are located.
- (f) The only responsive documents are contained in the Peterson workpapers in Applicants' document depository.

(g) No responsive documents have been located.

(h) No non-privileged responsive documents have been located.

(i) No responsive documents other than documents subject to the settlement privilege have been located.

(j) No responsive documents other than documents subject to the settlement privilege have been located.

(k) No responsive documents have been located.

(l) No responsive documents other than documents subject to the settlement privilege have been located.

(m) The only responsive documents are contained in the Peterson workpapers in Applicants' document depository.

(n) No responsive documents other than documents subject to the settlement privilege have been located.

(o) No responsive documents have been located.

(p) No responsive documents other than documents subject to the settlement privilege have been located.

(q) No responsive documents other than documents subject to the settlement privilege have been located.

(r) No responsive documents have been located other than the verified statement of Richard B. Peterson in Volume 2 of the application, Mr. Peterson's deposition testimony, and documents subject to the settlement privilege.

(s) No responsive documents have been located.

(t) The only responsive documents are contained in the Rebensdorf workpapers in Applicants' document depository.

(u) No responsive documents have been located.

Interrogatory No. 68

"Identify the employees or representatives of each Applicant who may have knowledge superior to Mr. Rebensdorf's knowledge regarding the statements referenced in interrogatory no. 67."

Response

Applicants object to this interrogatory as unduly vague, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

As Mr. Rebensdorf testified at his deposition, Mr. Peterson was responsible for the identification of "2-to-1" points, and various executive and marketing personnel had direct conversations with shippers with regard to the shippers' preferences as to service to "2-to-1" points. These are the only matters referred to in Interrogatory No. 67 as to which others have greater knowledge than Mr. Rebensdorf.

Respectfully submitted,

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

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

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

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

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

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

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

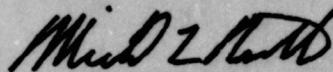
February 9, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 8th day of February, 1996, I caused a copy of the foregoing document to be served by hand on Alan E. Lubel, counsel for KCS, at Troutman Sanders, 601 Pennsylvania Avenue, N.W., Suite 640 - North Building, Washington, D.C. 20004-2609, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

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

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



Michael L. Rosenthal

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32760

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Item No. 61221

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Feb 80

BEFORE THE
TRANSPORTATION BOARD



Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

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Office of the Secretary

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APPLICANTS' RESPONSES TO THE FIRST SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS FROM ENTERGY, ARKANSAS POWER, AND GULF STATES

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

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

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

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

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

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

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

February 9, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSES TO THE FIRST SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS FROM ENTERGY, ARKANSAS POWER, AND GULF STATES

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby respond to the First Set of
Interrogatories and Requests for Production of Documents from
Entergy Services, Inc., Arkansas Power & Light Company, and
Gulf States Utility Company.

GENERAL RESPONSES

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

1. Applicants have conducted a reasonable search
for documents responsive to the interrogatories and document
requests. Except as objections are noted herein,^{1/} all re-
sponsive documents have been or shortly will be made available
for inspection and copying in Applicants' document depository,

^{1/} Thus, any response that states that responsive documents
are being produced is subject to the General Objections, so
that, for example, any documents subject to attorney-client
privilege (General Objection No. 1) or the work product
doctrine (General Objection No. 2) are not being produced.

which is located at the offices of Covington & Burling in Washington, D.C. Applicants will be pleased to assist Entergy, Arkansas Power, and Gulf States in locating particular responsive documents to the extent that the index to the depository does not suffice for this purpose. Copies of documents will be supplied upon payment of duplicating costs (including, in the case of computer tapes, costs for programming, tapes and processing time).

2. Production of documents or information does not necessarily imply that they are relevant to this proceeding, and is not to be construed as waiving any objection stated herein.

3. Certain of the documents to be produced contain sensitive shipper-specific and other confidential information. Applicants are producing these documents subject to the protective order that has been entered in this proceeding.

4. In line with past practice in cases of this nature, Applicants have not secured verifications for the answers to interrogatories herein. Applicants are prepared to discuss the matter with Entergy, Arkansas Power, and Gulf States if this is of concern with respect to any particular answer.

GENERAL OBJECTIONS

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

additional specific objections are stated at the beginning of the response to each interrogatory or document request.

1. Applicants object to production of, and are not producing, documents or information subject to the attorney-client privilege.

2. Applicants object to production of, and are not producing, documents or information subject to the work product doctrine.

3. Applicants object to production of, and are not producing, documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

4. Applicants object to production of public documents that are readily available, including but not limited to documents on public file at the Board or the Securities and Exchange Commission or clippings from newspapers or other public media. Notwithstanding this objection, Applicants have produced some responsive material of this kind, but Applicants have not attempted to produce all responsive material of this kind.

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

6. Applicants object to providing information or documents that are as readily obtainable by the requesting parties from their own files.

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

8. Applicants object to the definitions of "relating to" and "relate to" as unduly vague.

9. Applicants object to Instructions Nos. 2, 3, 4, 5 and 6 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

10. Applicants object to Instructions Nos. 2, 3, 4, 5 and 6 as unduly burdensome.

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"Provide the mileage over the portion of SP's Houston, TX-Memphis, TN line between Pine Bluff, AR and the closest existing connection between such line and BNSF at or in the vicinity of Memphis, TN."

Response

Subject to the General Objections stated above, Applicants respond as follows:

The distance from West Memphis to SP's Pine Bluff yard is approximately 127 miles.

Interrogatory No. 2

"Provide the following information with respect to the portion of the unit-train movement of PRE coal to the White Bluff Station east/south of Kansas City, MO/KS:

- (a) The number of locomotive units customarily used for each loaded and empty movement.
- (b) The type of locomotives customarily used and their gross weight."

Response

Applicants object to this interrogatory as overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Responsive information will be produced.

Interrogatory No. 3

"Provide any changes in the number, type and weight of locomotives as described in your answer to Interrogatory No. 2 contemplated during 1996 or 1997."

Response

Applicants object to this interrogatory as overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections above, Applicants respond as follows:

Responsive information will be produced.

Interrogatory No. 4

"Describe any communications (a) between Applicants and Entergy, (b) among any of the Applicants, (c) among employees or agents of UP, and (d) among employees or agents of SP concerning the possible movement of coal to the White Bluff Station by BNSF and/or SP."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants have no knowledge of any such communications.

Interrogatory No. 5

"Identify all studies, analyses, reports, correspondence, memoranda, electronic mail or other documents prepared for or in the possession or control of Applicants relating to your response to Interrogatory No. 4."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See Response to interrogatory 4.

Interrogatory No. 6

"Provide the mileage over the portion of SP's Houston; TX-Iowa Junction, LA line between (a) the existing connection between such line and BNSF at Beaumont, TX and the planned point of connection between SGR and SP near Lake Charles, LA, and (b) the closest existing connection between such line and BNSF at Houston, TX and the planned point of connection between SGR and SP near Lake Charles, LA."

Response

Subject to the General Objections stated above, Applicants respond as follows:

- (a) The distance between the BN/Santa Fe-SP crossing at Beaumont and Lake Charles is approximately 60 miles.
- (b) The distance between Tower 26 in Houston and Lake Charles is approximately 142 miles.

Interrogatory No. 7

"Assuming UP/SP move unit trains of coal from the PRB to the Nelson Station via Fort Worth, TX commencing on or after October 1, 1996, and further assuming that such trains typically consist of 115 shipper-supplied steel rotary gondola railcars each loaded to a gross weight on rail of 268,000 [sic] pounds, provide the following information with respect to the portion of such movement south/east of Fort Worth, TX:

- (a) The number of locomotive units expected to be used for each loaded and empty movement.
- (b) The type of locomotives expected to be used and their gross weight."

Response

Applicants object to this Interrogatory as unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Responsive information will be produced.

Interrogatory No. 8

"Describe any communications between (a) Applicants and Entergy, (b) among any of the Applicants, (c) among employees or agents of UP, and (d) among employees or agents of SP concerning (i) the movement of coal to the Nelson Station by UP and/or BN in conjunction with SP or in conjunction with KCS, and (ii) the effect of the proposed merger on BNSF's ability to continue to participate in the movement of PRB coal by any of the potential pre-merger routings to the Nelson Station following consummation of the proposed merger."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes

requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Mr. Peterson addresses the merged system's greater potential ability to handle coal traffic to the Nelson plant in the context of new coal marketing opportunities at pages 285-86 of his verified statement in Volume 2 of the application and related workpapers. He also addressed this matter at his deposition. No other communications or studies with regard to the effect of the merger on routings of coal to the Nelson plant have been located.

Interrogatory No. 9

"Identify all studies, analyses and reports or other documents prepared for or in the possession or control of Applicants relating to your response to Interrogatory No. 8."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

See the Response to Interrogatory No. 8.

Respectfully submitted,

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

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

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

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

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

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

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

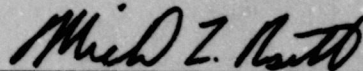
February 9, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 9th day of February, 1996, I caused a copy of the foregoing document to be served by hand on C. Michael Loftus, counsel for Entergy Services, Inc., Arkansas Power & Light Co., and Gulf States Utilities Co., at Slover & Loftus 1224 Seventeenth Street, N.W., Washington, D.C. 20036, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

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

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



Michael L. Rosenthal

STB FD

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Item No. _____

Page Count 1

Feb 8 1996

Mary Lee

CORPORATION

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

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

c/p: Central Business Services
629 Green Bay Rd. Suite #1
Wilmette, Illinois 60091
Attn: Mr. Bill Brazier

Sir,

I would like to voice our concern over the merger and its reduction of competition and access to Mexican markets. I feel this move will restrict available cars for the shippers and that prices will rise after control of the access is accomplished by the merger.

Our company manufactures and ships in excess of 20,000 truckloads of foodstuffs throughout the United States and Canada. Many of our suppliers are in Texas and surely have business relations back and forth across the border for submanufacturing and processing. Every time there has been a merger or downsizing our supply side of the business has deteriorated. Over the years, we have never realized increased car availability, increased service levels, or reduced or constrained pricing. Only steady competition and additional access to markets has kept prices in check and competition/customer service levels acceptable. This merger does not bode any great advantages for our company.

We do not feel that the BN-Santa Fe intervention into the Mexican market will be as positive as the current rail suppliers in place now who will be displaced or eliminated by the two mega-mergers of the BN/ATSF and UP/SP. These huge systems will concentrate in other areas of the West while current short lines should remain to handle the market they know best, and have the most vested interest in serving.

Please accept this letter as support for the TexMex requests for continued track usage and rail service agreements to keep competition in the North/South routes and locally along the Laredo gateway.

Sincerely,

Robert Hoh

Robert Hoh/Traffic Manager.

with Plants in CHESTER & STEELEVILLE, IL - McBRIDE & PERRYVILLE, MO - WILSON, AR

61210

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Office of the Secretary

FEB 09 1996

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P. O. BOX 227

PHONE (618) 826-2381

February 1, 1996



ADVISE OF ALL
PROCEEDINGS

STB FD 32760

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Item No. _____

Page Count 2

Feb # 67

61209

JOHN WILLY
BRAZORIA COUNTY JUDGE



BRAZORIA COUNTY

February 7, 1996



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

RE: Finance Docket 32760

Dear Secretary Williams:

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

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

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

ENTERED
Office of the Secretary

FEB 12 1996

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Public Record



ADVISE OF ALL PROCEEDINGS

BRAZORIA COUNTY COURTHOUSE • ANGLETON, TEXAS 77515

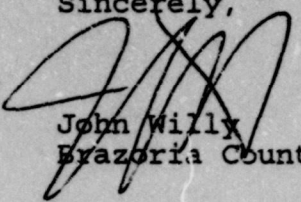
(409) 843-5711 Ext. 1200 • (409) 265-4261 Ext. 1200 • (713) 331-6101 Ext. 1200 • FAX (409) 849-5711 Ext. 1639

The Honorable Vernon A. Williams, Secretary
February 7, 1996
Page 2

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

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

Sincerely,



John Willy
Brazoria County Judge

JW:sp

cc: Carol Keeton Rylander, Chairman
Railroad Commission of Texas
1701 North Congress Avenue
P.O. Box 12967
Austin, Texas 78711-2967

STB FD 32760

2-9-96

D

61206

ENTERED
Item No. _____

Page Count 2

Feb 264



61206
ADVISE OF ALL

PROCEEDINGS

Public Record

DELWIN JONES
STATE REPRESENTATIVE
DISTRICT 83

The State of Texas
House of Representatives
Austin, Texas

P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0542
FAX 512-463-0671

CHAIRMAN OF:
REDISTRICTING COMMITTEE
MEMBER OF:
STATE AFFAIRS COMMITTEE
LICENSING & ADMINISTRATIVE
PROCEDURES COMMITTEE

2-1-96

Honorable Vernon Williams
Surface Transportation Board
12th St. & Constitution Ave
Washington, DC 20423



RE: Finance Document 32760

Dear Sir:

You have a pending merger application for Union Pacific RR (UP) and Southern Pacific Lines (SP). There is some discussion underway to counter monopoly criticism by including a 'trackage' rights agreement for Burlington-Northern Santa Fe (BNSF). This type would not solve the Texas problems.

