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Part of Public Record 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' FIRST QUARTER 1999 PROGRESS REPORT WITH RESPICT TO MERGER CONDITIONS

CARL W. VON BERNUTH RICHARD J. RESSLER Union Pacific Corporation Suite 5900 1717 Main Street Dallas, Texas 75201 (214) 743-5640

JAMES V. DOLAN LAWRENCE E. WZOREK Law Department Union 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 Southern Pacific Rail Corporation

April 1, 1999

BEFORE THE

UP/SP-364

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' FIRST QUARTER 1999 PROGRESS REPORT WITH RESPECT TO MERGER CONDITIONS

Applicants UPC, UPRR and SPR^{1/} hereby submit their first quarter 1999 progress report with respect to the conditions imposed on the Board's approval of the UP/SP merger in Decision No. 44, served August 12, 1996. Submission of this progress report was required by ordering paragraph 10 of Decision No. 44. <u>See also id.</u>, p. 146 ("We require as a condition that applicants submit on or before October 1, 1996, a progress report and implementing plan regarding their compliance with the conditions to this merger, and further progress reports on a quarterly basis."); Finance Docket No. 32760 (Sub-No. 21), Decision served Dec. 21, 1998, p. 18 ("UP and BNSF shall continue to report quarterly, with comprehensive summary presentations included in their progress reports due on July 1, 1999.").

Acronyms used herein are the same as those in Appendix B of Decision No. 44.

As in our prior quarterly reports, items are included only if there have been developments since the prior report, and the information contained in this report is more abbreviated in nature than the more comprehensive presentation that Applicants will file on July 1, 1999.

I. BNSF, TEX MEX AND UTAH RAILWAY CONDITIONS

A. BNSF

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ENSF Trackage Rights and Haulage. BNSF trackage rights traffic continued at high levels during the past quarter. As shown in Charts #1, #2 and #3 in Appendix A, BNSF averaged 660 trackage rights trains in December, January and February, down slightly from the prior three months but well above levels from one year ago. The tonnage handled on those trains averaged slightly more than 3.2 million tons in December, January and February, just below the 3.3 million tons in the preceding three months but again well above levels from a year ago. And loaded and empty cars on BNSF through trackage rights trains averaged 40,850 in December, January and February, down slightly from 42,125 in September, October and November but still well above levels from a year ago. BNSF continued to operate at least daily through trackage rights train service in all major corridors.

Local train volumes of BNSF and its agent, UTAH, remained strong. BNSF and UTAH operated 562 local trains in December, January and February, handling 11,354 loaded and

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empty cars and 917,359 tons of freight, compared with the previous three months' totals of 614 trains, 14,233 cars and 1,127,684 tons of freight.

UP's expenditures on the lines over which BNSF has trackage rights have continued to exceed substantially the fees received from BNSF. The latest available data in this regard, through December 31, 1998, are presented in Appendix B.

Implementation Steps. The UP-BNSF Joint Service Committee met most recently in March. At that meeting, UP and BNSF exchanged reports measuring train performance in trackage rights corridors, and discussed the development of performance standards. UP and BNSF also discussed the new operating plan that went into effect on March 1 on the Baytown Branch, which combines reciprocal switching for BNSF by UP and direct service by BNSF to certain customers. BNSF and UP agreed that the start-up went well. UP advised BNSF that UP's measurements indicated that UP's handling of BNSF's cars on the Branch was equivalent to UP's handling of its own cars, and UP agreed to develop and provide BNSF with a monthly report measuring release to pull times, and pull to interchange times, for BNSF cars handled by UP. UP and BNSF also discussed service problems in the Winnemucca-Elko region. UP and BNSF identified data integrity issues as the root cause of the problem, and UP is investigating why information is not

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being successfully exchanged between UP and BNSF computers. UP is also investigating issues involving communication between UP train crews when crew changes take place before setouts/pickups are completed. UP and BNSF also reviewed the status of various capital projects that are being funded out of the \$25 million joint fund, which is fully allocated. The next Joint Service Committee meeting has not yet been scheduled.

Line Sales. On September 29, the Board exempted the exchange of ownership interests on contiguous line segments between Houston (Dawes) and New Orleans (Avondale) that was agreed to between UP and BNSF in February. Finance Docket No. 33630, <u>Burlington Northern & Santa Fe Ry. & Union Pacific R.R.</u> -- Acquisition Exemption -- Lines Between Dawes, TX, & <u>Avondale, LA</u>, Decision served Sept. 29, 1998. The transaction is currently scheduled to close on April 15, 1999.

<u>Connections</u>. Construction of the new connection at Stockton, California, is complete. All signal work is scheduled for completion in April 1999.

Definition of "2-to-1" Points. UP continues to respond in a timely fashion to BNSF inquiries in accordance with the applicable protocol.

Opening 50% of Contract Traffic at "2-to-1" Points to BNSF. UP continues to be in compliance with this condition, as clarified in Decision No. 57, served Nov. 20,

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1996. No issues with regard to this condition arose during the past quarter.

New Facilities and Transloading Condition. UP continues to be in compliance with this condition.

B. Tex Mex

Tex Mex has continued to use its trackage rights to handle significant volumes of traffic, as shown in the charts in Appendix A. As can be seen in Charts #4, #5 and #6, and Charts #7, #8 and #9, Tex Mex traffic levels far exceed those of a year ago, after adjusting for the effects of the Board's service order. Tex Mex averaged 56 through trains in December, January and February, down slightly from 58 through trains in September, October and November, and up substantially from 39 trains in the same period a year earlier, after adjustment for service order traffic. The tonnage handled on those trains averaged more than 212,959 tons in December, January and February, up from 205,392 tons in September, October and November, and above the 202,797 tons handled in the same period a year earlier, after adjustment. And loaded and empty cars on Tex Mex through trackage rights trains averaged 2,799 in December, January and February, up from 2,644 in September, October and November, and above the 2,550 handled in the same period a year earlier, after adjustment.

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C. <u>Utah Railway</u>

As already discussed, UTAH has moved substantial volumes of local trains as BNSF's agent in the Utah Valley area. In June of last year, UP entered into a settlement of a rate complaint brought by Sierra Pacific Power and Idaho Power in regard to Utah coal movements to their "2-to-1" power plant at North Valmy, Nevada. Following the consummation of the resulting transportation contract, the shipper has not been utilizing UTAH-BNSF interline service. However, as previously reported, Sierra Pacific/Idaho Power's actual use, and threatened future use, of UTAH-BNSF routings clearly had a very real impact.

II. ABANDONMENTS

Docket No. AB-33 (Sub-No. 94X): On December 1, 1998, UP discontinued service on a 1.9-mile portion of its Magnolia Towner-Melrose, California, line, which is covered by a Notice of Interim Trail Use, and abandoned a 1.7-mile portion of that line, which is not covered by that Notice. III. LABOR PROTECTIVE CONDITIONS

UP continues to move forward to reach implementing agreements with labor unions in accordance with the <u>New York</u> <u>Dock</u> process. As previously reported, UP has reached implementing agreements with the BLE and UTU for the following hubs: Denver, Salt Lake City, Salina (Phase I), Roseville, Houston, Longview, North Little Rock/Pine Bluff, St. Louis,

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Kansas City and Portland. In addition, UP has recently reached implementing agreements with the BLE for Salina (Phase II) and San Antonio, and with the UTU for Los Angeles. Arbitration has been scheduled with the UTU for the San Antonio hub and with the BLE for the Los Angeles hub. Negotiations continue with both the BLE and the UTU for the Dallas/Ft. Worth hubs. Negotiations will start in the near future for the El Paso hub. The Dalhart hub will be negotiated as part of the El Paso negotiations. UP anticipates all hub agreements should be in place by the beginning of the fourth quarter 1999.

As previously reported, UP has essentially completed the implementing agreement process with respect to all nonoperating crafts except the signalmen, maintenance-of-way employees and yardmasters. Negotiations with the maintenanceof-way employees are in the final stages. Arbitration has been scheduled with the signalmen on the issue of consolidating the SSW, MP and SP-Eastern Lines agreements. Negotiations with the yardmasters continue to progress on a terminal-by-terminal basis.

IV. ENVIRONMENTAL MITIGATION CONDITIONS

The following is a report on steps taken, and plans for future steps, in regard to the environmental mitigation conditions, which are addressed in the order they are listed in Appendix G to Decision No. 11:

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A. System-wide Mitigation

1-9. These conditions have been satisfied, as previously reported.

10. <u>Security Forces.</u> As previously reported, UP has extended to SP territory its policy of "zero tolerance" of vagrancy and trespassing on railroad property. UP is participating in a new nationwide initiative by Operation Lifesaver to reduce trespassing on railroad property. UP met with the Reno Police Department regarding a "zero tolerance" program in late June of 1997. These discussions were placed on hold by the City of Reno pending a legal determination. It does not appear that the City of Reno is interested in pursuing the matter.

11-13. These conditions have been satisfied, as previously reported.

B. Corridor Mitigation

14. <u>EPA Emissions Standards.</u> EPA's national locomotive emissions rule was published in the <u>Federal</u> <u>Register</u> on April 16, 1998. No appeals were filed, and the rule is now final. UP is working with locomotive industry suppliers to develop its compliance plan.

15. <u>Consultations With Air Quality Officials.</u> UP has held detailed discussions with environmental officials in the states of Arizona, Colorado, Illinois, Nevada, Oregon, Texas, Washington and Wyoming. Dialogue continues between UP

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and California officials to address ongoing improvement in UP/California air quality issues.

16. Noise Impacts. UP has implemented a noise comment hotline and has advised each affected county and requested comments. UP monitors the noise hotline and will compile and analyze data to determine whether a noise abatement plan is required. There were no calls to the hotline in the first quarter of 1999.

17. <u>Use of Two-Way-End-of-Train Devices.</u> This condition has been satisfied, as previously reported.

C. Rail Line Segment Mitigation

18. Priority List for Upgrading Grade Crossing Signals. UP provides train density information to states on a regular basis, which they use to prioritize their grade crossing improvements. UP provides the states of Arizona, California, Kansas, Nevada, Oregon, Texas and Colorado with train density data for approximately 500 individual crossing improvements annually.

19. <u>East Bay Regional Park District MOU.</u> The MOU is being implemented in accordance with its specifications. UP is reviewing the Crockett Trail Feasibility Study and is awaiting property descriptions from the District for all trails.

20. <u>Town of Truckee MOU.</u> The MOU is being implemented in accordance with its specifications. UP has

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completed construction of its portion of the bridge at the I-80 Central Truckee off ramp and is working with the city on roadway approaches. The railroad continues to work with local and federal agencies in the development of a Truckee River hazardous material spill response plan.

21. Placer County MOU. The MOU is being implemented in accordance with its specifications. UP continues to meet with the City of Roseville on a regular basis to discuss the yard design and operations plan. UP has installed train control mechanisms to facilitate passenger operations. UP jointly funded with the city a feasibility and engineering study, which was accepted by Redevelopment Agency for a pedestrian/bicycle overpass. UP is in the process of conveying property and drafting leases for numerous properties, as specified in the MOU. In one case, UP executed the deed in favor of the city and the conveyance is pending the city's acceptance of the deed. Several improvement projects specified in the MOU have been deferred or canceled at the request of the county and/or city involved.

22. <u>City of Reno.</u> The Board approved an MOU between UP and the City of Reno that provides for mitigation of merger effects, as well as other agreements, in lieu of any other mitigation.

23. <u>City of Wichita/Sedgwick County.</u> The Board approved an MOU among UP and these parties which provides for

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mitigation of merger effects, as well as other agreements, in lieu of any other mitigation.

D. Rail Yards and Intermodal Facilities

24. Noise Abatement Plans for Rail Yards. Before UP undertakes any rail yard construction at the specified locations, UP will contact appropriate state and local officials and will report to SEA on the results of those consultations. No construction is planned for these facilities at this time.

25. Intermodal Facilities. Before any changes are made at the specified intermodal facilities, UP will contact appropriate state and local air quality officials in the states of California and Illinois and will report to SEA on the results of those consultations. No construction or operating changes are planned for these facilities at this time.

E. Abandonments

26-61. As abandonments are carried out, UP will comply with all conditions. UP has developed a process to ensure that contractors and railroad personnel comply with all general conditions. Progress on specific abandonment conditions is reported below.

 This condition has been satisfied, as previously reported. 43. This condition has been satisfied, as previously reported.

44. This condition has been satisfied, as previously reported.

46. Sage-Leadville, CO. UP has ceased operations on this line, but is retaining it.

47. This condition has been satisfied, as previously reported.

48. This condition has been satisfied, as previously reported.

49. This condition has been satisfied, as previously reported.

52. This condition has been satisfied, as previously reported.

55. This condition has been satisfied, as previously reported.

57. This condition has been satisfied, as previously reported.

58. Suman-Benchley, TX. UP has decided to retain this line. The Board vacated the abandonment exemption for the line on June 12, 1998. This condition is no longer applicable.

59. This condition has been satisfied, as previously reported.

60. This condition has been satisfied, as previously reported.

61. This condition has been satisfied, as previously reported.

F. Construction Projects

62-108. As construction projects are carried out, UP will comply with all listed conditions. UP has developed a process to ensure that contractors and mailroad personnel comply with all general conditions. A number of projects have been deferred to 1999 or beyond as a result of new priorities established during the service crisis. Progress on specific construction provisions is reported below.

70. This condition has been satisfied, as previously reported.

78. This condition has been satisfied, as previously reported.

79. This condition has been satisfied, as previously reported.

80. This condition has been satisfied, as previously reported.

81. This condition has been satisfied, as previously reported.

84. This condition has been satisfied, as previously reported.

92. This condition has been satisfied, as previously reported.

97. This condition has been satisfied, as previously reported.

101. This condition has been satisfied, as previously reported.

107. Construction completed.

Respectfully submitted,

CARL W. VON BERNUTH RICHARD J. RESSLER Union Pacific Corporation Suite 5900 1717 Main Street Dallas, Texas 75201 (214) 743-5640

JAMES V. DOLAN LAWRENCE E. WZOREK Law Department Union 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 Southern Pacific Rail Corporation

April 1, 1999

APPENDIX A

Chart #1 BNSF Trackage Rights Number of Through Trains



Chart #2 BNSF Trackage Rights Number of Cars (Through Trains)



Chart #3 BNSF Trackage Rights Gross Tons (Through Trains)





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Chart #5 Tex Mex Trackage Rights Number of Cars (Through Trains) (All Traffic Included)

Number of Cars (Loads & Empties)



Chart #6

Chart #7 Tex Mex Trackage Rights Number of Through Trains (Estimated Service-Order-Related Traffic Excluded)





Chart #8 Tex Mex Trackage Rights Number of Cars (Through Trains) (Estimated Service-Order-Related Traffic Excluded)

Number of Cars (Loads & Empties)

Chart #9 Tex Mex Trackage Rights Gross Tons (Through Trains) (Estimated Service-Order-Related Traffic Excluded)

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APPENDIX B

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APPENDIX B

TRACKAGE RIGHTS FUNDS

In Section 6 of Applicants' settlement agreement with CMA, Applicants agreed to place trackage rights fees received under the BNSF settlement agreement into two dedicated funds, one with respect to the trackage rights lines in Texas, Louisiana, Arkansas, Missouri and Illinois and one with respect to the trackage rights lines in the Central Corridor and California. Applicants agreed that the money in those funds would be spent on (a) maintenance on those lines, (b) offsetting depreciation of those lines, (c) capital improvements on those lines, and (d) costs for accounting necessary to administer the two funds. The following table provides information regarding the two funds through the quarter ending December 31, 1998, the latest date for which the data has thus far been compiled. Capital expenditures were not calculated because the calculations would be timeconsuming and would not affect the result. See UP/SP-344, p. 64.