We need another owning railroad, not another merge or 'trackage rights' deal. Owned, competitive service will be beneficial to our state.

DISTRICT OFFICE:

5609-A VILLA DRIVE • LUBBOCK, TEXAS 79412 • 806-763-4468 • FAX 806-763-1201

(2)

With the above thoughts in mind,
I urge to oppose the UT/SP merger. It
will not solve problems like competitive
service providers to our communities will.

Sincerely

William Jones

State Representative District 8

STB FD 32760

2-9-96

D

61205

C 1205

Item No. _____ **County Commissioners**

Page Count 2 West Jefferson Street
Feb #63 Jefferson, Ohio 44047

216/576-3

COMMISSIONERS

Jeanne M. Bento
Duane S. Feher
L. George Distel

FD 32760



February 1, 1996

FAX 216/576-2344

Brian Condron
Administrator

Julie Chelciu
Clerk of the Board

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

Dear Secretary Williams:

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

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

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

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PROCEEDINGS

ENTERED
Office of the Secretary

FEB 09 1996

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Public Record

Ashtabula County Commissioners

The Honorable Vernon A. Williams
February 1, 1996

Thank you for your consideration.

Sincerely,

ASHTABULA COUNTY COMMISSIONERS

Duane S. Feher

Duane S. Feher, President of the Board

Jeanne M. Bento

Jeanne M. Bento, Commissioner

L. George Distel

L. George Distel, Commissioner

cc: Don Tredent
Carmen Carbissero
U. S. Representative Stephen LaTourette
State Representatives Ross Boggs
State Senator Robert Boggs
U. S. Senator Michael DeWine
U. S. Senator John Glen

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2-9-96

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61204

Item No. _____

61204

Page Count 1
FEB # 62

ROBERT WEST
Mayor

PHONES:
895-7208 - 895-7209



FD 32760

February 1, 1996

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



Dear Secretary Williams:

Recently I became aware of a proposed merger of the Union Pacific and Southern Pacific railroads. As you may know, the northeast region of Illinois, of which my Village is a part of, is a major user and distributor of products shipped by rail. It is often the most efficient and cost effective method of transport for businesses in our region.

Some of the major factors effecting businesses and industries in our area are the ability to choose among transport alternatives and the cost related to those alternatives. The proposed merger of the Union Pacific and Southern Pacific worry us here in the midwest because of the potential of limitation of alternatives and non competitive pricing that the creation of a monopolistic situation may bring. A worse scenario may include further closer of rail lines and the loss of efficient transport.

I would like to encourage the Interstate Commerce Commission to consider favorable Conrail's proposal to purchase the eastern portion of the Southern Pacific railroad (SP East). We believe that Conrail's proposal would insure competitive rail use prices for Lansing businesses as well as businesses throughout our region. Maintaining and assisting growth and development in Illinois is a high priority, this would assist us in that effort.

Thank you for your consideration.

ADVISE OF ALL

PROCEEDINGS

Respectfully,

Robert W. West, Mayor

c.c.: David M. LeVan
President and Chief Executive Officer
Conrail
2001 Market St. 17N
Philadelphia, Pa. 19101-1417

ENTERED
Office of the Secretary

FEB 09 1996

3 Part of
Public Record

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FD

32760

2-8-96

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61201

Item No. _____

Page Count 3

File # 59

LAW OFFICES

F. RITZ R. KAHN, P.C.

SUITE 750 WEST

1100 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-3934

(202) 371-8037

FAX (202) 371-0900



February 7, 1996

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

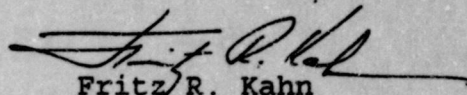
Dear Secretary Williams:

In Finance Docket No. 32760, Union Pacific Corp., et al.--
Control and Merger--Southern Pacific Rail Corp., at the time of its
filing of the attached Notice of Intent to Participate, Shell
Chemical Company inadvertently neglected to effect the service
called for by the decision, served December 27, 1995, Decision No.
9.

By copy of this letter, service is being effected.

Shell Chemical Company regrets any inconvenience its failure
to effect service in a timely fashion may have occasioned.

Sincerely yours,


Fritz R. Kahn

enc.

cc: Arvid E. Roach II, Esq.

Paul Cunningham, Esq.

Hon. Frank E. Kruesi

Robert McGeorge, Esq.

Hon. Jerome Nelson

Mr. Brian P. Felker

ENTERED
Office of the Secretary

FEB 09 1996

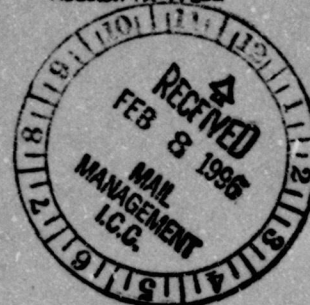
3 Part of
Public Record

Shell Chemical Company

An affiliate of Shell Oil Company



One Shell Plaza
PO Box 2463
Houston TX 77252



Via Express Delivery

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

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

Dear Secretary Williams:

Please find enclosed for filing with the Surface Transportation Board an original and twenty (20) copies of the Notice of Intent to Participate submitted on behalf of Shell Chemical Company, for itself and as agent for Shell Oil Company, (Shell) for filing in the above-reference proceeding.

Respectfully submitted,

A handwritten signature in cursive script that reads "Brian P. Felker".

Brian P. Felker
Manager, Products Traffic
Shell Chemical Company
One Shell Plaza
P.O. Box 2463
Houston, TX 77252-2463

BEFORE THE
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 32760

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY
— CONTROL AND MERGER —
SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC
TRANSPORTATION COMPANY, SPCSL CORP. AND THE DENVER AND
RIO GRANDE WESTERN RAILROAD COMPANY

NOTICE OF INTENT TO PARTICIPATE

Pursuant to Decision No. 6 in this proceeding, and in accordance with 49 C.F.R. Sec. 1180.4(a)(4), Shell Chemical Company, for itself and as agent for Shell Oil Company, (Shell) hereby notifies the Board of its intention to participate in the above-referenced proceeding.

Respectfully submitted,

By: Brian P. Felker
Brian P. Felker

Shell Chemical Company
One Shell Plaza
P.O. Box 2463
Houston, TX 77252-2463
(713) 241-3335

Dated: January 19, 1996

STB FD

32760

2-7-96

D

61196

SENATE

Item No. _____

AUSTIN

Capitol Bu
P. O. Box
Austin, Te
(512) 463-
FAX (512) 463-7794
TDD (512) 475-3758

INTERNET E-MAIL

jeff.wentworth@capitol.tlc.texas.gov

SAN ANGELO

2121-B Knickerbocker Road
San Angelo, Texas 76904
(915) 942-8522
FAX (915) 942-8621

SAN ANTONIO

1250 N. E. Loop 410, Suite 425
San Antonio, Texas 78209
(210) 826-786
FAX (210) 826-0571



The Senate of The State of Texas

February 2, 1996

61194
COMMITTEES

State Affairs (Vice Chairman)
Intergovernmental Relations
Jurisprudence
Nominations
Committee of the Whole on
Legislative and Congressional
Redistricting

COUNTIES IN
SENATE DISTRICT 25

| | |
|------------------|-------------------|
| Bandera | Llano (part) |
| Bexar (part) | Mason |
| Blanco | Medina (part) |
| Comal (part) | Schleicher |
| Gillespie | Sutton (part) |
| Guadalupe (part) | Tom Green (part) |
| Kendall | Travis (part) |
| Kerr | Williamson (part) |
| Kimble | |

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

RE: Finance Docket 32760

Dear Secretary Williams:

I am writing in regard to an application pending before you that seeks approval of a merger between the Union Pacific Railroad Company (UP) and Southern Pacific Lines (SP). As a state senator from Texas representing nearly 600,000 citizens in 17 counties, I am extremely concerned that the merger of these two railroads will dramatically reduce rail competition in Texas, seriously impacting Texas business and our State's economy.

Supporting this concern, I present to you figures from an economic study on the impact of this proposed merger on Texas as prepared by The Perryman Group.

Texas loses: 3,877 permanent jobs, \$392.5M in annual total expenditures, \$192.3M in annual gross produce, \$115.9M in annual personal income, and \$39.3M in annual retail sales. (copy of executive summary enclosed)

As you can see, this proposed merger will have a dramatic, negative economic impact on the State of Texas.

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

In my opinion, however, a trackage rights agreement will not solve the problem. Rail



ADVISE OF ALL
PROCEEDINGS



PRINTED ON RECYCLED PAPER

The Honorable Vernon A. Williams

February 2, 1996

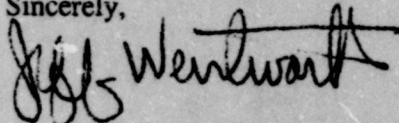
Page Two

line owners have incentives to invest in the track and to work with the community to spur economic development and growth. None of this can be said about railroads that operate on someone else's tracks, subject to someone else's control. It can be argued that BNSF negotiated this trackage rights agreement of its own volition and that government should not interfere with private industry. It should be considered, however, what Gerald Grinstein, BNSF's CEO stated in a December 18, 1995, interview with *Forbes* magazine when asked about the agreement. He stated they would not oppose the merger because of its trackage rights agreement, but also admitted that such agreements do not insure unfettered competition. He further stated, "What choice would you have if you are faced with a merger that could be approved?... You have to protect yourself." Thus, even the railroad industry knows that this proposed merger is a bad idea which will not foster competition but will stifle it.

Finally, this proposed merger will leave San Antonio, Texas, the ninth largest city in the country and my hometown, with a "choice" of one railroad. As San Antonio begins to become a hub for international trade with Mexico, this can not happen.

For these reasons, I am adamantly opposed to this proposed merger. I urge you to consider this proposal carefully and to find ways to ensure adequate rail competition in Texas. This proposed merger is bad for America and bad for Texas.

Sincerely,



Jeff Wentworth

JW\rwr

Enclosure

cc: Honorable Carole Keeton Rylander, Chairman
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

THE IMPACT OF THE PROPOSED UNION PACIFIC- SOUTHERN PACIFIC MERGER ON BUSINESS ACTIVITY IN TEXAS: An Executive Summary

OVERVIEW

The current study by The Perryman Group (TPG) measures the economic impact of the proposed Union Pacific Southern Pacific (UP-SP) merger on overall business activity in Texas. The results include a detailed analysis of both the net efficiencies created by the combination and the effects of the reductions in competition and, thus, shipper choice and bargaining power. In all cases in which assumptions are required, they are structured to understate harms and overstate any offsetting benefits.

RESULTS OF THE ANALYSIS

Efficiency Effects. The efficiency effects include (1) the negative impact of job elimination; (2) offsetting benefits of increased dividend payments and the resulting spending stream; and (3) positive gains from the rate reductions projected in documents filed by UPSP to accompany the merger. *When combined, these components show net losses at maturity of the proposed merger to be \$147.2 million in annual Total Expenditures, \$86.4 million in annual Gross State Product, \$56.1 million in annual Personal Income, \$16.3 million in annual Retail Sales, and 1,926 Permanent Jobs.*

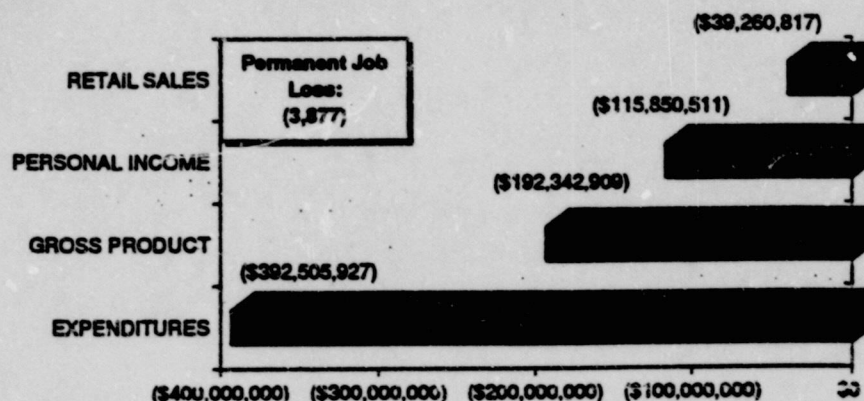
Competitive Effects. The potential lessening of competition for rail service, particularly in the Gulf Coast petrochemical complex and along the border with Mexico, is a source of substantial concern in Texas. *The analysis shows the minimum level of losses in state business activity attributable to the reduction of competitive forces is \$245.3 million in annual Total Expenditures, \$106.0 million in annual Gross State Product, \$59.7 million in Personal Income, \$22.9 million in annual Retail Sales, and 1,951 Permanent Jobs.* Because the direct losses are incurred by firms in the goods-producing, export-oriented sectors of the economy (mining, agriculture, and manufacturing), there are substantial declines across all major sectors.

Aggregate Effects. The overall decrease in business activity which may be anticipated from the proposed UP-SP merger is obtained by combining the efficiency and competitive effects (see following graph). The composite impact of these losses is computed as

- ✓ \$392.5 million in annual Total Expenditures;
- ✓ \$192.3 million in annual Gross State Product;
- ✓ \$115.9 million in annual Personal Income;
- ✓ \$39.3 million in annual Retail Sales; and
- ✓ 3,877 Permanent Jobs.

Note that (1) the totals reflect stabilized annual losses and (2) all monetary values are given in 1995 dollars.

**The Aggregate Annual Impact of the
Union Pacific-Southern Pacific Merger
on the Business Activity in Texas**



METHODOLOGY. The basic technique used in estimating the economic impact of the proposed merger on the economy of Texas is known as input-output analysis. This methodology uses survey data, industry information, and a variety of corroborative source materials to create a matrix describing the various goods and services (known as resources or inputs) required to produce one unit of output for a given sector. Once the base information is compiled, it can be mathematically manipulated to generate evaluations of the magnitude of successive rounds of activity (or "multiplier effects") involved in the overall production process. There are two essential steps in conducting an input-output analysis once the system is operational: (1) define the levels of economic activity to be evaluated, which may be expressed in terms of expenditures, jobs, income, or output, and (2) simulate the input-output system to measure overall economic effects. The overall impact of the UP-SP merger arises from two basic factors—denoted as the "efficiency effect" and the "competitive effect." The sum of the direct competitive effects and the net results from the efficiency simulations yields the total effect of the UP-SP merger on activity in Texas. The model employed is the relevant geographic sub-model of the US Multi-Regional Impact Assessment System (MRIAS) developed and maintained by The Perryman Group. Input factors were determined through (1) information filed by UP in support of the merger and (2) regression analysis based on prior competitive response within the Texas rail sector.

CONCLUSION. The results from this study clearly demonstrate that the state of Texas would suffer substantial losses in yearly business activity as a consequence of this merger. These negative impacts are particularly acute if the deleterious reductions in competition in key corridors are not fully addressed and eliminated. The purchase of the eastern SP lines by a company with the capability and commitment to aggressively enter the market appears to be the optimal means to ensure a viable competitive environment. In this manner, the options for shippers in the Gulf Coast and border regions of the state can be preserved and, consequently, the ability of Texas firms to continue making inroads into expanding global markets can be assured.

STB FD 32760

2-6-96

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61211

WAYNE BUTTRY
PRESIDENT

JEANNE HOLT
CLERK

MICHAEL R. PETERSON
TREASURER

Item No. _____

Page Count 2

Feb # 69

Office of the Secretary

FEB 09 1996

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Public Record

TRUSTEES
JAMES HOLT
JOHN SYRON
FRED BRIGHT
MARVIN JONES
MARSHA TASSHARI
DENNIS CHILDS



"THE
VILLAGE
OF
PROGRESS"

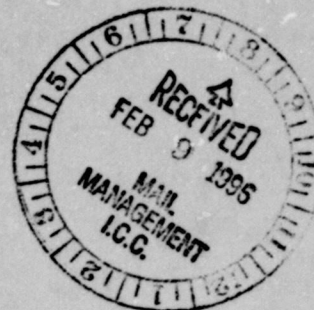
of East Alton

INCORPORATED SEPT. 4, 1893

119 WEST MAIN STREET
EAST ALTON, ILLINOIS 62024

FD 32760

February 2, 1996



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

Dear Secretary Williams:

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

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

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

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

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

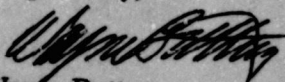
PROCEEDINGS

ADVISE OF ALL

Conrail's proposal offers a sensible solution to the problem -- one that would maintain competitive rail transport prices for Illinois businesses. And Conrail's acquisition of the SP-East would provide more than just convenience and savings for industries. The resulting business development and investment could bring additional jobs to Illinois communities.

I urge you to seriously consider the ramifications of the Union Pacific Southern Pacific merger, particularly in terms of preserving competition along the SP-East lines. Your decision will affect many lives here in Illinois. Thanks for your consideration.

Respectfully,


Wayne Buttry
Mayor

WB/kst

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

STB FD 32760

2-6-96

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61208

Item No. _____

Page Count 2

Feb 11 1996



TEXAS HOUSE OF REPRESENTATIVES

ROBERT R. PUENTE

STATE REPRESENTATIVE
DISTRICT 119

AUSTIN OFFICE:
P. O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0452
FAX: 512-463-1447

ENTERED
Office of the Secretary

FEB 12 1996

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Public Record

DISTRICT OFFICE:
2931 E. SOUTHCROSS, SUITE 201
SAN ANTONIO, TEXAS 78223
210-532-8899
FAX: 210-532-4964

January 31, 1996

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

RE: Finance Docket 32760

Dear Secretary Williams:

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

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

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

A far better alternative is for Conrail to purchase a significant portion of the SP's eastern lines. As an owning, not renting, railroad, Conrail is prepared to make a substantial investment in track maintenance, new locomotives and rolling stock. Conrail's proposal will create the most efficient route to and from the northeast and midwest. Also, it will open up greater industrial development opportunities and it will provide customers with competitive rail access to and from markets in Texas and Mexico.

ADVISE OF ALL



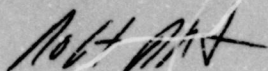
COMMITTEES: PROCEEDINGS
NATURAL RESOURCES • JUVENILE JUSTICE AND FAMILY ISSUES • LOCAL AND CONSENT CALENDARS

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
January 31, 1996

Page 2 of 2

For all these reasons I urge the Board to reject the proposed UP-SP merger unless it is conditioned upon acceptance of Conrail's proposal.

Sincerely,



Robert R. Puente
State Representative
District 119

RPP:emd

STB FD 32760

2-6-96

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61194

Item No. _____

Page Count 1

Feb 52



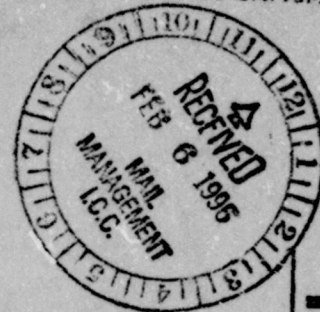
MISSOURI SENATE
JEFFERSON CITY

WAYNE GOODE
13TH DISTRICT

ROOM 334
STATE CAPITOL
JEFFERSON CITY, MISSOURI 65101
314-751-2420
TDD (314) 751-3969

January 31, 1996

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



Dear Mr. Williams:

It is my understanding that your agency is currently considering the proposed merger of the Southern Pacific Railroad with the Union Pacific Railroad. I believe that should this merger occur it would be detrimental to shippers and consumers in our state and throughout most of the country.

The public will not be well served by any further reduction in rail carriers and rail service. Such a merger would leave only two carriers to serve the vast majority of the midwest and western United States.

If this merger is to be allowed at least at a very minimum you should require the further sale of parallel lines of the Southern Pacific to other carriers. It is my understanding that Conrail is attempting to purchase a portion of the Southern Pacific extending from Chicago to New Orleans, Brownsville, El Paso and other cities along the route. While I would prefer to see the Southern Pacific continue to operate as they are today requiring the sale to Conrail would be far superior to a complete Union Pacific-Southern Pacific merger.

Thank you for considering my comments.

Sincerely,

WAYNE GOODE

WG:sl

CC: David M. LeVan

ENTERED
Office of the Secretary

FEB 07 1996

3 Part of
Public Record

ADVISE OF ALL
PROCEEDINGS

STB FD 32750

2-6-96

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61193

Item No. _____

Page Count 1

Feb 25

Ohio

House of Representatives



JOSEPH E. HAINES
State Representative

2750 E. Spring Valley
Paintersville Road
Xenia, OH 45385
(513) 372-2830 - Home
(614) 466-2038 - Office

74th House District
Madison County and part of
Clark and Greene Counties

COMMITTEES:

Chair, Agriculture and Natural
Resources
Finance & Appropriations and
Agriculture & Development
Subcommittee
Rules and Reference
Commissioner, Ohio
Expositions Commission
Petroleum Underground Storage
Tank Advisory Committee



January 25, 1996

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

Dear Secretary Williams:

I understand the Interstate Commerce Commission will soon be holding hearings on the possible merger of Union Pacific-Southern Pacific Railroads. This merger is of particular interest to the State of Ohio.

As the Chairman of the House Agriculture and Natural Resources Committee, I am contacting you in support of Conrail's initiative to acquire a part of Southern Pacific Railroad. This acquisition will bring new economic opportunities to Ohio. Agriculture is Ohio's number one industry. Conrail's acquisition will enable Ohio to provide more avenues of direct trade under the NAFTA agreements, specifically with Mexico and Canada.

Conrail's plan to acquire Southern Pacific will complement Ohio's transportation infrastructure already in place. I feel it is in Ohio's best interests to support Conrail. I urge the ICC to favorably consider the Conrail plan as an alternative to the Union Pacific-Southern Pacific merger.

Thank you for your consideration.

Sincerely,

Joe Haines
Joseph E. Haines
State Representative
74th House District

ENTERED
Office of the Secretary

FEB 07 1996

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Public Record

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ADVISE OF ALL
PROCEEDINGS

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2-6-96

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Item No. _____

Page Count 2

Feb # 50

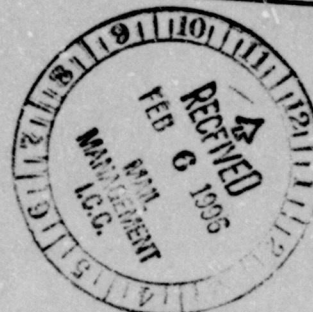
**CORPUS CHRISTI
GRAIN CO.**

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ENTERED
Office of the Secretary

FEB 07 1996

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Public Record

January 30, 1996



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

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

Dear Mr. Williams:

I am the President of Corpus Christi Grain Co. which since 1960 has been an originator of farmer grain and a sub-terminal grain elevator in Corpus Christi, Texas. Our facility is located on the Tex-Mex Railway and has a storage capacity of 3.6 million bushels. We normally ship 90,000 to 100,000 tons of corn and milo into Mexico through Nuevo Laredo on the Tex-Mex Railway.

Our company has been a major user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

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

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

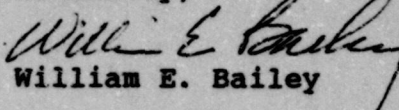
ADVISE OF ALL
PROCEEDINGS

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

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

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

Sincerely,


William E. Bailey

STB FD 32760

2-6-96 D

61182

Item No. _____

Page Count 2

FEB 12 40

Cell 182

GREEN LAKE GRAIN CO.
ROUTE 2, BOX 329
PORT LAVACA, TEXAS 77979

January 30, 1996



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

ENTERED
Office of the Secretary

FEB 07 1996

3 Part of
Public Record

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

Dear Mr. Williams:

Green Lake Grain Co. owns three country elevators between Corpus Christi and Houston, Texas. Two of them are on the Union Pacific; the third is a truck station. We have been unable to ship any grain to Laredo competitively because the UP goes north to San Antonio before coming back south to Laredo. Therefore, their rates are not competitive. In fact, many times we truck our grain to other elevators for loading on hopper cars to go to Mexico.