	Texas, Louisiana, Arkansas, Missouri and Illinois	California and Central Corridor
REVENUE		
Trackage Rights Fees	\$32,505,824	\$36,306,745
Capacity Improvement Fees	0	0
Total Revenue	\$32,505,824	\$36,306,745
EXPENSES		
Maintenance	\$78,306,073	\$55,309,732
Depreciation	76,889,943	58,264,416
Capital Expenditures	not calculated	not calculated
Accounting Expenses	47,568	47,568
Total Expenses	\$155,243,584	\$113,621,716

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that on this 1st day of April 1999, I caused a copy of the foregoing document to be served by first-class mail, postage prepaid, or by a more expeditious manner of delivery on parties of record in Finance Docket No. 32760, and on:

Director of Operations Antitrust Division Suite 500 Department of Justice Washington, D.C. 20530 Premerger Notification Office Bureau of Competition Room 303 Federal Trade Commission Washington, D.C. 20580

Michael L. Rosenthal



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MAYER, BROWN & PLATT

1909 K STREET, N.W. WASHINGTON, D.C. 20006-1101

ERIKA Z. JONES DIRECT DIAL (202) 263-3232 ejones@mayerbrown.com



MAIN TELEPHONE 202-263-3000 MAIN FAX 202-263-3300

April 1, 1999

VIA HAND DELIVERY

ENTERED Office of the Secretary

APR - 2 1999

Part of Public Record

Honorable Vernon A. Williams Secretary Surface Transportation Board 1925 K Street, NW Washington, DC 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are the original and twentyfive (25) copies of The Burlington Northern and Santa Fe Railway Company's Quarterly Progress Report (BNSF-PR-11). Also enclosed is a 3.5-inch disk containing the text of the Quarterly Progress Report in WordPerfect 6.1 format.

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

Sincerely,

Enko Z. Joves/als

Erika Z. Jones

Enclosures

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BNSF-PR-11

ENTERED Office of the Secretary

APR - 2 1999

Part of Public Record 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

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY'S QUARTERLY PROGRESS REPORT

Jeffrey R. Moreland Richard E. Weicher Michael E. Roper Sidney L. Strickland, Jr.

The Burlington Northern and Santa Fe Railway Company 3017 Lou Menk Drive P.O. Box 961039 Ft. Worth, Texas 76161-0039 (817) 352-2353 Erika Z. Jones Adrian L. Steel, Jr. Kathryn A. Kusske Kelley E. Campbell

Mayer, Brown & Platt 1909 K Street, NW Washington, DC 20006 (202) 263-3000

and

1700 East Golf Road Schaumburg, Illinois 60173 (847) 995-6887

Attorneys for The Burlington Northern and Santa Fe Railway Company

April 1, 1999

BNSF-PR-11

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

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY'S QUARTERLY PROGRESS REPORT

Pursuant to the Surface Transportation Board's ("Board") Decision No. 44 in Finance Docket No. 32760, The Burlington Northern and Santa Fe Railway Company ("BNSF") hereby submits its eleventh Quarterly Progress Report. <u>Union Pacific Corp.</u>, <u>et al. -- Control and Merger -- Southern Pacific Rail Corp.</u>, et al., Fin. Dkt. No. 32760, Decision No. 44 at 147 (served Aug. 12, 1996).

This Progress Report describes various changes that have occurred in BNSF's operations on its trackage rights lines and purchased lines (the "UP/SP lines") since the filing of BNSF's last Progress Report on January 4, 1999 (BNSF-PR-10). The Report will also address the marketing efforts undertaken by BNSF since the January 4 Progress Report was filed. Finally, this Report will update the status of various issues

relating to BNSF's ability to provide reliable, dependable and consistent service over the UP/SP lines.

As documented by this Report, BNSF has aggressively continued its efforts over the past three months to compete with UP on the UP/SP lines. Generally, BNSF continues to be successful and effective in marketing its services over those lines. With respect specifically to "2-to-1" points, BNSF has established a major presence in handling such traffic.

I. CHANGES IN BNSF'S OPERATIONS SINCE ITS LAST PROGRESS REPORT

This section describes changes in BNSF's service over the UP/SP lines which have occurred during the period from January 4, 1999, through March 31, 1999.

A. Gulf Corridor

As a result of meetings and agreements with UP that began in the fourth quarter of 1998, BNSF and UP initiated a new operating plan to serve all customers accessible to BNSF on the former SP Baytown and Cedar Bayou Branches between Dayton, TX and Baytown, TX commencing March 1, 1999. Under this plan, BNSF no longer uses UP haulage service to serve any customers located along the Baytown and Cedar Bayou Branches. Instead, BNSF operates three local trains daily (six days/week) from its Dayton facility to serve all customers on these lines: R-GFC0311 switches customers in the Dayton area; and R-GFC0331 and R-GFC0241 serve customers in different zones between Dayton and Baytown. These locals currently provide direct switching service to four customers: Martin
Gas, Dynergy, Texas Eastern and Enterprise. BNSF serves all other Baytown Branch and Cedar Bayou Branch customers via reciprocal switch performed by UP, with BNSF traffic set out and picked up on tracks jointly agreed to by BNSF and UP. In order to facilitate BNSF's service to customers via reciprocal switch, the Baytown Branch has been divided into five reciprocal switching zones, identified as Baytown, Cedar, Eldon, Mt. Belvieu and Dayton.

The new joint service began March 1 for all customers with the exception of Exxon's Baytown and Mont Belvieu facilities. Joint service to these two Exxon facilities commenced on March 15, 1999, after several service, data exchange, and car ordering issues involving the facilities were resolved by UP and BNSF working with Exxon. BNSF believes that service under the new plan has worked well to date, and customers have expressed their satisfaction with the new service arrangement in this congested operating area.

UP further agreed to lease trackage to BNSF for use by BNSF to set out and pick up reciprocal switching traffic and to tie up its locomotive, pending BNSF construction of tracks to support the new operational plan at Dayton, Mont Belvieu, Eldon, and Baytown. BNSF and UP are currently working on the plans for the additional BNSF tracks, and BNSF's construction of the tracks will be coordinated with UP's own infrastructure development in this area.

BNSF completed the construction of three additional 7,500 foot tracks at its Dayton Yard facility in March.

BNSF and the Acadiana Railway Company, a "2-to-1" shortline, completed the construction of a new interchange at Crowley, LA in March to replace the prior very restricted interchange there. This new interchange will improve operations on the Houston-New Orleans line jointly-owned with UP, and will permit further traffic growth between the two carriers.

BNSF continued its maintenance program upgrading the jointlyowned line between lowa Junction, LA and Avondale, LA, including commencing rail and tie replacement programs. Specifically, during the first quarter, BNSF rail and surfacing gangs worked on sections of this trackage east of Lafayette, LA. Tie replacement work is currently underway between Lafayette and Iowa Junction, and a gang is renewing 32 grade crossings in the same area.

BNSF's operations in the Houston terminal will improve as a result of a new crossover arrangement and signal configuration being installed at BNSF's South Yard. The crossovers have been completed, and the new signal work should be completed during the second quarter. This improvement will allow switching operations at South Yard to continue without interfering with main line train movements on adjacent tracks, and should greatly improve efficiency of train operations for BNSF and other carriers.

The Spring Center's joint and coordinated dispatching operations continued to work well during the first quarter. During January, 1999, UP relocated to the Spring Center dispatching responsibility for its lines between: Spring and Valley Junction; Hearne, TX and Houston; Houston and Shreveport, LA; the Sunset Route between Houston and San Antonio, and between San Antonio and El Paso; and the Austin Subdivision between Laredo and central Texas.

B. I-5 Corridor

During the first quarter, BNSF installed power switches at Stockton, CA. The remaining power switch work with Centralized Traffic Control installation will be completed at El Pinal, CA, north of Stockton in April, 1999. This will benefit both UP and BNSF operations through this area.

C. Sacramento Area

BNSF continues to operate six day per week local service between Stockton and Sacramento, CA. However, as a result of the traffic configuration at Sacramento, BNSF is unable to operate over its preferred route using both the UP and SP trackage rights on a daily basis for optimum handling of traffic and minimum car dwell time in UP facilities in the Sacramento area between Stockton and Sacramento. BNSF expects that, when UP reopens its Roseville, CA yard in May, operations can be changed to permit BNSF's local between Stockton and Sacramento to operate over the preferred route.

D. Fullerton, CA

Beginning April 1, 1999, at UP's insistence, BNSF will interchange traffic for "2-to-1" customers in Fullerton, CA with UP at Basta, CA, rather than via the connection built by BNSF at West Colton, CA.

II. BNSF'S MARKETING PLANS AND EFFORTS

A. Recent Activities

During the first quarter of 1999, BNSF continued its intensified marketing activities with respect to a number of points on the UP/SP lines, with particular focus on customer identification and contact for customers located along the Baytown Branch; in the Lake Charles, LA area; in the Sacramento area; in the Shreveport, LA area; and in the Defense and Texarkana, TX area. These efforts included field surveys, face-to-face or telemarketing customer contacts, and follow-through designed to acquaint customers with BNSF's services and capabilities, as well as to acquaint BNSF with the customers' transportation needs. Further, BNSF continues to issue service updates to its customers which are faxed directly to customer locations and posted on the Internet.

Additionally, on March 8, 1999, in order to further improve communications between BNSF and customers accessed as a result of the UP/SP merger, BNSF established a new position in its Direct Account Resource Team small account management group. The position is designed to ensure that BNSF establishes and maintains communications with customers along the "2-to-1" and trackage rights lines. During the third quarter, the account manager will be in contact with all of these customers to ensure that they remain aware of their ability to access BNSF.

As reported in BNSF's fourth guarter 1998 Quarterly Progress Report, BNSF cooperated for the second year with public and private interests in the State of Louisiana, as well as the Louisiana & Delta Railroad ("LDRR"), in the operation of sugar cane trains on expedited schedules from the Lake Charles area to receivers on the LDRR reached over the jointly-owned line between Iowa Junction and Avondale. Operation of the trains began on September 25, 1998, and ran through January 9, 1999. Trains were operated daily, including holidays, and used two 27 car trains capable of each carrying 108 forty foot containers. The eastbound train, departing from the Port of Lake Charles transload facility, carried harvested, billeted sugar cane; the westbound train, leaving from a transload facility on LDRR's Cypremort Branch at Baldwin, LA, carried empty containers returning to the fields for loading. Scheduling called for each train to depart in the late morning and arrive at its respective destination late afternoon/early evening. The schedule for the empty westbound train was changed late in the season to an earlier departure, providing better timing for a more efficient transload at Lake Charles. All planning for operations, as well as ensuring daily operations to schedule along with other trains moving in the busy New Orleans-Houston corridor, were coordinated between LDRR and the Spring Center.

In reviewing this past season's sugar cane campaign, LDRR has advised BNSF that preliminary estimates are that the railroads handled 2,386 carloads, or 9,544 container loads, of sugar cane, totaling 124,072 tons. Every train kept 54 trucks off of Louisiana highways. Working together, LDRR and BNSF never missed an arrival window at the destination sugar mills, critical for this time-sensitive, perishable

commodity. Preliminary outlook for the Fall 1999 sugar cane harvest campaign, based on 1998's successes, would be for additional cane traffic to move by rail.

A number of joint BNSF/UP customer meetings, both group and individual, were held in Houston, Dayton and Baytown in late February and early March to acquaint customers with changes in processes and service accompanying the new UP-BNSF operations plan for the Baytown and Cedar Bayou Branches. These meetings also served to proactively develop and resolve customer issues, problems and concerns, permitting the changeover to be initiated and function with a minimum level of problems to be resolved. At the end of March, a number of customers informed BNSF of their satisfaction with the performance of the current operating plan.

B. Traffic Volumes

BNSF traffic volumes over the lines to which BNSF received access as a result of the merger have continued to grow. See the chart attached hereto as Attachment 1. The charts attached hereto as Attachments 2 to 11 reflect the volumes of traffic for each of the major traffic lanes to which BNSF received access. Attachment 12 shows the breakdown by general commodity groups of this traffic.

BNSF has also experienced traffic growth where BNSF works with "2-to-1" shortlines and regional carriers to reach customers along the trackage rights lines. BNSF enjoys a growing working partnership in business generation with these carriers. BNSF has also steadily grown its traffic volumes for traffic which BNSF or its agent (for example, Utah Railway) switch customers directly.

C. Customer Identification And Access Pursuant To Merger Conditions

BNSF has also continued its efforts to identify all UP/SP customer facilities to which it received access as a result of the UP/SP merger. These facilities include access to "2-to-1" customers and transload facilities on its trackage rights lines and facilities which can be served by the seventeen "2-to-1" shortlines to which it received access. Current listings of all such facilities are attached as Attachment 13.

During the quarter, BNSF and UP agreed to add the following customers and facilities to those which can be accessed by BNSF as a result of the BNSF Settlement Agreement and merger conditions:

Additional "2-to-1" Customers:

Colonial Baking, Earth Grains Division (facility vacant), Little Rock, AR Grobmyer Lumber, Little Rock, AR

Terra International, Inc., Pine Bluff, AR

Zeneca Agricultural Products, North Little Rock, AR

Late in 1998, UP unilaterally reversed an earlier decision it had made granting BNSF access to Refrigerated Distribution Specialists, Inc., a transload at Tracy, CA, a "2-to-1" point. Despite the protests of BNSF and involved customers and shippers, UP terminated direct BNSF access as of January 20, 1999. UP's position that Tracy, CA is not a "2-to-1" point under the merger conditions and decisions is inconsistent with UP's own testimony during the UP/SP merger proceedings as well as the merger conditions, agreements, and Board decisions. BNSF is continuing to investigate and pursue opportunities for build-ins/build-outs, new facilities, transloads and expansions of existing facilities at "2-to-1" points and is currently engaged in discussions with a number of interested customers concerning such facilities and expansions.