Our company has been a user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

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

ADVISE OF ALL

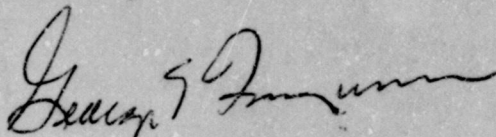
PROCEEDINGS

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

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

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

Yours truly,

A handwritten signature in dark ink, appearing to read "George E. Ferguson", with a stylized flourish at the end.

George E. Ferguson

STB FD

32760

2-6-96

D

61189

Item No. _____

Page Count 1

JEFF
DIST
KOOTENAI

Feb 47

HOME ADDRESS
P.O. BOX 2140
JEN, IDAHO 83835
(208) 762-1141

Office of the Secretary

FEB 07 1996



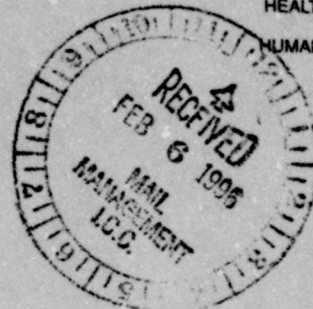
61189
COMMITTEES
STATE AFFAIRS
HEALTH & WELFARE
HUMAN RESOURCES

January 29, 1996

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Part of
Public

House of Representatives
State of Idaho



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

Finance Docket No. 327650, Union Pacific Corp., et al -- Control & Merge: -- Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I, Jeff Alltus, am a member of the House of Representatives, representing Kootenai County in the Idaho legislature.

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

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

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

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

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

1-30-96
Date

JEFF ALLTUS

**ADVISE OF ALL
PROCEEDINGS**

STB FD 32760

2-6-96

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Item No. _____

Page Count _____

Feb 2 48



MISSOURI SENATE

JEFFERSON CITY

DANNY STAPLES
STATE SENATOR
20TH SENATORIAL DISTRICT
ROOM 418A, STATE CAPITOL
JEFFERSON CITY, MO. MISSOURI 65101
PHONE (314) 751-3534
FDD (314) 751-3969

HOME ADDRESS:
HCR 3, BOX 18
EMINENCE, MISSOURI 65466

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Office of the Secretary

FEB 07 1996

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Public Record

February 1, 1996



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board (c/o ICC)
12th Street and Constitution Avenue
Washington, D.C. 20423

Re: Union Pacific/Southern Pacific Merger

Dear Secretary Williams:

Upon reviewing the proposed merger of the Southern Pacific (SP) Railroad and the Union Pacific (UP) Railroad, I would like to express some concerns I feel this merger will have on this country. I am a member of the Missouri Senate and serve as Chairman of the Senate Transportation Committee. I question whether this merger can truly produce effective competitive for rail traffic. I am particularly interested in the competitive effects on Missouri. I am not convinced the UP and Burlington Northern-Santa Fee (BNSF) Railroad trackage rights agreement will in the long run produce competitive rail traffic.

However, after reviewing Contrail's proposal to SP to purchase a significant portion of SP's eastern lines in connection with the merger, in particularly the lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana; I feel all of these proposals together could work to offer multiple rail options and efficient service for shippers.

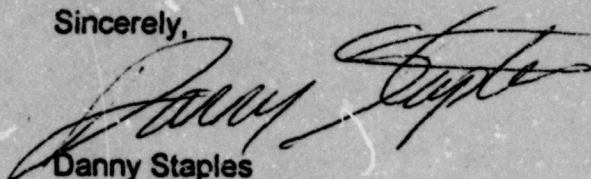
At this time I would appreciate your consideration of all proposals made to both UP and SP when considering this proposed merger.

PROCEEDINGS

The People Shall Be the Supreme Law"

**ADVISE OF ALL
PROCEEDINGS**

Sincerely,

A handwritten signature in dark ink, appearing to read "Danny Staples", written over the printed name.

Danny Staples
State Senator, 20th District

DS/dl

STB FD 32760

2-6-96

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61188

Item No. _____

Page Count 1

Feb # 46

House of Representatives



State Representative
77 S. High Street
Columbus, Ohio 43266-0603

District Office (419) 245-3423
Statehouse Office (614) 466-1418
Residence (419) 691-4214

50th District
Toledo (part)

COMMITTEE

- Economic Development and Small Business
- Judiciary and Criminal Justice
- Insurance
- Housing and Urban Affairs

JOHN G. GARCIA

January 29, 1996



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

Dear Mr. Secretary:

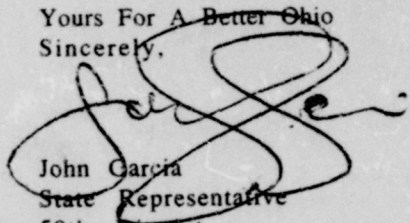
Toledo and Ohio are very interested in the Union Pacific/Southern Pacific railroad acquisitions case now pending before the Interstate Commerce Commission. I understand competitive concerns are being raised about this merger, primarily from states that would be left with a single rail line. Ohio's interest, however, is different.

Conrail is very interested in acquiring the eastern routes of Southern Pacific. Conrail's plan would give Ohio direct rail access to the growing Gulf Coast and Mexican markets. Ohio is the second largest auto manufacturing state in the country as well as a major producer auto parts, and, paper equipment for high tech appliances.

Conrail's proposed acquisition would enhance its current service and help our industries export numerous products to the South and to the new Mexican markets now available because of NAFTA.

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

Yours For A Better Ohio
Sincerely,


John Garcia
State Representative
50th District

JG/ts

blind copy to,
David M. Levan, President
Conrail

ENTERED
Office of the Secretary

FEB 07 1996

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Public Record

ADVISE OF ALL

PROCEEDINGS

77 South High Street Columbus, OH 43266-0603

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32760

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Item No. _____

Page Count 2

Feb # 45



FRANK BAILEY GRAIN CO., INC.

P.O. Box 510, Fort Worth, Texas 76101-0510 • (817) 731-6341 • Established 1924

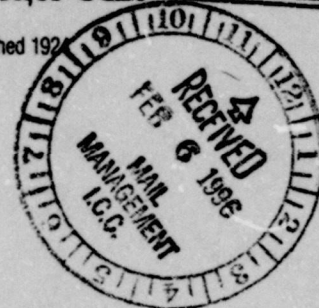
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Office of the Secretary

FEB 07 1996

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Public Record

January 30, 1996

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



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

Dear Mr. Williams:

I am the president of Frank Bailey Grain Co., Inc. The Company has been in the grain elevator business since 1924. The vast majority of the grain that we handle each year is for export and the bulk of that goes into Mexico via the Tex-Mex Railway which runs from Corpus Christi, Texas to Nuevo Laredo. Our Tex-Mex volume has averaged about 140,000 tons per year and that number is expected to increase. We ship primarily bulk sorghum and bulk corn into Mexico.

Our company has been a major user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

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

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these

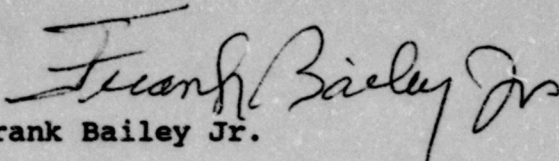
ADVISE OF ALL
PROCEEDINGS

railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

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

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

Yours truly,


Frank Bailey Jr.

STB FD 32760

2-6-96

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Item No. _____

Page Count 1 of Representatives

Feb 8 44

District 109

January 31, 1996

Mr. Vernon A. Williams
Interstate Commerce Commission
12th Street & Constitution Ave.
Washington D.C. 20423

FD 32760



Dear Mr. Williams,

I am writing to express my concerns about the proposed merger of Union Pacific Corporation and the Southern Pacific Rail Corporation. I'm very concerned about the potential negative impact on the Texas economy. The railroad is a vital artery of trade throughout Texas, as well as an economic incentive in many areas. While I have a number of concerns, let me cite the major three:

First, the merger between Union Pacific and Southern Pacific will create a duopoly. The proposed merger will virtually eliminate competition, forcing shipping rates to rise. This will not be in the best interest of Texas rail shippers. With this merger, virtually all Class I rail lines will be controlled by Union and Southern Pacific. Up to seventy percent of the petrochemical shipments from the Texas Gulf Coast and ninety percent of train traffic from Mexico would be controlled with the UP/SP merge. Competition among railroads keep shipping rates competitive. Elimination of competition gives exclusive rights to Union/Southern Pacific to set shipping rates for Texas. I find excessive control of pricing to be a terrible downfall for those who must utilize rail for shipping.

Second, the merger jeopardizes the growth of the short line rail industry in Texas. Many rural areas depend on the shipping industry and short rail shipping. The proposed merger would create large, single-line routes throughout Texas. This will eliminate many short line rails between rural areas. Communities depend on the railway as a means of economic support. The merger allows the Class I rail companies to deny short rail access to valuable rail links, eliminating rural rail transportation districts.

Third, this merger will likely result in a loss of jobs for Texans. The likelihood of this probability is even greater when neither company is based in Texas.

I urge you to examine these issues very carefully. I think you would agree if such a merger eliminates jobs, reduces competition and forces consumers to pay higher rates, its probably not good for Texas. Thank you for your consideration.

Sincerely,

Helen Giddings
Helen Giddings

ENTERED
Office of the Secretary

FEB 07 1996

**ADVISE OF ALL
PROCEEDINGS**

Committees: Business & Industry • Financial Institutions • Redistricting
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P.O. Box 2910
Austin, Texas 78768-2910
512-463-0963
FAX 512-463-3987

1510 N. Hampton, Suite #220
DeSoto, Texas 75115
214-234-6785
FAX 214-234-6786

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Feb # 43



January 30, 1996

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ADVISE OF ALL
PROCEEDINGS

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

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

Dear Mr. Williams:

Nueces Grain Corp. is a 1,600,000 bushel grain elevator in Corpus Christi, Texas on the Union Pacific Railroad. We both originate farmer grain and act as a sub-terminal facility for other elevators. Each year we ship bulk milo and corn that moves to Mexico via the Tex-Mex Railway through Laredo/Nuevo Laredo.

Our company has been a major user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

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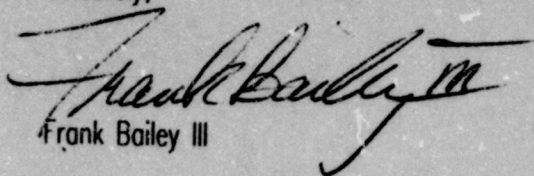
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I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating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

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Bailey III".

Frank Bailey III

STB FD 32760

2-6-96

D

61184

Item No. _____
AUST Page Count 2
FAX Feb 42



61184
P.O. BOX 633
MT. VERNON, TX 75457
(903) 537-2212
FAX: (903) 537-2628

TOM RAMSAY
TEXAS HOUSE OF REPRESENTATIVES

January 29, 1996

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

RE: Finance Docket 32760

Dear Secretary Williams:

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

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

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

ENTERED
Office of the Secretary

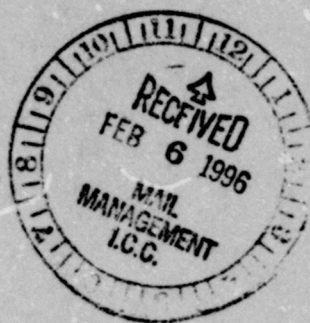
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Public Record

**ADVISE OF ALL
PROCEEDINGS**

DISTRICT 2

COMMITTEES: STATE AFFAIRS • ENERGY RESOURCES

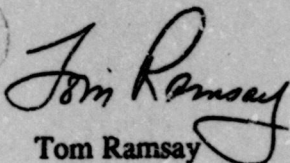


The Honorable Vernon A. Williams
UP-SP Merger
Page 2

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

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

Sincerely,



Tom Ramsay
State Representative
District 2

cc: Carole Keeton Rylander, Texas Railroad Commission
Barry Williamson, Texas Railroad Commission
Charles Matthews, Texas Railroad Commission
The Honorable John Cook, Texas House of Representatives
Sam Arrington, United Transportation Union
Robert Scardelletti, Transportation-Communications Union
Jerry (Nub) Donaldson

STB

FD

32760

2-5-96

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61260

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC
TRANSPORTATION COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY
COMPANY, SPCSL CORP. AND THE DENVER AND
RIO GRANDE WESTERN RAILROAD COMPANYAPPLICANTS' RESPONSES TO ARIZONA ELECTRIC POWER'S
FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

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

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

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

ENTERED
Office of the Secretary

FEB 16 1996

5 Part of
Public Record

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

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

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

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

February 15, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSES TO ARIZONA ELECTRIC POWER'S
FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively "Applicants," hereby respond to the discovery
requests served by Arizona Electric Power Cooperative, Inc. on
January 31, 1996.^{1/}

GENERAL RESPONSES

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

1. Applicants have conducted a reasonable search
for documents responsive to the interrogatories and document
requests. Except as objections are noted herein,^{2/} all

^{1/} In these responses, Applicants use acronyms as they have
defined them in the application. However, for purposes of
interpreting the requests, Applicants will attempt to observe
Arizona Electric's definitions where they differ from
Applicants' (for example, Arizona Electric's definitions of
"UP" and "SP," unlike Applicants', include UPC and SPR,
respectively).

^{2/} Thus, any response that states that responsive documents
are being produced is subject to the General Objections, so
(continued...)

responsive documents have been or shortly will be made available for inspection and copying in Applicants' document depository, which is located at the offices of Covington & Burling in Washington, D.C. Applicants will be pleased to assist Arizona Electric to locate particular responsive documents to the extent that the index to the depository does not suffice for this purpose. Copies of documents will be supplied upon payment of duplicating costs (including, in the case of computer tapes, costs for programming, tapes and processing time).

2. Production of documents or information does not necessarily imply that they are relevant to this proceeding, and is not to be construed as waiving any objection stated herein.

3. Certain of the documents to be produced contain sensitive shipper-specific and other confidential information. Applicants are producing these documents subject to the protective order that has been entered in this proceeding.

4. In line with past practice in cases of this nature, Applicants have not secured verifications for the answers to interrogatories herein. Applicants are prepared to discuss the matter with Arizona Electric if this is of concern with respect to any particular answer.

^{2/}(...continued)

that, for example, any documents subject to attorney-client privilege (General Objection No. 1) or the work product doctrine (General Objection No. 2) are not being produced.

GENERAL OBJECTIONS

The following objections are made with respect to all of the interrogatories and document requests. Any additional specific objections are stated at the beginning of the response to each discovery request.

1. Applicants object to production of, and are not producing, documents or information subject to the attorney-client privilege.

2. Applicants object to production of, and are not producing, documents or information subject to the work product doctrine.

3. Applicants object to production of, and are not producing, documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

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

5. Applicants object to the production of, and are not producing, draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such documents have been treated by all parties as protected from production.

6. Applicants object to providing information or documents that are as readily obtainable by Arizona Electric from its own files.

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

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

9. Applicants object to Instructions Nos. 2, 3 and 4 and the definition of "identify" when used with reference to documents to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

10. Applicants object to Instructions Nos. 2, 3, and 4 and the definition of "identify" when used with reference to documents as unduly burdensome.

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"Identify the basis for Witness Sharp's assertion in Volume 2 of the Application (at p. 689 n.28) that 'PRB sources are not competitive at these plants [including AEPCO's Apache plant] with nearby Colorado and New Mexico origins.'"

Response

The statement that PRB sources are not competitive at the cited plants is based on the historical lack of PRB coal consumption at those plants and Mr. Sharp's general knowledge. Relevant workpapers are in Applicants' document depository. (Data from Department of Energy, Energy Information Administration, Cost and Quality of Fuels for Electric Plants, 1994, 1988.)

Interrogatory No. 2

"State whether AEPCO's Apache Station is one of the locations that Witness Sharp referred to in his assertion in Volume 2 of the Application (at p. 689 n. 28) that '[l]ocal truck hauls compete with SP traffic at some locations . . .'. If so, identify the basis for this assertion."

Response

No.

Interrogatory No. 3

"Identify any operational or economic constraints that prohibit the Applicants from providing coal unit train service from the Powder River Basin to AEPCO's Apache Station via Stratford, Texas."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Applicants have made no study to determine whether such operational or economic constraints exist.

Interrogatory No. 4

"Identify any operational or economic constraints that prohibit the Applicants from providing coal unit train service from coal origins in Colorado to AEPCO's Apache Station via Stratford, Texas."

Response

Subject to the General Objections stated above, Applicants respond as follows:

Applicants have made no study to determine whether such operational or economic constraints exist.

Document Request No. 1

"Produce all documents identified in response to Interrogatory No. 1."

Response

Subject to the General Objections stated above, Applicants respond as follows:

See Response to Interrogatory No. 1.

Document Request No. 2

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

Response

No documents are identified in the response to Interrogatory No. 2.

Document Request No. 3

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

Response

No documents are identified in the response to Interrogatory No. 3.

Document Request No. 4

"Produce all documents identified in response to Interrogatory No. 4."

Response

No documents are identified in the response to Interrogatory No. 4.

Document Request No. 5

"Produce all documents which discuss or relate to Applicants' potential participation in the rail transportation of coal from origins in the Powder River Basin to AEPCO's Apache station."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No responsive documents have been located.

Document Request No. 6

"Produce all documents which discuss, analyze or compare: (i) AEPCO's current coal supply and rail service arrangements for coal originating on BNSF's line near Gallup, New Mexico; with (ii) potential rail service that the Applicants could provide from coal origins in either Colorado or the Powder River Basin to AEPCO's Apache Station via Stratford, Texas."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No responsive documents have been located.

Document Request No. 7

"Produce all documents which analyze potential coal unit train service that BNSF could participate in from the Powder River Basin to AEPCO's Apache Station."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No responsive documents have been located.

Document Request No. 8

"Produce all documents which discuss, analyze or compare: (i) potential rail service to AEPCO's Apache Station that BNSF could participate in from origins in the Powder River Basin, with (ii) potential rail service that the Applicants could provide from origins in either the Powder River Basin or Colorado to AEPCO's Apache Station via Stratford, Texas."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No responsive documents have been located.

Document Request No. 9

"Produce all documents relating to AEPCO's ability to substitute natural gas for any or all of the coal that it uses to generate electricity."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No responsive documents have been located.

Document Request No. 10

"Produce all documents relating to AEPCO's ability to displace any or all of the power that it generates with purchased power."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No responsive documents have been located.

Document Request No. 11

"Produce all documents relating to AEPCO's ability to displace any or all of the power that it generates with so-called 'coal-by-wire.'"

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No responsive documents have been located.

Respectfully submitted,

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

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

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

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

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

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

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

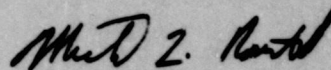
February 15, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 15th day of February, 1996, I caused a copy of the foregoing document to be served by hand on C. Michael Loftus, counsel for Arizona Electric Power Cooperative, at Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, D.C. 20036, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

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

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



Michael L. Rosenthal

STB

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61107

ORIGINAL

LAW OFFICES

BEINAP, SPENCER, McFARLAND & HERMAN

20 NORTH WACKER DRIVE - SUITE 3118

CHICAGO, ILLINOIS 60606-0101

TELEPHONE (312) 408-0204

FAX (312) 501-0805

THOMAS F. McFARLAND, JR.
STEPHEN C. HERMAN

NIRL D. BEINAP (1866-1070)

HAROLD E. SPENCER
COUNSEL

January 29, 1996

Vernon A. Williams, Secretary
Surface Transportation Board
U.S. Department of Transportation, Rm. 1324
12th & Constitution Avenue, NW
Washington, DC 20423

~~SECRET~~

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

Dear Mr. Williams:

Enclosed please find an original and 20 copies of Description Of Anticipated Inconsistent And Responsive Application And Petition For Waiver And Clarification (WEPC-1), for filing with the Board in the above referenced matter. Also enclosed is disk.

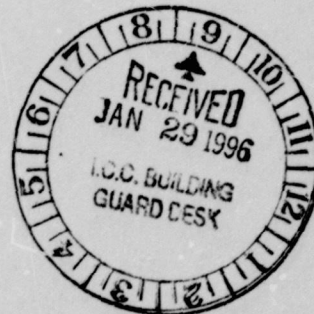
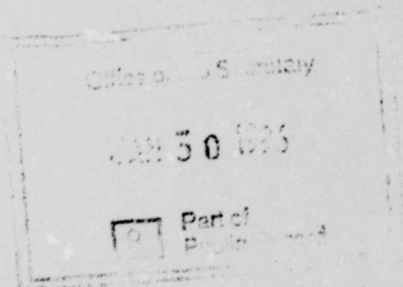
Kindly acknowledge receipt by date stamping the enclosed duplicate copy of this letter and return in the self-addressed stamped envelope.

Very truly yours,

Tom McFarland

Thomas F. McFarland, Jr.
Attorney for Wisconsin Electric Power Company

TMCF:kl:encl:521

cc: Arvid E. Roach, by facsimile (202) 778-5388
Paul A. Cunningham, by facsimile (202) 973-7610

Item No. _____

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P.002

WEPC-1

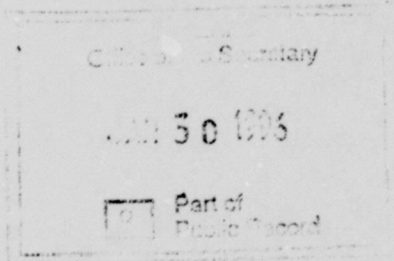
BEFORE THE
SURFACE TRANSPORTATION BOARD
UNITED STATES DEPARTMENT OF TRANSPORTATION

UNION PACIFIC CORPORATION, ET)
AL. -- CONTROL AND MERGER --)
SOUTHERN PACIFIC RAIL)
CORPORATION, ET AL.)

FINANCE DOCKET

NO. 32760

DESCRIPTION OF ANTICIPATED INCONSISTENT
AND RESPONSIVE APPLICATION
AND
PETITION FOR WAIVER AND CLARIFICATION



WISCONSIN ELECTRIC POWER COMPANY
231 West Michigan Street
Milwaukee, WI 53203

Protestant

THOMAS F. MCFARLAND, JR.
BELNAP, SPENCER, MCFARLAND & HERMAN
20 North Wacker Drive
Suite 3118
Chicago, IL 60606-3101
(312) 236-0204

Attorney for Protestant

DUE DATE: January 29, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD
UNITED STATES DEPARTMENT OF TRANSPORTATION

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

DESCRIPTION OF ANTICIPATED INCONSISTENT
AND RESPONSIVE APPLICATION
AND
PETITION FOR WAIVER AND CLARIFICATION

Pursuant to the procedural schedule adopted in Decision No. 6 in this proceeding (60 F.R. 54384, Oct. 23, 1995), as supplemented in Decision No. 9 (60 F.R. 66988, Dec. 27, 1995), WISCONSIN ELECTRIC POWER COMPANY ("WEPCO") hereby describes an inconsistent and responsive application that it contemplates filing in this proceeding, and petitions for waiver or clarification of certain regulations as they may apply to that application.

CONTEMPLATED INCONSISTENT AND RESPONSIVE APPLICATION

WEPCO contemplates filing an application for overhead trackage rights on behalf of a rail carrier(s) unaffiliated with the primary applicants over the rail line(s) of Union Pacific Railroad Company ("UP") (a) between Chicago, IL and WEPCO's Oak Creek Power Plant at Oak Creek, WI, a distance of approximately 65 miles; (b) between Chicago, IL and the Oak Creek Power Plant on the one hand, and Cudahy Shop, Inc., a railcar repair facility in Milwaukee (Cudahy), WI, on the other; and (c) terminal

trackage rights in the Milwaukee terminal area. The rail line(s) over which trackage rights are sought is the former line of Chicago and North Western Transportation Company ("CNW") between Chicago, IL and Milwaukee, WI, plus such other rail line(s) within the Chicago, IL and Milwaukee, WI terminal areas as may be necessary to implement such trackage rights. CNW was merged into UP in October, 1995. The rail carrier(s) to receive and/or operate such trackage rights is not known at this time.

WEPCO recognizes that because it is not an "applicant carrier" as defined by 49 C.F.R. § 1180.3(b), applicant carrier(s) who may receive such requested trackage rights as a result of WEPCO's application would have to resolve carrier-specific trackage rights issues in a follow-up proceeding.

PETITION FOR WAIVER OR CLARIFICATION

WEPCO hereby petitions for waiver or clarification of the same regulations that were waived or clarified in conjunction with similar inconsistent and responsive applications filed by electric utility companies in Finance Docket No. 32549, Burlington Northern, Inc., et al. -- Control and Merger -- Santa Fe Pacific Corporation, et al.; see, e.g., Finance Docket No. 32549 (Sub-No. 13), Houston Lighting and Power Company -- Trackage Rights over Lines of The Atchison, Topeka and Santa Fe Railway Company in Texas, Decision No. 22, Notice of Acceptance of Responsive Application filed by Houston Lighting and Power Company, 60 F.R. 27781 (May 25, 1995).