With respect to the development of new facilities along BNSF's trackage rights lines, BNSF is working with a number of customers and has achieved several additional successes during the first quarter. UP has formally agreed that BNSF has access to new customer facilities along trackage rights lines including Romark at Waco, TX and the Tahoe-Reno Industrial Center in Patrick, NV.

During the week of March 26th, UP agreed that BNSF has access to three additional new facilities along its trackage rights lines: ANDALEX Resources, Inc., at Wellington, UT; a proposed BNSF Quality Distribution Center ("QDC") at Eagle Pass, TX; and Crown Energy Corporation at Gary, CO. However, despite BNSF's adherence to the communications protocol that was approved by UP, which requires BNSF to make a formal request for access to UP including an operating plan and, if warranted, a track design, the approval process for these three facilities was extremely time consuming. Indeed, BNSF submitted a request on January 14, 1999, for access to the ANDALEX facility, and BNSF submitted its requests for access to the BNSF QDC and Crown Energy Corporation facilities on January 22, 1999. Under the communications protocol to which BNSF and UP agreed, UP is expected to approve or deny an access request within 30 days. However, UP did not respond to any of these requests within the 30 day time frame. As a result, on March 6, BNSF began making phone calls to request UP's determinations relating to these facilities. It was not until the week of March 26 that UP finally approved these requests. This long response time, if continued, may cause BNSF to lose the interest of customers who have expressed a desire to access BNSF along trackage rights lines and at "2-to-1" points.

On January 11, 1999, BNSF responded to UP concerning access to a new customer facility in La Habra, CA. UP had originally confirmed that BNSF should have access to a new customer locating in this facility, but later reversed its position, and asked BNSF to accept a compromise which would have protected BNSF access to the specific potential customer at hand, but no other, had the new customer operation been implemented. As a result of BNSF's on-ground research, BNSF agreed that it should not have access to the customer facility.

UP also has maintained that BNSF should not have access to Four Star Sugar, Inc., a new transload facility constructed in 1998 along BNSF's trackage rights on the former SP line between El Paso, TX and Sierra Blanca, TX. UP's position that BNSF is not entitled to access because the new Four Star Sugar facility is located off an industrial yard lead rather than directly on the former SP line is incompatible with the merger settlement agreements, conditions, and Board decisions concerning access to new facilities along trackage rights lines.

BNSF's efforts to identify customer facilities have included direct customer contact both with customers located on the trackage rights lines as well as with customers throughout the nation which ship to or from "2-to-1" points, and telephone surveys and on-the-ground site reviews of "2-to-1" points by BNSF teams. As a result of these

efforts, BNSF now has access to nearly 1,200 customer facilities pursuant to the UP/SP merger conditions.

III. ISSUES AFFECTING BNSF'S IMPLEMENTATION OF TRACKAGE RIGHTS

The following describes issues relating to BNSF's operations over its trackage rights lines.

Houston and Gulf Coast Area.

BNSF held meetings and discussions with Brownsville & Rio Grande International Railway ("BRGI") and UP during the first quarter concerning the development of a proposal to permit BNSF to commence trackage rights operations between Robstown, TX, Harlingen, TX, Brownsville, TX and Matamoros, Mexico. Further meetings are scheduled in the second quarter. Among other things, BNSF and BRGI are concerned about addressing the impacts of the construction of the Port of Brownsville rail bypass trackage on the routing of BNSF's trains in the area. The rail bypass construction will lead to new operations in the area as well as the retirement of trackage in downtown Brownsville between the main UP north-south route, over which BNSF has trackage rights, and the Port of Brownsville. BNSF hopes that a proposal can be made, jointly with BRGI, during the second quarter to UP on this matter.

Baytown Branch.

An issue under review with respect to the Baytown Branch is the exchange of advance train consists (418 messages) between BNSF and UP, which is being addressed to ensure that crews have the correct paperwork in a timely manner to move traffic.

Central Corridor.

Since the issue of Nevada service was discussed at the March 2, 1999 BNSF-UP Joint Service Committee Meeting in Omaha, BNSF has noted much improvement in the setting out and picking up of cars with through freight trains. UP event reporting has also made noticeable improvements in this area. BNSF continues to have problems with UP haulage and reciprocal switch service between Weso, NV and Alazon, NV, particularly on originated traffic, and particularly in the Battle Mountain, NV area. BNSF shipments are being delayed for a variety of reasons by UP in this area, while UP shipments to and from the same customers appear to move on a timely and reliable basis. BNSF and UP agree that data exchange of movement information is no longer an issue between the two carriers. BNSF and UP met on this specific issue in late March, and will meet further in April in an effort to resolve these issues, which severely impact BNSF's ability to provide competitive service to customers in this area.

In Utah, since the last joint meeting between BNSF, UP, and Utah Railway, service issues have subsided. A first quarter problem involving UP and Utah Railway spotting cars to a Weyerhaeuser facility in Salt Lake City appears to have been corrected.

I-5 Corridor.

BNSF through trains, as well as UP trains, are experiencing ongoing delays due to congestion on UP's Canyon Subdivision, between Sacramento and Keddie, CA. BNSF operations personnel in UP's Harriman Dispatch Center in Omaha have worked on an ongoing basis with their UP counterparts to minimize the impact of this congestion on trains of both carriers.

Sacramento Area.

BNSF shipments to and from "2-to-1" customers in Sacramento and West Sacramento which rely on UP switching continue to be delayed, at times taking as many as five days between the customer location and BNSF's Stockton-Sacramento local at Sacramento. BNSF had hoped that the operation of its own local, in lieu of UP haulage, commencing in November, 1998, would alleviate these problems, but they have not. This will be an area for joint focus by BNSF and UP in early April.

Southern California/Fullerton.

UP used Cargill, a "2-to-1" customer in Fullerton, as the messenger to deliver to BNSF the ultimatum that, effective April 1, 1999, UP would refuse interchange traffic from the BNSF at West Colton for the Cargill facility at Fullerton. UP offered, as an alternative, that BNSF could switch Cargill directly, which Cargill had already advised was not acceptable for its operation: the customer, for operational reasons, desires to be switched by only one carrier. While the issue has been resolved, and effective April 1, 1999, BNSF will interchange this traffic with UP at Basta in lieu of West Colton, BNSF does not accept UP's use of a customer to communicate its service ultimatum to an issue which could have been resolved directly.

Operational Problem Resolution Between UP and BNSF.

During the quarter, a further effort was made by BNSF and UP to clarify the "2-to-1' Point Identification Protocol" as it applies to transloads at "2-to-1" points, to which BNSF is provided access as a result of the merger conditions. UP has taken the position, which BNSF does not agree with, that the "2-to-1' Point Identification Protocol", agreed to between BNSF and UP on June 25, 1998, does not apply to transloads. BNSF and UP have exchanged views on this matter and, in an effort to facilitate resolution, BNSF has provided UP with a draft definition of "transloads" as referred to in the merger settlement agreements and conditions. BNSF is awaiting a response from UP on this important matter, and BNSF will pursue appropriate avenues to resolve this issue and the other issues described above if negotiations with UP are unsuccessful.

A BNSF/UP Joint Service Committee meeting was held in Omaha on March 2, 1999, to review of variety of operational issues involving BNSF operations over UP, pursuant to the UP/SP merger settlement agreements and conditions, as well as other issues. Major issues discussed included train performance measures, the new operations plan for the Baytown and Cedar Bayou Branches, and the status of capital projects.

Both railroads' trackage and haulage teams are continuing to make progress in reducing and resolving service issues.

CONCLUSION

Throughout the first quarter, BNSF has continued its efforts to provide reliable, dependable and consistent service over its trackage rights lines. BNSF's capabilities and business are growing steadily as a result of BNSF's proactive approach in resolving problems, its commitment to infrastructure and operational improvements to provide better service, and the continuing support of its customers. As a result of these efforts, many customers are benefiting from BNSF's new access. BNSF remains fully committed to securing new business and additional business from its customers in the future.

Respectfully submitted,

Jeffrey R. Moreland Richard E. Weicher Michael E. Roper Sidney L. Strickland, Jr.

The Burlington Northern and Santa Fe Railway Company 3017 Lou Menk Drive P.O. Box 961039 Ft. Worth, Texas 76161-0039 (817) 352-2353

ERITA Z. JONES/als

Erika Z. Jones Adrian L. Steel, Jr. Kathryn A. Kusske Kelley E. Campbell

Mayer, Brown & Platt 1909 K Street, NW Washington, DC 20036 (202) 263-3000

and

1700 East Golf Road Schaumburg, Illinois 60173 (847) 995-6887

Attorneys for The Burlington Northern and Santa Fe Railway Company

April 1, 1999

CERTIFICATE OF SERVICE

Concession of the local distances of the loca

I hereby certify that copies of The Burlington Northern and Santa Fe Railway Company's Quarterly Progress Report (BNSF-PR-11) have been served this 1st day of April, 1999, on all Parties of Record.

Kelley E. Campbell Kelley E. Campbell

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Total 1997-99 BNSF Loaded Units On UPSP Merger Condition Lines



Loads

1997-99 BNSF Loaded Units In Trackage Rights Corridors Central Corridor



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1997-99 BNSF Loaded Units In Trackage Rights Corridors Central Texas Corridor

2000 1000 0 Feb Mar Jan May Sept Apr Jun Jul Aug Oct Nov Dec 97 Totals 221 447 446 523 616 736 569 649 682 942 981 934 733 □ 98 Totals 769 991 1,408 936 1,425 1,257 1,288 1,501 1,207 1,390 937 99 Totals 1,125 1,006

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1997-99 BNSF Loaded Units In Trackage Rights Corridors Eagle Pass Corridor



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1997-99 BNSF Loaded Units In Trackage Rights Corridors El Paso Corridor



1997-99 BNSF Loaded Units In Trackage Rights Corridors Gulf East Corridor



1997-99 BNSF Loaded Units In Trackage Rights Corridors Gulf North Corridor



1997-99 BNSF Loaded Units In Trackage Rights Corridors Gulf South Corridor



1997-99 BNSF Loaded Units In Trackage Rights Corridors I-5 Corridor



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1997-99 BNSF Loaded Units In Trackage Rights Corridors Southern California Corridor



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1997-99 BNSF Net Revenues On UPSP Merger Condition Lines By Corridor Bay Area



Units

ATTACHMENT 12

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Commodities Handled To/From and Via UPSP Merger Condition Lines All Loaded Units January-February 1999





	Station		Status
	Camden Camden	AR	2:1 2:1
and a suber buy run	Camden	AR	2:1
the second		AR	2:1
	Forrest City	AR	
	Little Rock	AR	
	Little Rock	AR	2:1
	Little Rock	AR	2:1
	Little Rock	AR	
	Little Rock	AR	2:1
	Little Rock	AR	
in co occor intenar oriente	Little Rock	AR	2:1
	Little Rock	AR	2:1
	Little Rock	AR	
	Little Rock	AR	2:1
	Little Rock -	AR	
		AR	2:1
Colonial Baking, Earth Grains Div (Facility Vacant)	Little Rock	AR	2:1
burrugh co	Little Rock	AR	2:1
coorgin institut corp	Little Rock	AR	Transload
	Little Rock	AR	
	Little Rock	AR	
	Little Rock	AR	
Hor chinese har anosab	Little Rock	AR	
		AR	
	Little Rock Little Rock	AR	
Shurrer ocone concurner corp	Little Rock	AR	
storrang round and (som so)		AR	
	Little Rock Little Rock	AR	
initiation initiating	Little Rock	AR	2:1
······································	Little Rock	AR	
himsen ing to	North Little Rock	AR	
concrue retaining providency and	North Little Rock	AR	
hoppers insubstree the	North Little Rock	AR	
hoppere indepered the	North Little Rock	AR	2:1
nita bouch books	North Little Rock	AR	
	North Little Rock	AR	
currey brace inc	North Little Rock	AR	2:1
Shebeuree hend burrenny tenter	North Little Rock	AR	
Tyr nonwording rorimer oroup, mer oneoper art	North Little Rock	AR	
	North Little Rock	AR	
	North Little Rock	AR	
b i bertrees ine (cooperative mille int)	North Little Rock	AR	
S . Gotteens the last createrers	North Little Rock	AR	
	North Little Rock	AR	
	North Little Rock	AR	2:1
ACF Industries	Paragould	AR	2:1
	Faragould	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Fine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
	Pine Bluff	AR	2:1
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Mid South Terminal Two	Pine Bluff	AR	2:1
Mid South Terml 4 (Pine Bluff Whse #4)	Pine Bluff	AR	2:1
Pine Bluff Arsenal	Pine Bluff	AR	2:1
Planters Cotton Oil Mill	Pine Bluff	AR	2:1
Planters Cotton Seed	Pine Bluff	AR	2:1
Southern Bag	Pine Bluff	AR.	2:1
Southern Compress Whse	Pine Bluff	AR	2:1
Stronglite Products	Pine Bluff	AR	2:1
T W Pelton & Co	Pine Bluff	AR	2:1
Terra International Inc	Pine Bluff	AR	2:1
Tyson Foods Feedmill	Pine Bluff	AR	2:1
Tyson Foods Protein Blend Plant	Pine Bluff	AR	2:1
Viking Bag	Pine Bluff	AR	2:1
Commercial Stg & Distribution Corp	Texarkana	AR	Agreement
Cooper Tire & Rubber Corp	Texarkana	AR	
			Agreement
General Electric Railcar Repair	Texarkana	AR	Agreement
Tri State Iron & Metal Corp	Texarkana	AR	Agreement
California Cereal (Nabisco Brands)	Elmhurst	CA	2:1
Fleenor Packing	Elmhurst	CA	2:1
Fleischman's Yeast	Elmhurst	CA	2:1
Longview Fibre Co	Elmhurst	CA	2:1
Pacific America Whse	Elmburst	CA	2:1
General Motors	Fremont	CA	2:1
New United Motor Manufacturing	Fremont	CA	2:1
		CA	2:1
Toyota Logistics Svcs	Fremont		
Toyota Logistics Svcs	Fremont	CA	2:1
Truck Rail Handling	Fremont	CA	Transload
Truck Rail Handling	Fremont	CA	Transload
United States Gypsum	Fremont	CA	2:1
U S Army, Sierra Army Depot	Herlong	CA	2:1
Standard Iron & Metals Co	Kohler	CA	2:1
Sunshine Biscuit - Vacant Bldg	Kohler	CA	2:1
Christian Salveson Inc. (CSI)	La Habra	CA	2:1
Lucky Sav-On Distribution Center	La Habra	CA	2:1
			2:1
Vacant (Lucky Food Stores)	La Habra	CA	
U S Army, Sharpe Depot	Lathrop	CA	2:1
Brown Strauss Steel	Livermore	CA	2:1
G S Roofing Products	Livermore	CA	2:1
Gaylord Graphics	Livermore	CA	2:1
Livermore Whse	Livermore	CA	2:1
Salinas Reinforcing Inc	Livermore	CA	2:1
Mid-City Iron & Metal Corp	Los Angeles	CA	2:1
American Brass & Iron (ABI)	Melrose	CA	2:1
	Melrose	CA	2:1
Armour Equipment Sales			
Mother Cake & Cookies	Melrose	CA	2:1
Nabisco Brands	Oakland	CA	2:1
Kruse (O H) Grain & Milling Co	Ontario	CA	2:1
Intermod Industries	Ortega	CA	2:1
Kaiser Sand Gravel	Pleasanton	CA	2:1
California Builders Supply Co	Sacramento	CA	2:1
Capitol Plywood	Sacramento	CA	2:1
Continental Chemical Co	Sacramento	CA	2:1
	Sacramento	CA	2:1
Sacramento Bee (McClatchy Newspaper)			
Burke Flooring Products, Div Burke Industries		CA	2:1
Coors Distributing Co of Santa Clara	San Jose	CA	2:1
Del Monte Corp, Plant #3	San Jose	CA	2:1
Ecolab Inc	San Jose	CA	2:1
Floor Service Supply	San Jose	CA	2:1
Frank Lin Distillers Products Ltd	San Jose	CA	2:1
Frito Lay	San Jose	CA	2:1
International Paper Bag Pak Div	San Jose	CA	2:1
Markovits & Fox	San Jose	CA	2:1
Northern California Fertilizer	San Jose	CA	2:1
		CA	2:1
Red Wing Co Inc (National Preserve)	San Jose	CA	