Specifically, WEPCO seeks:

- (1) clarification that a responsive application seeking trackage rights as a condition requires neither environmental documentation (49 C.F.R. § 1105.6(c)(4)), nor an historical report (49 C.F.R. § 1105.8(b)(3));
- (2) waiver of the six-month prenotification requirement for applications requiring an Environmental Impact Statement (49 C.F.R. § 1105.10(a)(1)); and
- (3) waiver of all requirements in 49 C.F.R. § 1180 for the inclusion of information from "applicant carriers" in a responsive application. WEPCO is a noncarrier seeking a trackage rights condition in behalf of a suitable third-party carrier(s) for the purpose of preserving competition. The identity of such third-party carrier(s) is not known at this time. WEPCO thus is not able to supply the information in 49 C.F.R. § 1180 normally expected from responsive-applicant carriers in trackage rights proceedings.

Respectfully submitted,

WISCONSIN ELECTRIC POWER COMPANY
231 West Michigan Street
Milwaukee, WI 53203

Protestant

Thomas F. McFarland Jr.

THOMAS F. MCFARLAND, JR.
BELNAP, SPENCER, MCFARLAND & HERMAN
20 North Wacker Drive
Suite 3118
Chicago, IL 60606-3101
(312) 233-0204

DUE DATE: January 29, 1996

Attorney for Protestant

CERTIFICATE OF SERVICE

I hereby certify that on January 29, 1996, the foregoing document, Description Of Anticipated Inconsistent And Responsive Application And Petition For Waiver And Clarification, was served by facsimile on the following:

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

Paul A. Cunningham
Harkins Cunningham
1300 Nineteenth St., N.W.
Washington, DC 20036

Thomas F. McFarland Jr.
Thomas F. McFarland, Jr.

STB

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OFFICE:

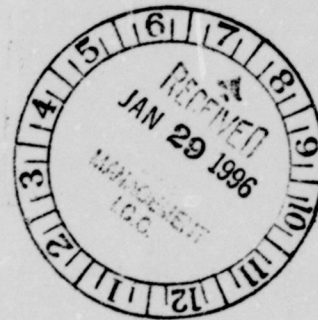
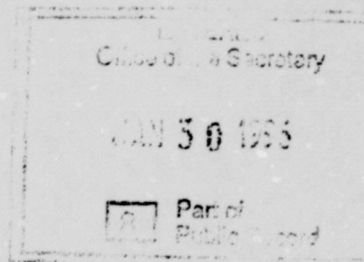
One O'Hare Centre
6250 North River Road
Rosemont, IL 60018
Suite 9000
Tel. (708) 318-4600

MAILING ADDRESS:

P.O. Box 5062
Rosemont, IL 60017-5062

January 29, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th Street & Constitution Avenue, N.W.
Washington, DC 20423



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

Dear Secretary Williams:

Enclosed for filing with the Board in the above-captioned proceeding are an original and twenty copies of the Description of Anticipated Inconsistent or Responsive Application of Wisconsin Central Ltd.

Copies of this pleading have been served on the parties shown on the Certificate of Service.

Please contact me if you have any questions regarding this filing.

Respectfully submitted,

Janet H. Gilbert
Assistant General Counsel

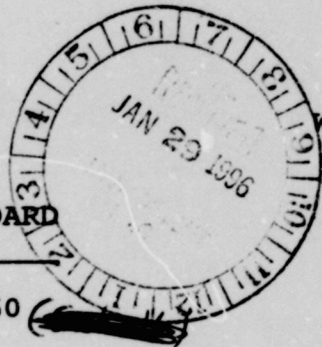
Enclosure

cc: Parties on Certificate of Service

Item No. _____
Page Count 5
JAN 381

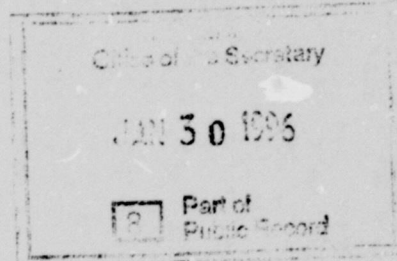
BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760



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

DESCRIPTION OF ANTICIPATED INCONSISTENT OR
RESPONSIVE APPLICATION



Janet H. Gilbert
Assistant General Counsel
Wisconsin Central Ltd.
6250 N. River Road, Suite 9000
Rosemont, IL 60018
Phone: 708/318-4691

ATTORNEY FOR WISCONSIN CENTRAL LTD.

Dated: January 29, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760-~~XXXXXX~~

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

DESCRIPTION OF ANTICIPATED INCONSISTENT OR
RESPONSIVE APPLICATION

In accordance with Decision 9 in the above-referenced matter, served by the Interstate Commerce Commission on December 27, 1995, Wisconsin Central Ltd. ("WCL") hereby submits its notice and description of anticipated inconsistent or responsive application to the Surface Transportation Board ("STB") and the Primary Applicants. Any application filed by WCL may also include participation on behalf of Fox Valley & Western Ltd. ("FVW"), a wholly-owned subsidiary of Wisconsin Central Transportation Corporation, which also wholly owns WCL.

WCL is a Class II rail carrier, as is its affiliate company, FVW. WCL operates in the four-state area of Wisconsin, Minnesota, Michigan and Illinois. It traditionally has interchanged its traffic to the Union Pacific ("UP") and Southern Pacific ("SP") in Chicago, IL and, since its start up in 1987, has competed with the Chicago and North Western Transportation Company ("CNW"), recently merged into the UP, throughout the upper midwest. While WCL has not had an opportunity to analyze fully the affects of the proposed transaction on WCL and FVW, the company is of the preliminary opinion that the transaction may harm competition in several corridors serving the upper midwest and may result in reduced competition for several key shippers serving this area.

WCL anticipates filing inconsistent and/or responsive applications in this matter, including track rights and purchase applications, which will include providing alternate competitive solutions to anticompetitive affects already identified by Applicants with respect to certain shippers and in the central corridor between Kansas City, MO and points in California and to include:

| Owning Carrier | Route ¹ | Approximate Mileage |
|-------------------|---|------------------------|
| UP | Kansas City, MO - Menoken Jct., KS ² | 74 mi. |
| UP | Menoken Jct., KS - Denver, CO | 564 mi. |
| DRGW | Denver, CO - Ogden, UT | 607 mi. |
| UP | Salt Lake City, UT - Smelter, UT ³ | 17 mi. |
| UP | Smelter, UT - Oakland, CA | 906 mi. |
| UP | Niles Jct., CA - West San Jose, CA | 23 mi. |
| UP | Port Chicago, CA - Stockton, CA | 45 mi. |
| UP | Stockton, CA - Turlock, CA | 48 mi. |

WCL's filings may be supported by and in conjunction with inconsistent trackage rights and purchase applications which may be filed by other participants.

WCL intends to remain actively involved in the present proceeding and anticipates filing comments as appropriate on March 29, 1996, per the STB's Procedural Schedule.

WHEREFORE, WCL respectfully submits this Description of Anticipated Inconsistent or Responsive Action.

Respectfully submitted,

By: 

Janet H. Gilbert.

Assistant General Counsel
Wisconsin Central Ltd.
6250 N. River Road, Suite 9000
Rosemont, IL 60018
Phone: 708/318-4691

ATTORNEY FOR WISCONSIN CENTRAL LTD.

Dated: January 29, 1996

-
1. Plus all branches connecting solely to the above lines.
 2. Trackage rights, with right to serve all industries.
 3. Trackage rights, with right to serve all industries.

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of January, 1996,
a copy of the foregoing Description of Anticipated Inconsistent or
Responsive Application of Wisconsin Central Ltd. (WCL-2) was served
by overnight delivery upon:

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


and by first class mail, postage prepaid, upon:

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

Mr. Federico F. Peña
Secretary
U.S. Department of Transportation
c/o Docket Clerk, Office of Chief Counsel
Federal Railroad Administration
400 Seventh Street, S.W., Room 5101
Washington, DC 20590

U.S. Department of Justice
Antitrust Division
Transportation, Energy and Agriculture Section
555 Fourth Street, N.W., Room 9104
Washington, DC 20001

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



Patricia L. Ellington

STB FD

32760

1-29-96

D

61100



WILLIAMS AND COMPANY, INC.

"The House of Metals"

2105 LARRICK ROAD, CAMBRIDGE, OHIO 43725 • PHONE 614-439-5002

Office of the Secretary

JAN 30 1996

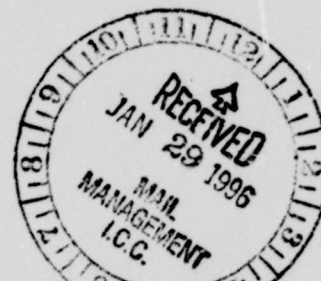
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January 24, 1996

☐ Part of Public Record

PROCEEDINGS

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



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

Dear Mr. Williams:

My name is Donald McGaughey. I am Corporate Traffic Manager of Williams and Company, Inc. located at 2105 Larrick Road, Cambridge, Ohio 43725. I have been with Williams and Company Inc. for nine years and have been involved in transportation for over seven years.

Our company is in the aluminum business and imports annually about five carloads of aluminum extrusions from Mexico. Shipments move over Laredo, TX to Nashville, TN.

Our company has a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for our traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing for imported aluminum extrusions moving into Nashville, TN.

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

ADVISE OF ALL

PROCEEDINGS

Item No. _____

Page Count 2

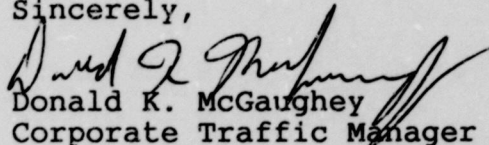
JAN 31 1996

Mr. Vernon Williams
Surface Transportation Board
January 24, 1996
Page 2

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

I understand there is an alternative that will preserve effective competition for my traffic. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi (or purchase trackage where possible) to connect with other rail carriers to provide efficient competitive routes. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads. Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,


Donald K. McGaughey
Corporate Traffic Manager

DKM:kmb

c: The Texas Mexican Railway Company,
c/o Central Business Services
629 Green Bay Road
Wilmette, IL 60091

STB FD

32760

1-29-96

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61099

REPLY TO:

☐ CAPITOL OFFICE
ROOM 5066
STATE CAPITOL
SACRAMENTO, CA 95814
(915) 445-2407

DISTRICT OFFICES

☐ 31 E. CHANNEL STREET
ROOM 440
STOCKTON, CA 95202
(209) 948-7930
FAX (209) 948-7993

☐ 1020 N STREET
ROOM 504
SACRAMENTO, CA 95814
(916) 323-4306
FAX (916) 323-2596

SENATE CALIFORNIA LEGISLATURE



COMMITTEES
APPROPRIATIONS
CHAIR
CONSTITUTIONAL
AMENDMENTS
INSURANCE
LOCAL GOVERNMENT
NATURAL RESOURCES
& WILDLIFE
TRANSPORTATION

Office of the Secretary

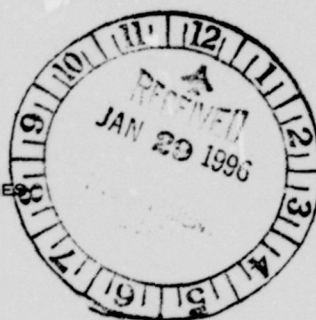
JAN 30 1996

4 Part of
Public Record

SENATOR
PATRICK JOHNSTON

FIFTH SENATORIAL DISTRICT
SERVING SACRAMENTO AND SAN JOAQUIN COUNTIES

January 19, 1995



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

ADVISE OF ALL PROCEEDINGS

Dear Mr. Secretary:

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

I continue to support the merger of Union Pacific and Southern Pacific railroads. As I stated in my previous letter, the merger promises improved competition and efficiency which will benefit both freight and passenger service in California. Although I continue to endorse the merger, I am amending my previous letter to clarify my position.

The dominant partner in this merger has been Union Pacific. My experience with Union Pacific has been that it has had a cooperative working relationship with local communities which has had a constructive impact on local transportation needs and the economy. Union Pacific has been a responsible member of the community, and an expansion of their operations and good business practices will contribute to a better California.