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Safety Kleen Corp	San Jose	CA	2:1
San Jose Distribution Services	San Jose	CA	2:1
Stapleton-Spence Packing	San Jose	CA	2:1
Sun Garden Packing Co	San Jose	CA	2:1
U S Pollution Control	San Jose	CA	2:1
Western Beverage Co	San Jose	CA	2:1
Chem-World Supply Inc	South Gate	CA	2:1
EKA Chemicals/EKA Nobel	South Gate	CA	2:1
Los Angeles Chemical Co (LACCO)	South Gate	CA	2:1
P Q Corporation	South Gate	CA	2:1
Titan Terminal & Transport	South Gate	CA	2:1
Refrigerated Distribution Specialist (RDS)	Tracy	CA	Transload
Hardwoods Inc	Trevarno	CA	2:1
Trans Western Polymers	Trevarno	CA	2:1
A L Gilbert	Turlock	CA	2:1
Americold Plant 1	Turlock	CA	2:1
Facility vacant/for lease (Snider Lbr)	Turlock	CA	2:1
Feedstuffs Processing Co.	Turlock	CA	2:1
International Paper	Turlock	CA	2:1
Purina Mills Inc	Turlock	CA	2:1
Rogers Food (Div Universal Foods)	Turlock	CA	2:1
Tab Products Co	Turlock	CA	2:1
Turlock Fruit	Turlock	CA	2:1
Capital Coors	West Sacramento	CA	2:1
Cargill	West Sacramento	CA	2:1
Crum & Crum Enterprises Inc	West Sacramento	CA	Transload
Farmers Rice Coop	West Sacramento	CA	2:1
Karrolton Envelope	West Sacramento	CA	2:1
Montgomery Ward & Co Distr Ctr	West Sacramento	CA	2:1
PFX Pet Supply	West Sacramento	CA	2:1
Port Of Sacramento (Yolo Port Dist)	West Sacramento	CA	2:1
The Ink Company	West Sacramento	CA	2:1
Treasure Chest	West Sacramento	CA	2:1
Unocal	West Sacramento	CA	2:1
American Metals Corp	Yolo Port	CA	2:1
California Distribution Center	Yolo Port	CA	2:1
Weyerhaeuser Lumber	Yolo Port	CA	2:1
Conoco Inc	Durham	co	New Facility
Total Petroleum	Durham	co	New Facility
Agri Producers	Herington	KS	2:1
Cairo Coop Equity Exchange	Preston	KS	2:1
Crowley American Transport	Harbor	LA	2:1
Farmers Rice Milling Co Inc	Harbor	LA	2:1
Lake Charles Carbon Co, Div Reynolds Metals	Harbor	LA	
Lake Charles Stevedores	Harbor	LA	2:1
M I Drilling Fluids	Harbor	LA	2:1
Calcasieu Steel & Pipe Inc	Lake Charles	LA	Agreement
Lake Charles American Press	Lake Charles	LA	Agreement
Lake Charles Harbor Terminal	Lake Charles	LA	Agreement
Lake Charles Public Elevator	Lake Charles	LA	Agreement
Allen Millwork Inc	Shreveport	LA	Agreement
Bell Industries	Shreveport	LA	Agreement
Custom Bilt Cabinet & Supply #1	Shreveport	LA	Agreement
G S Roofing Products Co Inc	Shreveport	LA	Agreement
Georgia Pacific Corp	Shreveport	LA	Agreement
Hart Lumber Co Inc	Shreveport	LA	Agreement
Murphy Bonded Whse Inc	Shreveport	LA	Agreement
National Biscuit Co (Nabisco)	Shreveport	LA	Agreement
Purina Mills Inc	Shreveport	LA	Agreement
S F Services Inc	Shreveport	LA	Agreement
Sears Roebuck & Co	Shreveport	LA	Agreement
Southwestern Electric Power Co	Shreveport	LA	Agreement
Conoco (Gulf Coast Lube Plant)	Sulphur	LA	Agreement
Arco Chemical (Olin Corp)	West Lake	LA	Agreement

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Condea Vista Co	West Lake	LA	Agreement
Conoco Inc	West Lake	LA	Agreement
Dunham Price Inc	West Lake	LA	Agreement
Excel Paralubes	West Lake	LA	Agreement
Holnam Inc	West Lake	LA	Agreement
	West Lake	LA	Agreement
Jupiter Chemicals/Jupiter Nash			
M I Drilling Fluids	West Lake	LA	Agreement
Martin Marietta Aggragates	West Lake	LA	Agreement
Montell USA	West Lake	LA	Agreement
PPG Industries Inc	West Lake	LA	Agreement
R E Heidt Construction	West Lake	LA	Agreement
	West Lake	LA	Agreement
Reagent Chemical & Research			
Tetra Chemicals	West Lake	LA	Agreement
ABE Randa'l Corp	West Lake Charles	LA	Agreement
Baroid Drilling Fluids	West Lake Charles	LA	Agreement
Baroid Petroleum Services	West Lake Charles	LA	Agreement
Cit Con Oil	West Lake Charles	LA	Agreement
	West Lake Charles	LA	Agreement
Citgo Petroleum Corp			
Conoco Inc, Coke Terml	West Lake Charles	LA	Agreement
Equistar Chemicals LP	West Lake Charles	LA	Agreement
Firestone Synthetic Rubber & Latex	West Lake Charles	LA	Agreement
Grace Davison (W R Grace)	West Lake Charles	LA	Agreement
Southern Ionics Inc	West Lake Charles	LA	Agreement
Venco Conoco, Calcining Plant	West Lake Charles	LA	Agreement
West Lake Petrochemicals	West Lake Charles	LA	Agreement
West Lake Polymers	West Lake Charles	LA	Agreement
West Lake Styrene	West Lake Charles	LA	Agreement
Ag Processing	Dexter	MO	2:1
Cargill	Dexter	MO	2:1
		MO	2:1
Hudson Foods	Dexter		
Monarch Feed Mills	Dexter	MO	2:1
Baker Hughes Integ	Argenta	NV	2:1
Saga Exploration Co	Barth	NV	2:1
Atlas Towing Co	Battle Mountain	NV	New Facility
M I Drilling Fluids	Battle Mountain	NV	2:1
	Battle Mountain	NV	2:1
Sierra Chemical NV			
Cortez Gold Mines	Beowawe	NV	2:1
Fleischili Transload	Beowawe	NV	2:1
SS Supply	Beowawe	NV	2:1
Union Pacific Fuels Inc	Beowawe	NV	2:1
Anschutz Marketing Transport	Carlin	NV	2:1
	Carlin	NV	2:1
Continental Lime			
Dust Chemical	Carlin	NV	2:1
Kilborn International	Carlin	NV	2:1
Thatcher Chemical Co - Nevada	Carlin	NV	2:1
Turner Gas	Carlin	NV	2:1
Baroid Drilling Fluids	Dunphy	NV	2:1
	Dunphy	NV	2:1
Kennecott Utah Copper			2:1
Mine Service & Supply	Dunphy	NV	
Alpark Petroleum	Elko	NV	2:1
Ash Grove Cement Co	Elko	NV	2:1
Blach Distributing	Elko	NV	2:1
Cashman Equipment	Elko	NV	2:1
	Elko	NV	2:1
Franklin Lumber Bldg Supply			
Nevada Freeport	Elko	NV	2:1
Nevada Ice & Cold Storage	Elko	NV	2:1
Par Gas	Elko	NV	2:1
Petro Source	Elko	NV	2:1
Petro Source Asphalt Terminal	Elko	NV	2:1
	Elko	NV	2:1
Tricon Metals & Services, Inc.		NV	New Facility
Quebecor Printing Nevada Inc	Fernley		
Valley Joist Corp		NV	New Facility
	Fernley		
Continental Lime	Golconda	NV	2:1
		NV NV	

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the Barrison	Galazada		
U S Barium	Golconda	NV	2:1
Kennecott Utah Copper	Jayhawk	NV	2:1
Transwood Inc	Jayhawk	NV	2:1
Kennecott Utah Copper	Redhouse	NV	2:1
Transwood Inc	Redhouse	NV	2:1
Coastal Chemical	Rennox	NV	2:1
Sierra Chemical Of Nevada	Rennox	NV	2:1
BNSF Nevada Quality Distr Center (QDC)	Sparks	NV	New Facility
Sierra Pacific Power	Valmy	NV	2:1
Dupont	Vivian	NV	2:1
Van Waters Rogers	Vivian	NV	2:1
Mobil Chemical	Amelia	TX	2:1
Econo Rail Corp	Baytown	TX	2:1
Exxon Chemical Americas	Baytown	TX	Agreement
Exxon Chemical Plastics	Baytown	TX	Agreement
Exxon Company USA	Baytown	TX	Agreement
Jindal United Steel Corp	Baytown	TX	2:1
Rhodia	Baytown	TX	2:1
		TX	2:1
SAW Pipes USA Inc	Baytown	TX	2:1
Seapac Inc	Baytown		
United States Steel/USX	Baytown	TX	2:1
Thompson Consumer Electronics (RCA)	Belen	TX	New Facility
City Of Brownsville	Brownsville	TX	2:1
Milwhite	Brownsville	TX	2:1
Premier Services Corp	Brownsville	TX	2:1
Tex Mex Cold Storage	Brownsville	TX	2:1
Farstad Oil	Buford	TX	2:1
Lopez Scrap Metal	Buford	TX	2:1
El Paso Valley Cotton Assn	Clint	TX	2:1
T & R Chemicals Inc	Clint	TX	2:1
Valley Feed Mills	Clint	TX	2:1
American Chrome Chemicals	Corpus Christi	TX	2:1
Citgo Petroleum East Plant	Corpus Christi	TX	2:1
Citgo Petroleum West Plant	Corpus Christi	TX	2:1
Coastal Refining & Mktg	Corpus Christi	TX	2:1
Encycle Texas Inc.	Corpus Christi	TX	2:1
Esco Distributors Inc	Corpus Christi	TX	2:1
Interstate Grain Corp	Corpus Christi	TX	2:1
Koch Industries	Corpus Christi	TX	2:1
Nueces Grain	Corpus Christi	TX	2:1
Zarsky Lumber	Corpus Christi	TX	2:1
Defense Distribution Depot	Defense	TX	2:1
Penreco	Dickinson	TX	2:1
Gulf States Asphalt	Dumont	TX	2:1
Houston L&P #1	Dumont	TX	2:1
Houston L&P #3	Dumont	TX	2:1
South Houston Lumber	Dumont	TX	2:1
General Tire	East Waco	TX	2:1
Amoco Chemical	Eldon	XT	Agreement
Bayer Chemical	Eldon	TX	Agreement
Borden Chemical	Eldon	TX	2:1
Chevron Chemical	Eldon	TX	Agreement
City Public Service Board of San Antonio	Elmendorf	TX	2:1
Richard Bills Feedlot	Fabens	TX	2:1
	Fabens	TX	2:1
Romney Implement	Fabens	TX	2:1
Swig Cotton Compress	Genoa	TX	2:1
Ashland Chemical		TX	2:1
Pioneer Concrete Texas	Genca	TX	2:1
Sunbelt Asphalt Materials	Genoa		2:1
Amc Warehouses	Great Southwest	TX TX	2:1
Boise Cascade	Great Southwest		2:1
Carry Companies	Great Southwest	TX	2:1
Carry Companies (Imperial Sugar)	Great Southwest	TX	2:1
Champion Recycling	Great Southwest	11	

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Coors Brewing D D Recycling D S Plastics DSC Logistics DSC Logistics (Lever) DSC Logistics (Pillsbury) Frito Lay G E Appliances General Hardwoods Ink Intsel Southwest Lmd Warehouse Distribution Mackie Automotive Southwest Matlack Systems McGregor Printing National Starch Chemical Pennzoil Prod Pepsi Cola Porter Warner Ind Professional Food Systems Quality Logistics Services Solvay Engineered Polymers (DS Plastics) Tenneco Packaging Texas Plywood Lumber Tucker Housewares Tulco Oil Uvtec Wainwright Ind Western Reclamation Weyerhaeuser Willamette Industries Bag Willamette Industries Corrug LCRA Plant Alamo Forest Products Inc. Cameron Wm & Co Georgia Pacific Corporation Harlingen Compress Co., Inc. Joiner Foodservice Inc. Rio Grande Oil Mill The Earthgrain Co. Valley Compress Co., Inc. Valley Coop Oil Mill (Valco Chemical) Valley Morning Star M G Building Materials Wheelwright & Associates Exxon Chemical Americas Allied Signal Bayer Fibers Additives/Rubber Chevron Chemical Dupont De Nemours, EI Equitable Bag Firestone Syn Rubber Latex Lewis Plastics Neches Inc Orange City Of Orange Port Of Orange Ship Building Precinct One Orange County PrintPak (James River) Rescar Inc Sabine Warehouse Schulman Plant (Burnett St) Schulman Plant (Thomas St) Texas Polymer Services

Great Southwest	TX	2:1
Great Southwest	TX	2:1
Great Southwest	TX	2:1
Great Southwest	TX	Transload
Great Southwest	TX	Transload
Great Southwest	TX	Transload
Great Southwest	TX	2:1
Great Southwest	TX	2:1
Great Southwest	TX	2:1
Great Southwest	TX	2:1
		2:1
Great Southwest	TX	
Great Southwest	TX	2:1
Great Southwest	TX	2:1
Halsted	TX	2:1
Harlingen	TX	2:1
Harlingen	TX	2:1
	TX	2:1
Harlingen		
Harlingen	TX	2:1
	TX	2:1
Harlingen		
Harlingen	TX	2:1
Heafer	TX	2:1
League City	TX	2:1
Mont Belvieu	TX	Agreement
Orange	TX	2:1
Orange	TX	2:1
	TX	2:1
Orange		
Orange	TX	2:1
	TX	2:1
Orange		
Orange	TX	2:1
	TX	2:1
Orange	TX	2:1
Orange		
Orange	TX	2:1

West Orange City Of	Orange	TX	2:1
Wilson Warehouse	Orange	TX	2:1
Alamo Iron Works	San Antonio	TX	2:1
Allen & Allen Co	San Antonio	TX	2:1
Big Tex Grain	San Antonio	TX	2:1
Block Distributing, Wine Div	San Antonio	TX	2:1
Browning Ferris Industries (BFI)	San Antonio	TX	2:1
California Fruit Co.	San Antonio		2:1
Crystal Cold Storage		TX	
	San Antonio	TX	2:1
Fiesta Warehousing Distribution	San Antonio	TX	Transload
Fite Distribution Services	San Antonio	TX	2:1
Georgia Pacific Corp	San Antonio	TX	2:1
GLI Distributing	San Antonio	TX	2:1
Halo Distributing	San Antonio	TX	2:1
Hart Lumber	San Antonio	TX	2:1
Hood Clays Vr	San Antonio	TX	2:1
Imperial Bedding	San Antonio	TX	2:1
Lone Star Brewing	San Antonio	TX	2:1
Newell Industries Inc	San Antonio	TX	2:1
Newell Recycling of San Antonio, L.P.			
	San Antonio	TX	2:1
Pearl Brewing	San Antonio	TX	2:1
Pioneer Flour Mills	San Antonio	TX	2:1
Salt Exchange Inc	San Antonio	TX	2:1
Savage Industries, Industrial Rail Services	San Antonio	TX	Transload
South Texas Liquid Terminal	San Antonio	TX	Transload
Southern Merchandise Stge Co	San Antonic	TX	2:1
Star Seed & Grain	San Antonio	TX	2:1
Superior Tomato-Avacado Co Inc	San Antonio	TX	2:1
Trinity Industries Inc	San Antonio	TX	2:1
Westland Specialty Oil Company Inc	San Antonio	TX	2:1
Wright Oil	San Antonio		2:1
Merco Joint Venture		TX	
	Sierra Blanca	TX	2:1
San Patricio County One	Sinton	TX	2:1
A E Staley @ Imperial Holly facility	Sugar Land	TX	2:1
			2:1
Imperial Holly	Sugar Land	TX	
	Sugar Land Sugar Land	TX TX	2:1
Imperial Holly			
Imperial Holly Nalco Exxon Energy Chemicals	Sugar Land	TX	2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing	Sugar Land Texarkana	TX TX	2:1 Agreement Agreement
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp	Sugar Land Texarkana Texarkana Texarkana	TX TX TX TX	2:1 Agreement Agreement Agreement
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply	Sugar Land Texarkana Texarkana Texarkana Texarkana	TX TX TX TX TX	2:1 Agreement Agreement Agreement Agreement
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo	TX TX TX TX TX TX	2:1 Agreement Agreement Agreement 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler	TX TX TX TX TX TX TX	2:1 Agreement Agreement Agreement 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging	Sugar Land Texarkana Texarkana Texarkana Tornillo Tyler Tyler	TX TX TX TX TX TX TX TX	2:1 Agreement Agreement Agreement 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co)	Sugar Land Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler	TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products	Sugar Land Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler	TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire	Sugar Land Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler	TX TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler	TX TX TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material	Sugar Land Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler	TX TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler	TX TX TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler	TX TX TX TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria	TX TX TX TX TX TX TX TX TX TX TX TX	2:1 Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Texas Iron Works Central Warehouse Co	Sugar Land Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed	Sugar Land Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co Fleetwood Homes	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co Fleetwood Homes Fleetwood Trailer Co	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co Fleetwood Homes Fleetwood Trailer Co Gross Yowell Lumber	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co Fleetwood Homes Fleetwood Trailer Co Gross Yowell Lumber Gulf States Paper	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co Fleetwood Homes Fleetwood Trailer Co Gross Yowell Lumber Gulf States Paper Jarvis Paris Murphy	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co Fleetwood Homes Fleetwood Trailer Co Gross Yowell Lumber Gulf States Paper	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1
Imperial Holly Nalco Exxon Energy Chemicals J J S Distributing Kerr McGee Chemical Corp Miller Bowie County Farmers (Willis St) Texarkana Milling Supply Drake Enterprises American Plant Food Co Bonar Packaging Cameron Whse (Cameron Wm & Co) Jewell Concrete Products Kelly Springfield Tire Sunbelt Cement Transit Mix Concrete Material Kamin Furniture Cameron Wm & Co Inc Central Forwarding Co Central Forwarding Co Central Texas Iron Works Central Warehouse Co Certainteed Continental General Tire Equalizer Exporters & Traders Compress & Whse Co Fleetwood Homes Fleetwood Trailer Co Gross Yowell Lumber Gulf States Paper Jarvis Paris Murphy	Sugar Land Texarkana Texarkana Texarkana Texarkana Tornillo Tyler Tyler Tyler Tyler Tyler Tyler Tyler Tyler Victoria Waco Waco Waco Waco Waco Waco Waco Wac	TX TX TX TX TX TX TX TX TX TX TX TX TX T	2:1 Agreement Agreement Agreement 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1 2:1

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M M Mars	Waco	TX	2:1
Metro Lumber Industries	Waco	TX	2:1
Mid State Beverage Inc	Waco	TX	2:1
Owens Brockway	Waco	TX	2:1
Tejas Warehouse System	Waco	TX	2:1
Terra Nitrogen Corp (Terra Intl Inc)	Waco	TX	2:1
Vacant Facility (McCoys Bldg Supply Center)	Waco	TX	2:1
Veterans Administration	Waco	TX	2:1
Houston Shell & Concrete	Webster	TX	2:1
McCoys Bldg Supply Center	Webster	TX	2:1
Sunbelt Asphalt Materials	Webster	TX	2:1
Featherlite Building Products Corp	Ysleta	TX	2:1
International Paper, Container Div	Ysleta	TX	2:1
Rhinehart Oil	American Fork	UT	2:1
Alpine Transfer	Clearfield	UT	2:1
Americold	Clearfield	UT	2:1
Ashland Chemical	Clearfield	UT	2:1
Birmingham Bolt	Clearfield	UT	2:1
Del Monte Foods	Clearfield	UT	2:1
DSC Logistics	Clearfield	UT	2:1
Excel Mining	Clearfield	UT	2:1
FABPRO Oriented Polymers Inc	Clearfield	UT	2:1
Freeport Center	Clearfield	UT	2:1
Freeport Cold Storage	Clearfield	UT	2:1
Gatx Logistics	Clearfield	UT	2:1
Lifetime Products	Clearfield	UT	2:1
Malnove	Clearfield	UT	2:1
Naptech Inc	Clearfield	UT	2:1
Oborn Transfer & Storage	Clearfield	UT	2:1
Poli Twine	Clearfield	UT	2:1
Quintex	Clearfield	UT	2:1
Ryerson Son J T	Clearfield	UT	2:1
Tech Steel	Clearfield	UT	2:1
Thickol	Clearfield	UT	2:1
Watkins Shepard	Clearfield	UT	2:1
Geneve. Steel	Geneva	UT	2:1
LaRoche Industries	Geneva	UT	2:1
Western Pipe Coaters (c/o Geneva Steel)	Geneva	UT	2:1
Reilly Industries	Ironton	UT	2:1
Great Salt Lake Minerals	Little Mountain	UT	2:1
Kennecott Utah Copper Corp	Magna	UT	2:1
Flying J Inc	North Salt Lake City	UT	2:1
Red Man Pipe & Supply Co	North Salt Lake City	UT	2:1
American Nutrition	Ogden	UT	2:1
Atlas Steel	Ogden	UT	2:1
Cache Commodities DRGW	Ogden	UT	2:1
Cargill Flour Milling	Ogden	UT	2:1
Cargill Nutrena Feeds	Ogden	UT	2:1
Cereal Food Processors	Ogden	UT	2:1
David Grant Trucking Inc	Ogden	UT	Transload
Defense Depot	Ogden	UT	2:1
Durbano Metals	Ogden	UT	2:1
Dyce Chemical Ind	Ogden	UT	2:1
Great Salt Lake Minerals	Ogden	UT	2:1
Harsac	Ogden	UT	2:1
Kimberly Clark	Ogden	UT	2:1
Koch Agri Services West	Ogden	UT	2:1
L Bloom & Sons	Ogden	UT	2:1
L Bloom & Sons McNabb Grain	Ogden	UT	2:1
		UT	2:1
Nutrena Feed	Ogden	UT	2:1
Wasatch Distributing	Ogden Ogden	UT	2:1
Western Gateway Storage	Pioneer	UT	2:1
Pipe Fabricating	Provo	UT	2:1
A Y Building Supply	11000		

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Atlas Steel	Provo	UT	2:1
Big Four Distributing	Provo	UT	2:1
Pacific States Cast Iron Pipe	Provo	UT	
Pitt Des Moines (PDM)	Provo	UT	
A K Railroad Materials	Salt Lake City	UT	2:1
Alta Industries	Salt Lake City	UT	2:1
American Excelsior	Salt Lake City	UT	2:1
Amerigas Propane Lp	Salt Lake City	UT	2:1
Amoco Oil	Salt Lake City	UT	2:1
Asphalt Systems Inc	Salt Lake City	UT	.2:1
Associated Food Stores	Salt Lake City	UT	2:1
Atlas Steel Inc	Salt Lake City	UT	2:1
Baker Hughes Integ	Salt Lake City	UT	2:1
Bee Hive Brick	Salt Lake City	UT	2:1
Benergy dba Star Carbon Divn	Salt Lake City	UT	
Border Steel	Salt Lake City	UT	
Bruce Transfer & Storage	Salt Lake City	UT	
Capitol Lumber	Salt Lake City	UT	
Cenex Land O Lakes	Salt Lake City		2:1
Cereal Food Processors	Salt Lake City	UT	
Certified Warehouse Transfer	Salt Lake City	UT	2:1
Chevron Products	Salt Lake City	UT	2:1
Chris & Dicks Lbr & Hardware	Salt Lake City		
		UT	2:1
Church Of Jesus Christ LDS	Salt Lake City	UT	2:1
Conoco Inc	Salt Lake City	UT	2:1
Corp Of The President (LDS Church)	Salt Lake City		2:1
Corporation Of The Presiding	Salt Lake City		2:1
Crawford Door Sales	Salt Lake City	UT	2:1
Crus Distributing	Salt Lake City	UT	2:1
E F Mariani	Salt Lake City	UT	
Eaton Metal Products	Salt Lake City	UT	
Eimco Process Equipment	Salt Lake City	UT	2:1
Engelhard	Salt Lake City	UT	2:1
Farwest Steel	Salt Lake City	UT	2:1
General Distributing	Salt Lake City	UT	2:1
General Felt Industries	Salt Lake City	UT	2:1
Great Western Chemical	Salt Lake City	UT	2:1
Harrington Trucking Inc	Salt Lake City	UT	Transload
Hill Brothers Chemical	Salt Lake City	UT	2:1
Holnam	Salt Lake City	UT	2:1
Liquid Sugars	Salt Lake City	UT	2:1
Mark Steel (W 200)	Salt Lake City	UT	2:1
Marmon Keystone	Salt Lake City	UT	2:1
May Foundry	Salt Lake City	UT	2:1
Metro Group Inc	Salt Lake City	UT	2:1
Mountain Cement	Salt Lake City	UT	2:1
Nalco Chemical	Salt Lake City	UT	2:1
Newspaper Agency	Salt Lake City	UT	2:1
Pacific Steel	Salt Lake City	UT	
Pax	Salt Lake City	UT	2:1
Peerless Oil	Salt Lake City	UT	2:1
Petrolane	Salt Lake City	UT	2:1
Pioneer Wholesale Supply Inc	Salt Lake City	UT	2:1
Resource Net (aka Western Paper Co)	Salt Lake City	UT	2:1
Salt Lake Auto Auction	Salt Lake City	UT	2:1
Semling Menke	Salt Lake City	UT	2:1
Smurfit Stone Container Corp	Salt Lake City	UT	2:1
Specialized Rail Service Sport Court	Salt Lake City	UT	Transload
	Salt Lake City	UT	2:1
Steelco	Salt Lake City	UT	2:1
Sutherland Lumber	Alt Lake City		2:1
Tenneco Packaging Drgw	Salt Lake City	UT	2:1
Terminal Freight Handling	Salt Lake City	UT	2:1
Thatcher Company	Salt Lake City	UT	2:1

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Transwood	Salt Lake City	UT	Transload
United States Postal Service	Salt Lake City	UT	2:1
United States Welding	Salt Lake City	UT	2:1
Utah Barrel	Salt Lake City	UT	2:1
Utah Metal Works	Salt Lake City	UT	2:1
Utah Paper Box	Salt Lake City	UT	2:1
Valley Steel Processing Inc	Salt Lake City	UT	2:1
Van Water Rogers	Salt Lake City	UT	2:1
Westinghouse Electric Co	Salt Lake City	UT	2:1
Weyerhaeuser (Matl Dist)	Salt Lake City	UT	2:1
Weyerhaeuser (Recycling)	Salt Lake City	UT	2:1
Wholesale Stationers Corp	Salt Lake City	UT	2:1
Wholesale Transfer & Whse	Salt Lake City	UT	2:1
Inland Refining Inc	Woods Cross	UT	2:1
Koch Performance Asphalt Co	Woods Cross	UT	2:1
Peak Profile	Woods Cross	UT	2:1
Phillips 66W	Woods Cross	UT	2:1

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"2-To-1" Points Where UP Has Advised BNSF Has Accessed To "All Customers"