I recommend the merger with the understanding it will not interfere with negotiations between the San Joaquin Rail Commission and Union Pacific to achieve service from Stockton through Tracy to the Bay Area. In addition, the Kentucky House spur line from Lodi to San Andreas ought to be preserved for future freight or passenger use. Lastly, the Amtrak valley service should be extended from Stockton to Sacramento on the old

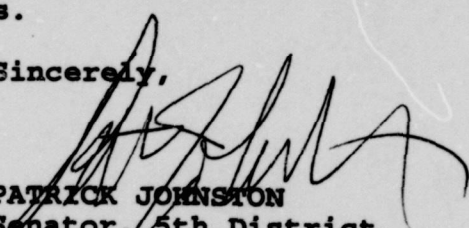
ADVISE OF ALL PROCEEDINGS

Item No. _____
Page Count 2
JAN 31 1995

Page Two

Southern Pacific right-of-way to provide passenger service to Lodi, Galt and Elk Grove residents.

Sincerely,



PATRICK JOHNSTON
Senator, 5th District

PJ:po

STB FD 32760

1-29-96 D

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Item No. _____

Page Count _____

JAN 31 3

Ohio House of Representatives



J. DONALD MOTTLEY

State Representative
41st Ohio House District
77 South High Street
Columbus, OH 43266-0603

Columbus Office: (614) 644-6008
Dayton Office: (513) 859-4763

COMMITTEES:

Ways and Means
- Vice Chairman
Joint Committee on Agency Rule Review
Legislative Committee on Education Oversight
Insurance
State Government



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

Dear Secretary Williams:

Ohio is very interested in the Union Pacific/Southern Pacific railroad acquisition case that is now pending before the Interstate Commerce Commission. This merger brings competitive concerns forthright, primarily from the states that would be left with a single rail line. Ohio's interest, however, differs.

It is known that Conrail is highly interested in annexing the eastern routes of Southern Pacific. This plan would give Ohio direct rail access to the increasing Gulf coast and Mexican markets. Being the second largest auto manufacturing state in the country as well as a major producer of auto parts, steel, paper, and high tech equipment, Ohio could benefit greatly through the Conrail proposal. Not only would it enhance its current service but help our industries export numerous products to the South and to the new Mexican markets now available because of NAFTA.

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

Sincerely,

J. Donald Mottley
State Representative

cc: David M. Levan, Conrail President

**ADVISE OF ALL
PROCEEDINGS**

STB FD 32760

1-29-96

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CITY of SALIDA, CO. 81201

P. O. Box 417 • 124 'E' Street • (719) 539-2311
FAX (719) 539-5271

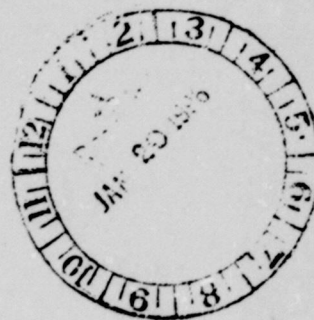
"Heart of the Rockies"

Office of the Secretary

January 25, 1996

JAN 30 1996

☐ Part of
Public Record



Mr. Vernon A. Williams
Interstate Commerce Commission
1201 Constitution Ave., N. W.
Washington, DC 20423

Subjects: Docket #AB-12 (Sub. #188) ✓
Docket #AB-8 (Sub. #39) ✓
Notice of Intent to Abandon/Discontinue Service
and
ICC Finance Docket #32760
Proposed Consolidation, et al

Dear Secretary:

On January 3, 1996 Upper Arkansas Area Council of Governments submitted a "Notice of Intent to Participate" in the above-mentioned proceedings. At that time we were instructed by a person from the ICC that we needed to send one original, along with twenty (20) copies of this notice to you, and also send one copy to each applicants' representatives. At that time the names furnished were: Robert T. Opal and Gary A. Laakso. Since that time we have learned from Julia Farr that in Decision #6 and Decision #9, additional individuals were designated as applicant representatives. Therefore, today we are sending copies to the individuals listed below:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 N. Capitol Street, N. E.
Washington, DC 20426

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

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth St., N. W.
Washington, DC 20036

Item No. _____

Page Count 4

JAN 368

Please advise if any questions or changes occur in these proceedings. Thank you for your assistance.

Respectfully submitted,

Nancy Sanger
Nancy Sanger, Mayor

Certificate of Service

I hereby certify that I have this day served the foregoing document, as well as our original "Notice of Intent to Participate" upon Applicants' Representatives:

Jerome Nelson, Administrative Law Judge
•Interstate Commerce Commission
525 N. Capitol Street, N. E.
Washington, DC 20426

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

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth St., N. W.
Washington, DC 20036

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

Dated at Salida, Colorado, this 25th day of January, 1996.

Nancy Sanger
Nancy Sanger

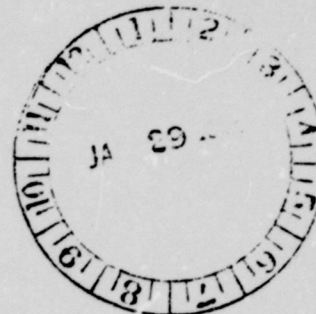
NS/jw



CITY of SALIDA, CO. 81201

P. O. Box 417 • 124 'E' Street • (719) 539-2311
FAX (719) 539-5271

"Heart of the Rockies"



Secretary
Interstate Commerce Commission
Washington, D.C. 20423

January 13, 1996

Subject: Docket No. AB-12 (Sub-No.188)

Docket No. AB-8 (Sub-No.39

NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE

-and-

ICC Finance Docket No. 32760

PROPOSED CONSOLIDATION, et al

Dear Secretary;

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

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

City of Salida

Attention: Nancy Sanger, Mayor

P.O. Box 417

Salida, Co. 81201

Telephone Number (719) 539-4555

FAX Number (719) 539-5271

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

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

Thank you very much.

Respectfully submitted,

Nancy Sanger
Nancy Sanger
Mayor, City of Salida

CERTIFICATE OF SERVICE

1 I hereby certify that I have this day served the foregoing document upon Applicant's Representative, Robert T. Opal, General Attorney, 1416 Dodge Street, Omaha, Nebraska 68179-0830, by Prepaid, Express, Return Receipt Requested, United States Postal Service.

Dated at Canon City, Colorado, this 13th day of January, 1996.

Nancy Sanger
Nancy Sanger

STB FD

32760

1-25-96

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61071



U. S. Department of Justice

41071

Antitrust Division

Office of the Secretary

JAN 29 1996

Part of
Public Comment

555 4th Street, N.W.

Washington, DC 20001

January 25, 1996



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Department of Transportation
1201 Constitution Avenue, N.W.
Room 2423
Washington, D. C. 20423

Re: UP/SP Merger. Finance Docket No. 32760

Dear Mr. Williams:

Enclosed are the original and twenty copies of the Response of the United States Department of Justice To Motion for Enlargement of the Procedural Schedule", DOJ-5, for filing in the captioned proceeding. Please have the extra copy of the Response date-stamped and returned to the messenger for our files.

We also enclose a diskette in Word Perfect 5.1 containing this filing.

Thank you for your assistance.

Sincerely yours,

Joan S. Huggler

Joan S. Huggler
Attorney
Transportation, Energy and
Agriculture Department

Enclosures

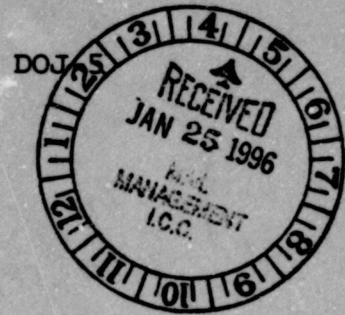
CC: Service List

Item No. _____

Page Count 8

JAN 346

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.



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

RESPONSE OF THE UNITED STATES DEPARTMENT OF JUSTICE
TO MOTION FOR ENLARGEMENT OF THE 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
Angela L. Hughes

Attorneys

Transportation, Energy &
Agriculture Section
Antitrust Division
U.S. Department of Justice
555 4th Street, N.W.
Washington, D. C. 20001
202-307-6456

January 25, 1996

DOJ-5

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.



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

RESPONSE OF THE UNITED STATES DEPARTMENT OF JUSTICE
TO MOTION FOR ENLARGEMENT OF THE PROCEDURAL SCHEDULE

On January 22, 1996, The Western Shippers' Coalition (WSC) moved the Surface Transportation Board (Board) for a 60-day extension of the January 29, 1996 date for filing notices of inconsistent or responsive applications and for a corresponding enlargement of the remainder of the procedural schedule in the captioned proceeding.

The Department of Justice (Department) supports the WSC request and urges that the Board enlarge the schedule in this proceeding for a period of 60 days for the reasons stated below.

The current procedural schedule was established by the ICC in October 1995. At that time the Commission believed that the expedited schedule would ensure all parties due process as well as allow the Commission itself time to consider fully all of the

issues in the proceeding.¹ The schedule, however, left no room for slippage in the conduct of discovery or for any unanticipated events. Experience with the schedule has highlighted its shortcomings and raised questions about whether it affords due process and allows for the development of a meaningful record.

First, document production has not been completed, even though the proceeding has moved into the deposition phase and the deadline for filing testimony fast approaches. The volume of documents generated to date has been large, and additional documents are being added daily to the Applicants' document depository as parties begin discovery, negotiate with Applicants over disputed requests, or seek additional information based on answers already received. Documents are also being added to the depository established by BNSF as discovery proceeds on its settlement with the Applicants.

The incomplete production of documents relevant to Applicants' witness statements undermines the parties' ability to explore thoroughly the underlying support for these statements. For example, one result so far has been to limit the scope of at least one deposition.² Other documents have been made available almost simultaneously with the start of a deposition, making it difficult to prepare for thorough examination of the deponent.

¹ ICC Decision No. 6, served October 19, 1995, at p. 5.

² Richard D. Spero, a transportation economics consultant, could not be questioned about his prior testimony before the Commission because copies of that testimony, although the subject of a document request, were not available before the deposition.

These delays in production also impinge upon the parties' ability to prepare their own testimony due March 29. The documents still being produced, particularly those on the BNSF settlement, may be critical to an analysis of the transaction's effects.

Second, although the deposition phase of the discovery process is only in its second week, it has already become clear that other unscheduled witnesses will need to be examined. Some witnesses proffered by the Applicants are not in a position to provide the factual basis for their verified statements. Requests for additional deponents who can provide the missing evidence have already been made by the Department and other parties, but the current schedule is so tightly constructed that scheduling problems are inevitable. With the BNSF filing, three additional witnesses were added to the deposition schedule. Should there be additional settlement agreements with any other party, additional depositions and document discovery would necessarily follow. The current schedule does not contemplate any of this additional, but indispensable, discovery.

Third, the Department has also been hampered in its efforts to fully investigate the transaction's likely competitive effects by the unanticipated government shutdown and massive snow storm that followed.

Full discovery and witness examination on the issues raised by the Application are important because this is the only way that the Board can assure that its decision is based on a

complete and sound record.³ Only if the record evidence is substantial can the Board fulfill its due process and statutory obligations to determine if the proposed transaction is in the public interest.

As the movants have noted, little harm to the Applicants would occur if the proceeding were delayed for 60 days. Indeed, that period is short, compared with the five years the Applicants expect to consume in integrating the operations of the two railroads.⁴ Furthermore, by incorporating into the recently-passed ICC Termination Act of 1995 (ICCTA) a provision that the evidentiary phase of proceedings before the Board may last a year (and that the Board may then have an additional 90 days to render its decision) Congress recognized that careful review of mergers of this scope and complexity requires time.

Under the WSC's proposal, the proceeding still would be completed within 11 months (by mid-October 1996). This would be within the 15-month statutory period created by the ICCTA and well within the statutory period of the ICA, which governs this proceeding, (31 months).

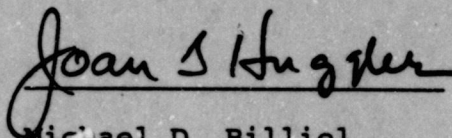
³An important use of depositions in this proceeding is to provide an opportunity for parties to cross examine witnesses who have provided the evidence upon which the Applicants' case rests. The use of deposition cross examination was designed to make unnecessary an evidentiary hearing and thus to shorten the total time of the proceeding. If the deposition procedure falls short of providing the due process safeguards that would obtain were there to be an evidentiary hearing, one can question whether the full record contemplated by Congress in enacting ICA has been achieved.

⁴ See Application, Volume 1, at 1.7.