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	tomer
All	Customers
All	Customers
All	Customers
A11	Customers
All	Customers
A11	Customers
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All	
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A11	Customers
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	Customers
A11	Customers
A11	Customers
A11	Customers

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Station	State	Status
Altamont	CA	2:1
Hearst	CA	2:1
Livermore	CA	2:1
Midway	CA	2:1
Niles Jct	CA	2:1
Pleasanton	CA	2:1
Radum	CA	2:1
Trevarno	CA	2:1
Alazon	NV	2:1
Barth	NV	2:1
Beowawe	NV	2:1
Carlin	NV	2:1
Coin	NV	2:1
Deeth	-NV	2:1
Dunphy	NV	2:1
Elburz	NV	2:1
Elko	NV	2:1
Ellison	NV	2:1
Golconda	NV	2:1
Hunter	NV	2:1
Jayhawk	NV	2:1
Kampos	NV	2:1
Knight	NV	2:1
Nardi	NV	2:1
Pardo	NV	2:1
Rasid	NV	2:1
Redhouse	NV	2:1
Rennox	NV	2:1
Russells	NV	2:1
Ryndon	NV	2:1
Tulasco	NV	2:1
Weso	NV	2:1
Buford	TX	2:1
Clint	TX	2:1
Dickinson	TX	2:1
Dumont	TX	2:1
Fabens	TX	2:1
Fondren	TX	2:1
Ft Hancock	TX	2:1
Genoa	TX	2:1
Great Southwest	TX	2:1
Gypsum Spur	TX	2:1
Hulen Park	TX	2:1
Iser	TX	2:1
La Marque	TX	2:1
League City	TX	2:1
McDonough	TX	2:1
McNary	TX	2:1
Olcott	TX	2:1
Sierra Blanca	TX	2:1
Texas City Jct	TX	2:1
Tornillo	TX	2:1
Webster	TX	2:1
Ysleta	TX	2:1
191610	14	

Customers Accessed By BNSF Directly On Lines Purchased As & Result Of The UP/SP Merger

Customer	Station	State	Status
Cargill Inc. (Refinery)	Fullerton	CA	Direct
Hunt Wesson (Bldgs 18, 22 & 28)	Fullerton	CA	Direct
Baroid Corp	Berwick	LA	Direct
Ico Tubular	Boeuf	LA	Direct
J Ray McDermott	Boeuf	LA	Direct
M I Drilling Fluids	Boeuf	LA	Direct
Pipe Distributors	Boeuf	LA	Direct
Tuboscope Vetco International	Boeuf	LA	Direct
Monsanto Co	Boutte	LA	Direct
Anchor Drilling Fluids USA Inc	Cade	LA	Direct
J & L Cameco Honiron Div	Jeanerette	LA	Direct
Lafayette Power Plant	Lafayette	LA	Direct
Broussard Rice Mill Inc	Mermentau	LA	Direct
Patterson Truck Lines	Morgan City	LA	Direct
Port of Morgan City	Morgan City	LA	Direct
Tenneco	Morgan City	LA	Direct
Tuboscope	Morgan City	LA	Direct
Texaco Inc	Paradis	LA	Direct

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Customer	Station	State	Serving Carrier	Status
Continental Grain Corp	Danville	AR	LRWN	2:1 SL
Greenbay Pkg Inc Ark Kraft Div	Danville	AR	LRWN	2:1 SL
Wayne Poultry & Feed (Div Continental Grain)	Danville	AR	LRWN	2:1 SL
American Fiber Industries	Little Rock	AR	LRPA	2:1 SL
Ben E Keith of Arkansas	Little Rock	AR	LRPA	2:1 SL
Best Foods Div CPC Intl Inc	Little Rock	AR	LRPA	2:1 SL
Democrat Printing & Lithographing Co	Little Rock	AR	LRPA	2:1 SL
G E Appliances	Little Rock	AR	LRPA	2:1 SL
Interstate Highway Sign Co	Little Rock	AR	LRPA	2:1 SL
Little Rock Distributing	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Little Rock	AR	LRPA	2:1 SL
	Ola	AR	LRWN	2:1 SL
	Perry	AR	LRWN	2:1 SL
	Perry	AR	LRWN	2:1 SL
	Chester	CA	AL	2:1 SL
	Abbeville	LA	LDRR	2:1 SL
	Baldwin	LA	LDRR	2:1 SL
	Baldwin	LA	LDRR	2:1 SL
Twin Bros Marine	Baldwin	LA	LDRR	2:1 SL
	Bayou Sale	LA	LDRR	2:1 SL
	Bayou Sale	LA	LDRR	2:1 SL
	Breaux Bridge	LA	LDRR	2:1 SL
	Bunkie	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
Falcon Rice Mill	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
Southwest Rice Mill	Crowley	LA	AKDN	2:1 SL
	Crowley	LA	AKDN	2:1 SL
	Elks	LA	LDRR	2:1 SL
	Eunice	LA	AKDN	2:1 SL
	Eunice	LA	AKDN	2:1 SL
	Eunice	LA	AKDN	2:1 SL
	Harahan	LA	NOPB	2:1 SL
	Harahan	LA	NOPB	2:1 SL
	farvey	LA	NOPB	2:1 SL
M I Drilling Fluids Co	larvey	LA	NOPB	2:1 SL

Shield Coat Inc	Houma	LA	LDRR	2:1 SL
Cajun Distributing	Jefferson	LA	NOPB	2:1 SL
Distron	Jefferson	LA	NOPB	2:1 SL
Liberty Rice	Kaplan	LA	LDRR	2:1 SL
Transoceanic Shipping/ Intl Export Packers	Kenner	LA	NOPB	2:1 SL
of La				
A & E Scrap Materials Inc	Lafayette	LA	LDRR	2:1 SL
American Manufacturing	Lafayette	LA	LDRR	2:1 SL
Branch Warehouse	Lafayette	LA	LDRR	2:1 SL
Catalyst Recovery	Lafayette	LA	LDRR	2:1 SL
Chastant Brothers Inc	Lafayette	LA	LDRR	2:1 SL
Elks Concrete Products	Lafayette	LA	LDRR	2:1 SL
	Lafayette	LA	LDRR	2:1 SL
Halliburton		LA	LDRR	2:1 SL
Lafayette Distributors	Lafayette	LA	LDRR	2:1 SL
Louisiana Sw Scrap & Salvage	Lafayette			2:1 SL 2:1 SL
Mike Baker Brick Co	Lafayette	LA	LDRR	2:1 SL 2:1 SL
Northpark Industrial Park	Lafayette	LA	LDRR	
Oneal Steel Inc	Lafayette	LA	LDRR	2:1 SL
OSCA Inc	Lafayette	LA	LDRR	2:1 SL
Quality Brands Inc	Lafayette	LA	LDRR	2:1 SL
Schilling Distributing Co Inc	Lafayette	LA	LDRR	2:1 SL
Lockport Thermostats	Lockport	LA	LDRR	2:1 SL
Nicolas Paper	Lockport	LA	LDRR	2:1 SL
Olin	Lockport	LA	LDRR	2:1 SL
Raceland Sugar	Lockport	LA	LDRR	2:1 SL
Allen Tank	New Iberia	LA	LDRR	2:1 SL
Ambar	New Iberia	LA	LDRR	2:1 SL
Bayou Pipe Coating	New Iberia	LA	LDRR	2:1 SL
Carbo Ceramics	New Iberia	LA	LDRR	2:1 SL
	New Iberia	LA	LDRR	2:1 SL
Coastal Chemical	New Iberia	LA	LDRR	2:1 SL
Coastal Timbers	New Iberia	LA	LDRR	2:1 SL
Creole Fermentation		LA	LDRR	2:1 SL
Degussa Carbon Black Corp	New Iberia	LA	LDRR	2:1 SL
Iberia Sugar	New Iberia		LDRR	2:1 SL 2:1 SL
Iberia Threading	New Iberia	LA		
Liberty Connell	New Iberia	LA	LDRR	2:1 SL
Olin	New Iberia	LA	LDRR	2:1 SL
Premiere Casing	New Iberia	LA	LDRR	2:1 SL
A To Z Paper Co	New Orleans	LA	NOPB	2:1 SL
Advance Paper Co Janitorial	New Orleans	LA	NOPB	2:1 SL
Baroid Sales Co (Nl Ind)	New Orleans	LA	NOPB	2:1 SL
Barriere Construction Co	New Orleans	LA	NOPB	2:1 SL
Better Boxing	New Orleans	LA	NOPB	2:1 SL
Bourg Wilson Lbr & Bldg Inc	New Orleans	LA	NOPB	2:1 SL
Bubbas Produce	New Orleans	LA	NOPB	2:1 SL
Bulk Materials Transfer	New Orleans	LA	NOPB	2:1 SL
Cargill	New Orleans	LA	NOPB	2:1 SL
Citadel Cement/ Laforest Co	New Orleans	LA	NOPB	2:1 SL
Crown Oil Chemical	New Orleans	LA	NOPB	2:1 SL
Dbi R Equine Feed Supply	New Orleans	LA	NOPB	2:1 SL
Deavo Lime Pellican Divn	New Orleans	LA	NOPB	2:1 SL
Depuy Stg & Fwd	New Orleans	LA	NOPB	2:1 SL
Dravo Basic Materials	New Orleans	LA	NOPB	2:1 SL
	New Orleans	LA	NOPB	2:1 SL
Equitable Shipyards	New Orleans	LA	NOPB	2:1 SL
Gats Masonry	New Orleans	LA	NOPB	2:1 SL
Glazer Steel and Aluminum		LA	NOPB	2:1 SL
Halter Marine	New Orleans			2:1 SL 2:1 SL
Holnam	New Orleans	LA	NOPB	
Horizon Intl	New Orleans	LA	NOPB	2:1 SL
Hug Condon & Mayflower Moving & Storing	New Orleans	LA	NOPB	2:1 SL
Lane & Co	New Orleans	LA	NOPB	2:1 SL
Lengsfield Bros - Lengsfield Pkg	New Orleans	LA	NOPB	2:1 SL
Levitz Furniture	New Orleans	LA	NOPB	2:1 SL
Liquid Sugars Inc	New Orleans	LA	NOPB	2:1 SL

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Marzoni & Associates	New Orleans	LA	NOPB	2:1 SL
Missionary Expediters Inc	New Orleans	LA	NOPB	2:1 SL
Namasco	New Orleans	LA	NOPB	2:1 SL
Neeb Kearney Inc	New Orleans	LA	NOPB	2:1 SL
New Orleans Cold Storage	New Orleans	LA	NOPB	2:1 SL
New Orleans Distribution	New Orleans	LA	NOPB	2:1 SL
New Orleans Marine Cont	New Orleans	LA	NOPB	2:1 SL
New Orleans Metal Works	New Orleans	LA	NOPB	2:1 SL
North Star Steel Co	New Orleans	LA	NOPB	2:1 SL
Orleans Matls Equiptment Co	New Orleans	LA	NOPB	2:1 SL
Patent Scaffolding	New Orleans	LA	NOPB	2:1 SL
Paulsen-Weber	New Orleans	LA	NOPB	2:1 SL
Pelican Paper	New Orleans	LA	NOPB	2:1 SL
Pelican Tomato Co	New Orleans	LA	NOPB	2:1 SL
Pennzoil Products	New Orleans	LA	NOPB	2:1 SL
Plymouth Cordage	New Orleans	LA	NOPB	2:1 SL
Plywood Panels	New Orleans	LA	NOPB	2:1 SL
Pontchartrain Matl Corp	New Orleans	LA	NOPB	2:1 SL
	New Orleans	LA	NOPB	2:1 SL 2:1 SL
Port Cargo Service	New Orleans		NOPB	2:1 SL 2:1 SL
Public Bulk Terminal		LA		
Puerto Rican Marine Mgt	New Orleans	LA	NOPB	
Reily Chemical Co	New Orleans	LA	NOPB	2:1 SL
Reily Wm B - Blue Plate Fine Foods	New Orleans	LA	NOPB	2:1 SL
Ribelen Sales Inc	New Orleans	LA	NOPB	2:1 SL
Rippner Inc	New Orleans	LA	NOPB	2:1 SL
Ryan Timber Co	New Orleans	LA	NOPB	2:1 SL
Sealand	New Orleans	LA	NOPB	2:1 SL
Second Harvester	New Orleans	LA	NOPB	2:1 SL
Sequoia Supply Inc	New Orleans	LA	NOPB	2:1 SL
Sewerage & Water Board of New Orleans	New Orleans	LA	NOPB	2:1 SL
Southeast Recycling	New Orleans	LA	NOPB	2:1 SL
Southern Scrap Matl Co	New Orleans	LA	NOPB	2:1 SL
Southern Steel & Aluminum	New Orleans	LA	NOPB	2:1 SL
Standard Coffee	New Orleans	LA	NOPB	2:1 SL
Tri Ro Pa Mills	New Orleans	LA	NOPB	2:1 SL
Triple E Transport Inc	New Orleans	LA	NOPB	2:1 SL
Turner Marine Bulk Inc	New Orleans	LA	NOPB	2:1 SL
US Army Corp of Engineering	New Orleans	LA	NOPB	2:1 SL
US Gypsum Co	New Orleans	LA	NOPB	2:1 SL
W R Grace	New Orleans	LA	NOPB	2:1 SL
Benhard Warehouse	Opelousas	LA	AKDN	2:1 SL
Cal-Chlor Inc	Opelousas	LA	AKDN	2:1 SL
Emick Prejean & Son Inc	Opelousas	LA	AKDN	2:1 SL
FMC	Opelousas	LA	AKDN	2:1 SL
Gaiennie Lumber	Opelousas	LA	AKDN	2:1 SL
James Corp of Opelousas	Opelousas	LA	AKDN	2:1 SL
Lou Ana Foods	Opelousas	LA	AKDN	2:1 SL
PMG Inc	Opelousas	LA	AKDN	2:1 SL
Prairie Construction Co	Opelousas	LA	AKDN	2:1 SL
Southwest Feed & Farm Supply	Opelousas	LA	AKDN	2:1 SL
Southwest Feed Farm	Opelousas	LA	AKDN	2:1 SL
Patout M A & Son Ltd	Patoutville	LA	LDRR	2:1 SL
Dufrene Building Materials Inc	Raceland	LA	LDRR	2:1 SL
Krielow Brothers	Roanoke	LA	AKDN	2:1 SL
Tri-State Delta Inc	Schriever	LA	LDRR	2:1 SL
Cabot Corp	Tate Cove	LA	AKDN	2:1 SL
National Beverage	Thibodaux	LA	LDRR	2:1 SL
Evangeline Farmers Coop	Ville Platte	LA	AKDN	2:1 SL
	Ville Platte	LA	AKDN	2:1 SL 2:1 SL
Union Tank Car		NV	BHP	2:1 SL 2:1 SL
BHP Copper	Riepetown		The second s	the second s
Agua Dulce Grain Co	Agua Dulce	TX	TM	2:1 SL
Aqua Dulce Co-op	Agua Dulce	TX	TM	2:1 SL
Barr Iron & Metal	Alice	TX	TM	2:1 SL
Bell Processing	Alice	TX	TM	2:1 SL

Dow	ell Schlumberger Inc	Alice	TX	TM	2:1 SL
	liburton Energy Svc	Alice	TX	TM	2:1 SL
Ham	mock Distribution	Alice	TX	TM	2:1 SL
Mil	chem	Alice	TX	TM	2:1 SL
San	trol	Alice	TX	TM	2:1 SL
Tet	ra Oil & Gas Svc	Alice	TX	TM	2:1 SL
Tet	ra Services Inc	Alice	TX	TM	2:1 SL
Tit	an Services	Alice	TX	TM	2:1 SL
Wes	tern	Alice	TX	TM	2:1 SL
ABC	Supply	Austin	TX	LHRR	2:1 SL
	o Waste Paper	Austin	TX	LHRR	2:1 SL
	r Distribution	Austin	TX	LHRR	2:1 SL
	iant Foodservice	Austin	TX	LHRR	2:1 SL 2:1 SL
	tin Steam Train Assn	Austin	TX TX	LHRR	2:1 SL 2:1 SL
	nesborough Inc	Austin	TX	LHRR	2:1 SL 2:1 SL
	wn Dist	Austin	TX	LHRR	2:1 SL 2:1 SL
	ital Beverage	Austin Austin	TX	LHRR	2:1 SL
	worth - Galbraith	Austin	TX	LHRR	2:1 SL
	tsman Chemical Corp	Austin	TX	LHRR	2:1 SL
	inelli Corp ft Food Service	Austin	TX	LHRR	2:1 SL
	ner	Austin	TX	LHRR	2:1 SL
	ner ren Furniture	Austin	TX	LHRR	2:1 SL
	quete Co-op	Banquete	TX	TM	2:1 SL
	quete Grain & Elevator	Banquete	TX	TM	2:1 SL
	oy Lumber	Belton	TX	GRR	2:1 SL
	els Inc	Brownsville	TX	BRG	2:1 SL
	el Corporation	Brownsville	TX	BRG	2:1 SL
	t Group Marine	Brownsville	TX	BRG	2:1 SL
	wnsville Navigation	Brownsville	TX	BRG	2:1 SL
	wnsville Refining	Brownsville	TX	BRG	2:1 SL
	1 & Carol Meyer	Brownsville	TX	BRG	2:1 SL
	IN USA Corp	Brownsville	TX	BRG	2:1 SL
	umbia Western Clay	Brownsville	TX	BRG	2:1 SL
Com	ercializadora Lajunta	Brownsville	TX	BRG	2:1 SL
Dix	Industries Inc	Brownsville	TX	BRG	2:1 SL
Dur	opaper Bag Mfg	Brownsville	TX	BRG	2:1 SL
Elg	o Internacional	Brownsville	TX	BRG	2:1 SL
Fro	ntier Services	Brownsville	TX	BRG	2:1 SL
	breath Inc	Brownsville	TX	BRG	2:1 SL
	va Corp	Brownsville	TX	BRG	2:1 SL 2:1 SL
	bal Stone Lc	Brownsville	TX TX	BRG	2:1 SL 2:1 SL
	endyke Transport		TX	BRG	2:1 SL 2:1 SL
	f Facilities Inc	Brownsville	TX	BRG	2:1 SL 2:1 SL
	f Stream Marine Of Brownsville	Brownsville	TX	BRG	2:1 SL
	mar Inc	Brownsville	TX	BRG	2:1 SL
	er Transfer	Brownsville	TX	BRG	2:1 SL
	erlube Terminals ernational Shipbreaking	Brownsville	TX	BRG	2:1 SL
	ernational Stainless Steel	Brownsville	TX	BRG	2:1 SL
	pco Border Terml	Brownsville	TX	BRG	2:1 SL
	pco Bville Terml	Brownsville	TX	BRG	2:1 SL
	pco Tejano Terml	Brownsville	TX	BRG	2:1 SL
	n Houlihan	Brownsville	TX	BRG	2:1 SL
	erty Engr Inc	Brownsville	TX	BRG	2:1 SL
	er Valley Trans	Brownsville	TX	BRG	2:1 SL
	ine Scrap Corp	Brownsville	TX	BRG	2:1 SL
	ebay Norton	Brownsville	TX	BRG	2:1 SL
	n Sesame Commodity	Brownsville	TX	BRG	2:1 SL
	n Octane Corp	Brownsville	TX	BRG	2:1 SL
Pet	roliquids Terminal	Brownsville	TX	BRG	2:1 SL
Pli	tt Crane & Equipment Inc	Brownsville	TX	BRG	2:1 SL
Por	t Elevator-Brownsville	Brownsville	TX	BRG	2:1 SL
Por	t Of Brownsville	Brownsville	TX	BRG	2:1 SL

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Quimica Fluor Sa	Brownsville	TX	BRG	2:1 SL
R M Walsdorf Co	Brownsville	TX	BRG	2:1 SL
Rio Plastics Inc	Brownsville	TX	BRG	2:1 SL
Roll & Hold	Brownsville	TX	BRG	2:1 SL
RR Maintenance & Constru	Brownsville	TX	BRG	2:1 SL
Sanco International Inc	Brownsville	TX	BRG	2:1 SL
Satellite I Inc	Brownsville	TX	BRG	2:1 SL
South Pacific Plywood Lumber	Brownsville	TX	BRG	2:1 SL
South Texas Grain	Brownsville	TX	BRG	2:1 SL
South Texas Grain (Tip O Tex Elevator)	Brownsville	TX	BRG	2:1 SL
Southwest Grain	Brownsville	TX	BRG	2:1 SL
STG Leasing Co	Brownsville	TX	BRG	2:1 SL
Texas International Ry	Brownsville	TX	BRG	2:1 SL
Transforma Marine	Brownsville	TX	BRG	2:1 SL
TransMontaigne Terminaling Inc	Brownsville	TX	BRG	2:1 SL
Trico Technologies Corp	Brownsville	ТX	BRG	2:1 SL
Valley Warehousing	Brownsville	TX	BRG	2:1 SL
Hoover Building Supply	Burnet	TX	LHRR	2:1 SL
Pioneer Concrete of Tx Inc	Burnet	TX	LHRR	2:1 SL
ADM Growmark	Corpus Christi	TX	CCTR	2:1 SL
Aimcor	Corpus Christi	TX	CCTR	2:1 SL
Alamo Concrete Prod Ltd	Corpus Christi	TX	TM	2:1 SL
Alford Refrigerated Whse	Corpus Christi	TX	TM	2:1 SL
Andrews Distributing	Corpus Christi	TX	TM	2:1 SL
Atlas Iron Metal	Corpus Christi	TX	TM	2:1 SL
Barnup & Simms of Texas Inc	Corpus Christi	TX	TM	2:1 SL
Bay Limited	Corpus Christi	TX	TM	2:1 SL
Berry Contracting	Corpus Christi	TX	TM	2:1 SL
BFI Waste Systems	Corpus Christi	TX	TM	2:1 SL
BHP Copper	Corpus Christi	TX	CCTR	2:1 SL
Big Three Welding Co	Corpus Christi	TX	TM	2:1 SL
Block Distributing	Corpus Christi	TX	TM	2:1 SL
Butt H E Bakery Co	Corpus Christi	TX	TM	2:1 SL
Butt H E Grocery	Corpus Christi	TX	TM	2:1 SL
Century Paper Co	Corpus Christi	TX	TM	2:1 SL
City of Delivery Service	Corpus Christi	TX	TM	2:1 SL
Coastal Storage Inc	Corpus Christi	TX	TM	2:1 SL
Commercial Metals Co	Corpus Christi	TX	TM	2:1 SL
Continental Grain	Corpus Christi	TX	CCTR	2:1 SL
Coors Distributing Co of Corpus Christi	Corpus Christi	TX	TM	2:1 SL
Corpus Christi Caller Times	Corpus Christi	TX	CCTR	2:1 SL 2:1 SL
Corpus Christi Disposal Svc	Corpus Christi	TX	TM	2:1 SL 2:1 SL
Corpus Christi Grain Co	Corpus Christi	TX	TM TM	2:1 SL
Corpus Christi Produce Co	Corpus Christi	TX TX	CCTR	2:1 SL
Corpus Christi Pub Compress	Corpus Christi	TX	CCTR	2:1 SL
Corpus Christi Public Elevator	Corpus Christi		TM	2:1 SL
Corpus Christi Wholesale Hardware	Corpus Christi	TX TX	CCTR	2:1 SL
Dix Fairway Terminals LLC	Corpus Christi	TX	CCTR	2:1 SL
Farrell Cooper Mining	Corpus Christi Corpus Christi	TX	TM	2:1 SL
Featherlite Co (Hopper cars only)	Corpus Christi	TX	TM	2:1 SL
G N I Group	Corpus Christi	TX	TM	2:1 SL
Georgia Pacific Corp	Corpus Christi	TX	TM	2:1 SL
Gulf Compress	Corpus Christi	TX	TM	2:1 SL
Gulf Concrete	Corpus Christi	TX	TM	2:1 SL
Gulf Iron Works	Corpus Christi	TX	TM	2:1 SL
Gulf Supply Co	Corpus Christi	TX	TM	2:1 SL
Haas Anderson Construction Inc	Corpus Christi	TX	TM	2:1 SL
Industrial Fabricators	Corpus Christi	TX	TM	2:1 SL
Industrial Salvage	Corpus Christi	TX	TM	2:1 SL
M G Building Materials	Corpus Christi	TX	TM	2:1 SL
Mineral Processing & Mktg	Corpus Christi	TX	TM	2:1 SL
Naylor Farm & Ranch Supply Penland Distributing Co	Corpus Christi	TX	TM	2:1 SL
Phelps Dodge	Corpus Christi	TX	CCTR	2:1 SL
Lucips pouge				

Port Of Corpus Christi	Corpus Christi	TX	CCTR	2:1 SL
Ray West Warehouses	Corpus Christi	TX	TM	2:1 SL
Safety Kleen Corp	Corpus Christi	TX	TM	2:1 SL
Scholl Forest Industries	Corpus Christi	TX	CCTR	2:1 SL
Sears Roebuck & Co				
	Corpus Christi	TX	TM	2:1 SL
Skips Industrial Salvage	Corpus Christi	TX	TM	2:1 SL
South Texas Recycling Co	Corpus Christi	TX	TM	2:1 SL
Southeastern Public Service Co	Corpus Christi	TX	TM	2:1 SL
Sterett Supply Co	Corpus Christi	TX	TM	2:1 SL
Suniland Furniture Co	Corpus Christi	TX	TM	2:1 SL
Swiff Train Co				
	Corpus Christi	TX	TM	2:1 SL
Texas Industries Inc	Corpus Christi	TX	TM	2:1 SL
Texas Lehigh Cement	Corpus Christi	TX	CCTR	2:1 SL
Thorpe Insulation Co	Corpus Christi	TX	TM	2:1 SL
Timet	Corpus Christi	TX	CCTR	2:1 SL
United Masonry Supply	Corpus Christi	TX	TM	2:1 SL
Valls Shipping				
	Corpus Christi	TX	CCTR	2:1 SL
Van Waters & Rogers	Corpus Christi	TX	TM	2:1 SL
Vista Trading	Corpus Christi	TX	CCTR	2:1 SL
Wallace Co Inc	Corpus Christi	TX	TM	2:1 SL
Western Steel Co	Corpus Christi	TX	TM	2:1 SL
Wholesalers	Corpus Christi	TX	TM	2:1 SL
Wuensche Grain & Elevator				
	Corpus Christi	TX	TM	2:1 SL
84 Lumber	Decker	TX	LHRR	2:1 SL
Acme Brick	Elgin	TX	LHRR	2:1 SL
Elgin Butler Brick	Elgin	TX	LHRR	2:1 SL
Elgin Warehousing Corp	Elgin	TX	LHRR	2:1 SL
Greenline Chemical Co	Elgin	TX	LHRR	2:1 SL
U S Brick				
	Elgin	TX	LHRR	2:1 SL
Valcones Recycling	Elgin	TX	LHRR	2:1 SL
Austin Powder Corp	Feld	TX	GRR	2:1 SL
Calcasieu Lumber Co	Feld	TX	GRR	2:1 SL
Dyno Nobel Mid America	Feld	TX	GRR	2:1 SL
Team Track Feld	Feld	TX	GRR	2:1 SL
Austin Marble		TX	GRR	
	Georgetown			2:1 SL
Hope Lumber Co	Georgetown	TX	GRR	2:1 SL
McCoy Lumber	Georgetown	TX	GRR	2:1 SL
Transit Mix Inc	Georgetown	TX	GRR	2:1 SL
Ambar Inc	Hebbronville	TX	TM	2:1 SL
Baker Hughes Integ	Hebbronville	TX	TM	2:1 SL
M I Drilling Fluids Co	Hebbronville	TX	TM	2:1 SL
Brennan & Co				
	Laredo	TX	TM	2:1 SL
Caseo Guerra	Laredo	TX	TM	2:1 SL
Chemical Leaman	Laredo	TX	TM	2:1 SL
Continental Exim (G Bolano)	Laredo	TX	TM	2:1 SL
Despachos del Norte	Laredo	TX	TM	2:1 SL
Fernando Garcia Whse	Laredo	TX	TM	2:1 SL
Flores R L	Laredo	TX	TM	2:1 SL
	Laredo			
Galveston Paper Inc		TX	TM	2:1 SL
Gateway Transfer	Laredo	TX	TM	2:1 SL
J O Alvarez CHB	Laredo	TX	TM	2:1 SL
Laredo Moving & Storage	Laredo	TX	TM	2:1 SL
MB Forwarding	Laredo	TX	TM	2:1 SL
Mesa Processing	Laredo	TX	TM	2:1 SL
Milwhite Inc	Laredo	TX	TM	2:1 SL
Pasquel Hermanos	Laredo	TX	TM	2:1 SL
Texas Intl Forwarding	Laredo	TX	TM	2:1 SL
Cactus Canyon Quarries Inc	Marble Falls	TX	LHRR	2:1 SL
Capitol Aggregates (Delta)	Marble Falls	TX	LHRR	2:1 SL
Chemical Lime	Marble Falls	TX	LHRR	2:1 SL
J M Huber	Marble Falls	TX	LHRR	2:1 SL
Texas Granite				
	Marble Falls	TX	LHRR	2:1 SL
Abbott Labs	McNeil	TX	LHRR	2:1 SL
Guthrie Lumber	McNeil	TX	LHRR	2:1 SL