For the foregoing reasons, the Department urges the Board to recognize the detrimental effect of strict adherence to the current procedural schedule and grant the motion of the WSC to enlarge the entire schedule by 60 days.

Respectfully submitted,

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



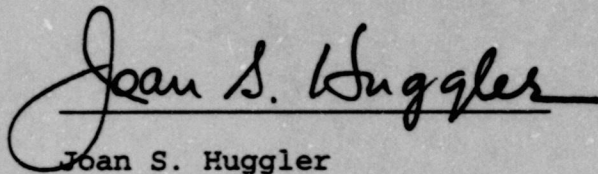
Michael D. Billiel
Joan S. Huggler
Robert L. McGeorge
Angela L. Hughes
Attorneys

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

January 25, 1996

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of January, 1996, I caused to be served by hand, overnight delivery service or first class mail postage prepaid, copies of DOJ-5, on all known parties of record in Finance Docket No. 32760.


Joan S. Huggler

STB FD

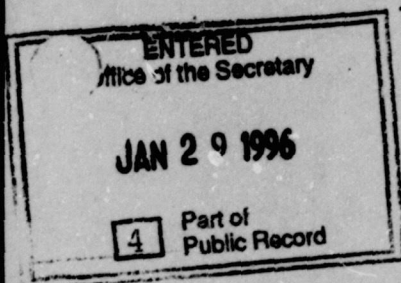
32760

1-25-96

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BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

STATE OF TEXAS REPLY IN SUPPORT OF
MOTION OF WESTERN SHIPPERS' COALITION
FOR ENLARGEMENT OF THE PROCEDURAL SCHEDULE

The State of Texas, by and through the Office of the Attorney General of Texas, hereby files its Reply in Support of the Motion of Western Shippers' Coalition for Enlargement of the Procedural Schedule. The grounds for this Reply in Support are as follows:

1. On November 30, 1995 Union Pacific Corporation, Union Pacific Railroad Company ("UP"), and Missouri Pacific Railroad Company filed with the Interstate Commerce Commission ("ICC") (now the Surface Transportation Board, or "Board") an Application (more than 8,000 pages) for control and merger of Southern Pacific Rail Corporation, Southern Pacific Transportation Company ("SP"), St. Louis Southwestern

Item No. _____

Page Count 6

JAN 31 3

Railway company, SPCSL Corp., and The Denver and Rio Grande Western Railroad company ("D&RGW") ("Applicants"). This is an important proceeding because much of the present competitive circumstances in the State of Texas may be irrevocably altered if the Application is granted. Many parties may seek a different outcome than that sought by Applicants so as to preserve adequate competition for railroad transportation services in Western United States and, in particular, the State of Texas. Applicants had no time limit on the filing of their applications, but the other parties are now severely constrained by the current procedural schedule.

2. The State of Texas timely filed its Notice of Intent to Participate in this proceeding on January 11, 1996 by overnight courier. Even this ministerial task was complicated and delayed by the snow storm which closed federal offices on January 12, 1996.

3. Texas will be greatly impacted by the proposed merger. The proposed consolidation represents the combining of the State's second and third largest Class I carriers. These railroads carry more than 50 percent of the State's agricultural commodities, food and kindred products, as well as chemical and allied products. The proposed merger affects approximately 6,900 miles of track in Texas. That figure represents 22 per cent of all the miles in the proposed merger. Based on 1994 statistics, UP/SP combination would account for approximately 35 percent of rail traffic in the state and 56.5 per cent of all Class I rail traffic in the state.

4. A thorough analysis of the proposed merger as it effects the State of Texas is complicated by a myriad of factors. Texas is home to a large number and wide variety of shippers whom the proposed merger will effect in varying degrees. Further, the Mexican

border creates a further area for needed review to determine how rail traffic through Texas to or from Mexico will be affected by the proposed merger.

5. Additionally, the Applicants have acknowledged a substantial number of circumstances in which the merger would eliminate competition now occurring between (a) UP and (b) either SP or the D&RGW. Accordingly, Applicants entered into an agreement with the Burlington Northern Santa Fe Railroad company ("BN/SF") for substantial trackage rights over Applicants' systems in an effort to meet concerns of this decreased competition. Among the areas in which BN/SF would receive trackage rights are the heavily industrial Texas Gulf Coast corridor, the agriculture-oriented Texas-Midwest corridor and the principal rail gateways to Mexico. Applicants say BN/SF will receive trackage rights to serve San Antonio, Corpus Christi, Brownsville, Waco, Kerr, Lufkin and Sierra Blanca-El Paso line. BN/SF will serve Mexico through the gateways of Brownsville, Laredo, and Eagle Pass. Brownsville service will be via the trackage rights to Houston. BN/SF will reach the premier Mexican gateway of Laredo via interchange at Corpus and the Texas Mexican Railway. The agreement confirms BN/SF's right to serve Eagle Pass as a result of an agreement entered into with SP during the BN merger proceeding.

BN will also receive trackage rights over SP's line between Houston and Iowa Junction, Louisiana (at western end of state), and will purchase SP's line from Iowa Junction across southern Louisiana. This will give BN access to "2-to-1" chemical plants at Baytown, Orange, Amelia, and Mont Belvieu, Texas, and through route between Houston and New Orleans where UP and SP have the only direct routes today. BN will also receive trackage rights over UP/SP lines between Houston and Memphis, including rights to serve

Camden, Little Rock, Pine Bluff and Baldwin, Ark. Substantial time is needed to evaluate accurately the competitive implication of the wholesale grant of these complicated trackage and haulage rights.

6. The State of Texas has exercised due diligence in attempting to keep up with the blistering pace of concurrent depositions, document production and administrative discovery dispute resolution by sending two attorneys to Washington, D.C. Even so, the multiplicity of parties and issues preclude careful consideration of each matter. An example of the time strictures within which interested parties must function is the instant Motion. Attorneys for the State in Austin, Texas have not yet received service copies.

7. A 60-day extension will not preclude resolution of this proceeding within the statutory deadlines.

8. In sum, enlarging the schedule by 60 days would not have a significant adverse effect on Applicants, and would be in the public interest by permitting Applicants and other parties time to work on resolution of their disagreements privately, and the State of Texas adequate time prepare an effective presentation.

DATED this 25th day of January, 1996.

Respectfully submitted,

DAN MORALES
Attorney General of Texas

JORGE VEGA
First Assistant Attorney General

LAQUITA A. HAMILTON
Deputy Attorney General for Litigation

THOMAS P. PERKINS, JR.
Assistant Attorney General
Chief, Consumer Protection Division

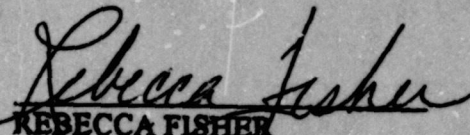
MARK TOBEY
Assistant Attorney General
Deputy Chief for Antitrust



REBECCA FISHER
Texas Bar No. 07057800
Assistant Attorney General
Antitrust Section
P.O. Box 12548
Austin, TX 78711-2548
(512) 463-2185
(512) 320-0975 [FAX]

Certificate of Service

I hereby certify that a true and correct copy of the foregoing instrument has been hand delivered, sent by U.S. mail and sent by facsimile on January 25, 1996 to Honorable Vernon A. Williams, Secretary of the Surface Transportation Board and by facsimile to all parties on the Restricted Service List.


REBECCA FISHER
Assistant Attorney General

g:\cheredfi\ato\vailroad\pleading\ext_time.mtn

RECEIVED
Office of the Secretary

JAN 29 1996
WILLIAM L. C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEP Part of
KELVIN J. DOWD Public Record
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III
PATRICIA E. DIETRICH

* ADMITTED IN ILLINOIS ONLY

SLOVER & LOFTUS

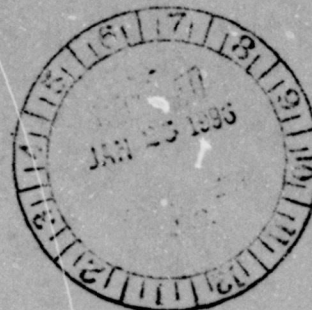
ATTORNEYS AT LAW
1224 SEVENTEENTH STREET, N.W.
WASHINGTON, D. C. 20006

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RECEIVED
Office of the Secretary

JAN 29 1996

202 347-7170

January 25, 1996



BY HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Case Control Branch
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

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

Dear Mr. Secretary:

Enclosed for filing in the referenced proceeding please find an original and twenty (20) copies of the Comments of Commonwealth Edison Company in Support of the Motion of Western Shippers' Coalition for Enlargement of the Procedural Schedule (CED-2).

An extra copy of this filing is enclosed. Kindly indicate receipt and filing by time-stamping the copy and returning it to the bearer of this letter.

Thank you for your attention to this matter.

Sincerely,

Christopher A. Mills
An Attorney for Commonwealth Edison Company

Enclosures

Item No. _____

Page Count 5

JAN 33 8

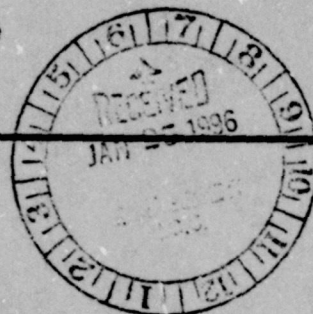
ENTERED
Office of the Secretary

JAN 29 1996

Part of
Public Record

CED-2

BEFORE THE
SURFACE TRANSPORTATION BOARD



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

Finance Docket No. 32760

**COMMENTS OF COMMONWEALTH EDISON COMPANY
IN SUPPORT OF THE MOTION OF WESTERN SHIPPERS'
COALITION FOR ENLARGEMENT OF THE PROCEDURAL SCHEDULE**

Commonwealth Edison Company ("ComEd") hereby submits its comments in support of the January 22, 1996 Motion of Western Shippers' Coalition for Enlargement of the Procedural Schedule (WSC-2). ComEd submits that a 60-day enlargement of the current procedural schedule is wholly appropriate as the rushed pace of the current procedural schedule has become simply unworkable. Accordingly, in support hereof, ComEd states as follows:

The Applicants in this proceeding believe that the precedent of the BN/Santa Fe proceeding,* wherein a 6-month procedural schedule was observed, justifies the compressed

* Finance Docket No. 32549, Burlington Northern Inc. and Burlington Northern Railroad Company--Control and Merger--Santa Fe Pacific Corporation and The Atchison, Topeka and Santa Fe Railway Company, Decision served August 23, 1995.

schedule in this proceeding. However, the two proceedings are not analogous. The proposed UP/SP merger proceeding is significantly more complex than was BN/Santa Fe, and requires more time. For example, as compared to BN/Santa Fe, this proceeding has more numerous actively participating opponents, each of whom require adequate time both to conduct thorough discovery -- i.e., to review thousands of pages of documents -- and to prepare their respective cases. The participation of a large number of active parties has created severe congestion in the discovery process, and has also been further complicated by the unusual January weather patterns. In short, there is simply not enough time to accommodate numerous parties' discovery requests given the constraints of the current procedural schedule, and parties are being prejudiced daily thereby.

An additional 60 days will not prejudice Applicants. This is a minor extension -- one that will not hamper the overall process, that will fully comply with applicable law governing the timing of merger proceedings, and that will offer some possibility of accommodating opposing parties' reasonable discovery needs and the Board's own interest in obtaining a well-developed record upon which to base its decision.

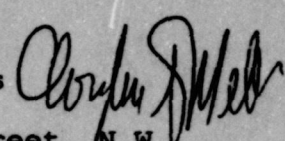
CONCLUSION

The largest railroad merger in history requires more time and attention than has been allotted. Given the discovery and weather delays associated with this proceeding, it has become imperative that the procedural schedule be enlarged. The proposed 60-day extension is very modest, and ComEd thus respectfully urges that the Surface Transportation Board extend the procedural schedule accordingly.

Respectfully submitted,

COMMONWEALTH EDISON COMPANY

By: C. Michael Loftus
Christopher A. Mills
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036



Dated: January 25, 1996

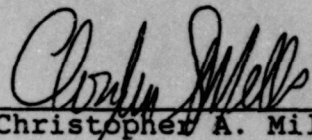
Attorneys and Practitioners

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of January, 1996, I caused a copy of the foregoing "Comments of Commonwealth Edison Company in Support of the Motion of Western Shippers' Coalition for Enlargement of Procedural Schedule" to be served by hand on the individuals listed below, and by first-class United States mail, postage prepaid, on all other persons on the service list for this proceeding.

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

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



Christopher A. Mills