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J H Supply	McNeil	TX	LHRR	2:1 SL
Anglo Iron & Metal	Port of Brownsville	TX	BRG	2:1 SL
Brownsville Gulfside Warehouse	Port of Brownsville	TX	BRG	2:1 SL
Duro Bag	Port of Brownsville	TX	BRG	2:1 SL
Garva Corp	Port of Brownsville	TX	BRG	2:1 SL
Gulf Facilities Inc	Port of Brownsville	TX	BRG	2:1 SL
Gulmar Inc	Port of Brownsville	TX	BRG	2:1 SL
Schaefer Stevedoring	Port of Brownsville	TX	BRG	2:1 SL
STF Inc	Port of Brownsville	TX	BRG	2:1 SL
Texas Intl Rwy (Rail Transport Svcs)	Port of Brownsville	TX	BRG	2:1 SL
Union Carbide	Port of Brownsville	TX	BRG	2:1 SL
Westway Terminal (Trading)	Port of Brownsville	TX	BRG	2:1 SL
Wright Materials Inc	Robstown	TX	TM	2:1 SL
Calcasiey Lbr Co	Round Rock	TX	GRR	2:1 SL
Alar Distribution	Scobee	TX	LHRR	2:1 SL
Capital Beverage	Scobee	TX	LHRR	2:1 SL
Foxworth - Galbraith	Scobee	TX	LHRR	2:1 SL
McCoy Corp	Scobee	TX	LHRR	2:1 SL
Top Dollar Cement	Weir	TX	GRR	2:1 SL
Boise Cascade	City Limits	UT	SLGW	2:1 SL
Certified Warehouse	City Limits	UT	SLGW	2:1 SL
Comstar International	City Limits	UT	SLGW	2:1 SL
National Distribution	City Limits	UT	SLGW	2:1 SL
Pacific Cold Storage	City Limits	UT	SLGW	2:1 SL
Sauder Woodworking	City Limits	UT	SLGW	2:1 SL
Pacificorp	Gadsby	UT	SLGW	2:1 SL
Western Zirconium (Westinghouse Electric)	Little Mountain	UT	UCRY	2:1 SL
Butterfield Bldg Matl (Lumber)	Midvale	UT	SL	2:1 SL
Amalgamated Sugar Co	Ogden	UT	UCRY	2:1 SL
BMC West	Ogden	UT	UCRY	2:1 SL
Infiltrator Systems	Ogden	UT	UCRY	2:1 SL
Intermountain Grain	Ogden	UT	UCRY	2:1 SL
Pioneer Door Sales	Ogden	UT	UCRY	2:1 SL
Centennial Gas Liquids	Ogden Sugar Works	UT	UCRY	2:1 SL
Larkin Cattle Co	Ogden Sugar Works	UT	UCRY	2:1 SL
McFarland Cascade Corp	Ogden Sugar Works	UT	UCRY	2:1 SL
Northwest Trading Co	Ogden Sugar Works	UT	UCRY	2:1 SL
Round Butte Products	Ogden Sugar Works	UT	UCRY	2:1 SL
Trinity Industries Inc	Ogden Sugar Works	UT	UCRY	2:1 SL
Constar International	Salt Lake City	UT	SLGW	2:1 SL
Dunn Oil Company	Salt Lake City	UT	SL	2:1 SL
Georgia Pacific Corp.	Salt Lake City	UT	SL	2:1 SL
Henderson Wheel & Whse Supply	Salt Lake City	UT	SL	2:1 SL
Hudson Printing Blaire	Salt Lake City	UT	SL	2:1 SL
Intermountain Furniture	Salt Lake City	UT	SL	2:1 SL
Intermountain Lumber Co	Salt Lake City	UT	SL	2:1 SL
Mountain Fuel Supply	Salt Lake City	UT	SLGW	2:1 SL
Pacific Cold Storage	Salt Lake City	UT	SLGW	2:1 SL
Pacificorp	Salt Lake City	UT	SLGW	2:1 SL
Sears Roebuck & Co	Salt Lake City	UT	SL	2:1 SL
Standard Builders Supply	Salt Lake City	UT	SL	2:1 SL
Utah State Board Education	Salt Lake City	UT	SLGW	2:1 SL
Valley Oil Transportation	Salt Lake City	UT	SLGW	2:1 SL
Wasatch Metal Salvage	Salt Lake City	UT	SL	2:1 SL
Wasatch Shippers	Salt Lake City	UT	SL	2:1 SL
nasacen surppers				

UP/SP Customers Accessed By BNSF As A Result Of The "98 "50/50 Line Agreement"

Customer

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Customer
Trailer Marine Transport Corp
City of Lafayette
Conco Food Distributors
Butcher Distributors Inc
East Lake Oil Inc/Eastlake Oils
Milpark Drilling Fluids (Baker Hughes)
Spartech Polycom
Transit Mix Concrete & Matl Co of LA
Century Steps Inc, Sulphur Div
Entergy Inc/Gulf States Utilities
B W Services
Certainteed Corp
Port of Lake Charles Bulk Terminal 1
Betz Dearborn Hydrocarbon
Doguet Rice Milling Co
Koppers Ind
Pipe Distributors
Huntsman Petrochemical Corp
Sunbelt Works Inc
Inman Service Co
International Group Inc
Baxter Oil Co
Beaumont Brick & Stone
Beaumont Rice Mills Inc
Burris Transfer & Storage
C L Sherman & Son Lumber
Chevron Chemical
Continental Grain Co
Cowboy Concrete
Eastex Farm & Home
Equistar Chemicals LP
Giglio Distributing Co
Gilchrist Polymer Center
L D Construction
Mobil Chemical, Petrochemical Div
National Concrete Products Inc
Port of Beaumont
Sampson Steel Corp
Southern Iron & Metal Co
Transit Mix Concrete & Matl (Dollinger)
Transit Mix Concrete & Matl (Longhorn Rd)
Wilson Warehouse Co
Gulf States Utilities
A & A Fertilizer
Chemical Waste Management
Econo Rail Corp
Elf Atochem North America
Martin Gas Sales Inc
Mobil Chemical Specialty (Mobil Oil Corp)
Neches Industrial Park
Olin Corp
Poly Glycol (Oxychem)
R J Gallagher Co
Transit Mix Concrete & Matl (South Plant)
Entergy Services
Wedco Inc
neuco Inc

Station	State	Sta	atus
Harbor	LA	98	Agreement
Lafayette	LA	98	Agreement
Lafayette	LA	98	Agreement
Lake Charles	LA	98	Agreement
Lake Charles	LA	98	Agreement
Lake Charles	LA	98	Agreement
Lake Charles	LA	98	Agreement
Lake Charles	LA	98	Agreement
Sulphur	LA	98	Agreement
Sulphur	LA	98	Agreement
West Lake	LA	98	Agreement
West Lake	LA	98	Agreement
West Lake Charles	LA	98	Agreement
Amelia	TX	98	Agreement
Amelia	TX	98	Agreement
Amelia	TX	98	
Amelia	TX	98	Agreement
Audrey	TX	98	Agreement
Audrey	TX	98	Agreement
Baytown	TX	98	
Baytown	TX	98	
Beaumont	TX	98	Agreement
Beaumont	TX	98	
Beaumont	TX	98	
	TX	98	Agreement
Beaumont	TX	98	Agreement
Beaumont	TX	98	
Beaumont	TX	98	Agreement
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Beaumont	TX	98	Agreement
Beaumont	TX	98	Agreement
Beaumont		1.1.1	
Beaumont	TX	98	Agreement
Beaumont	TX	98	Agreement
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Beaumont	TX	98	
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Beaumont	TX	98	
Beaumont	TX		Agreement
Bobsher	TX		Agreement
Chaison	TX	98	
Chaison	TX		Agreement
Chaison	TX	98	Agreement
Chaison	TX	98	Agreement
Chaison	TX	98	Agreement
Chaison	TX	98	Agreement
Chaison	TX	98	Agreement
Chaison	TX	98	Agreement
Chaison	TX	98	Agreement
Chaison	TX	98	Agreement
Chaison	TX		Agreement
China	TX	98	
China	TX	98	

UP/SP Customers Accessed By BNSF As A Result Of The "98 "50/50 Line Agreement"

Trinity Industries Inc	Connell	TX	98 Agreement
A to Z Terminal Corp	Crosby	TX	98 Agreement
Enfab Industries Inc	Crosby	TX	98 Agreement
KMCO Inc	Crosby	TX	98 Agreement
Seaberg Rice Co	Dayton	TX	98 Agreement
Trevor Boyce	Dayton	TX	98 Agreement
Amoco Chemical Co	Dayton SIT	TX	98 Agreement
Chevron Chemical Co	Dayton SIT	TX	98 Agreement
	Dayton SIT	TX	98 Agreement
Dayton Plastic Storage		TX	98 Agreement
Exxon Chemical Americas	Dayton SIT	TX	98 Agreement
Fina Oil & Chemical Co	Dayton SIT		
Millennium Petrochemicals Inc	Dayton SIT	TX	98 Agreement
Montell USA Inc	Dayton SIT	TX	98 Agreement
Phillips Chemical	Dayton SIT	TX	98 Agreement
Redland Stone Prod	Dayton SIT	TX	98 Agreement
Engineered Carbons (Div of Ameripol Synpol)	Echo	TX	98 Agreement
River Cement Co	Echo	TX	98 Agreement
Baychem International	Eldon	TX	98 Agreement
Engineered Carbons (Div of Ameripol Sympol)	Eldon	TX	98 Agreement
Houston Light & Power Co	Eldon	TX	98 Agreement
Progress Rail Service	Eldon	TX	98 Agreement
	Eldon	TX	98 Agreement
U S Ink	Francis	TX	98 Agreement
G & G Enterprise	Francis	TX	98 Agreement
Transit Mix Concrete & Materials			
Wilson Warehouse Co of Texas	Francis	TX	98 Agreement
X L Systems	Guffey	TX	98 Agreement
Houston Brick & Tile	Houston	TX	98 Agreement
Texas Steel Compressor	Houston	TX	98 Agreement
Tuboscope Vetco Intl	Houston	TX	98 Agreement
A & R Logistics	Houston (Fauna)	TX	98 Agreement
BMA / Sunrise Plastics	Houston (Fauna)	TX	98 Agreement
Tek Rap Inc	Houston (Fauna)	TX	98 Agreement
Horsehead Resource Development	Korf	TX	98 Agreement
North Star Steel Co	Korf	TX	98 Agreement
Liberty Forge Inc	Liberty	TX	98 Agreement
Mississippi Chemical	Liberty	TX	98 Agreement
Dynegy Inc	Mont Belvieu	TX	98 Agreement
Enterprise Products	Mont Belvieu	TX	98 Agreement
Ferrell North America	Mont Belvieu	TX	98 Agreement
Pol-Tex International	Mont Belvieu	TX	98 Agreement
	Mont Belvieu	TX	98 Agreement
Texas Eastern	Mont Belvieu	TX	98 Agreement
Ultramar Diamond Shamrock (Martin Gas)		TX	98 Agreement
Dupont de Nemours, E I (marked whse)	Orange		
Offshore Pipeline	Orange	TX	98 Agreement
Trinity Industries	Orange	TX	98 Agreement
Chevron	Port Arthur	TX	98 Agreement
City of Port Arthur	Port Arthur	TX	98 Agreement
Motiva Enterprises LLC	Port Arthur	TX	98 Agreement
Star Enterprise	Port Arthur	TX	98 Agreement
Transit Mix Concrete & Materials	Port Arthur	TX	98 Agreement
A & A Tubular Services Inc	Sheldon	TX	98 Agreement
Arrow Trucking Co	Sheldon	TX	98 Agreement
Baker Hughes Integ	Sheldon	TX	98 Agreement
	Sheldon	TX	98 Agreement
Champion Pipe & Supply	Sheldon	TX	98 Agreement
Cypress Creek Pipe	Sheldon	TX	98 Agreement
Delta Tubular Processing		TX	98 Agreement
Donohue Industries Inc	Sheldon	TX	98 Agreement
Donohue Recycling Corp	Sheldon		
E L Farmer & Co	Sheldon	TX	98 Agreement

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UP/SP Customers Accessed By BNSF As A Result Of The "98 "50/50 Line Agreement"

Evans Cooperage Co Inc	Sheldon	TX	98 Agreement
Five Star Transportation	Sheldon	TX	98 Agreement
ICO Tubular Services	Sheldon	TX	98 Agreement
J D Fields & Co	Sheldon	TX	98 Agreement
LA Utilities	Sheldon	TX	98 Agreement
Luzenac America	Sheldon	TX	98 Agreement
Mandel Kahn Industries	Sheldon	TX	98 Agreement
North Star Steel of Houston	Sheldon	TX	98 Agreement
Premier Pipe Inc	Sheldon	TX	98 Agreement
Quality Trucking Inc	Sheldon	TX	98 Agreement
Quality Tubing Inc	Sheldon	TX	98 Agreement
Sheldon Pipe Yard	Sheldon	TX	98 Agreement
T K Pipe & Rail Inc	Sheldon	TX	98 Agreement
Tex Fab Inc	Sheldon	TX	98 Agreement
Texas Oilfield Pipe Svcs	Sheldon	TX	98 Agreement
Total Pipe Service Inc	Sheldon	TX	98 Agreement
Triad Transport Inc	Sheldon	TX	98 Agreement
Tuboscope Vetco Intl Inc	Sheldon	TX	98 Agreement
Turner Brothers Trucking Co	Sheldon	TX	98 Agreement
Uni Form Components	Sheldon	TX	98 Agreement
Union Tank Car	Sheldon	TX	98 Agreement
Venture Trucking	Sheldon	TX	98 Agreement
W M Dewey & Son Inc	Sheldon	TX	98 Agreement
Woodard Transportation	Sheldon	TX	98 Agreement
BASF Corp Ag Prod Div	Viterbo	TX	98 Agreement
County of Jefferson	Viterbo	TX	98 Agreement
Chevron Chemical Co	West Port Arthur	TX	98 Agreement
Clark Refining & Mktg	West Port Arthur	TX	98 Agreement
Gulf Maritime Whse Co	West Port Arthur	TX	98 Agreement
KM Tex/KM Co	West Port Arthur	TX	98 Agreement
L & L Oil Co Inc	West Port Arthur	TX	98 Agreement
Fort of Port Arthur	West Port Arthur	TX	98 Agreement
Equistar (Millennium Petrochemical)	Williams	TX	98 Agreement

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Part of Public Record

ERIKA Z. JONES DIRECT DIAL (202) 778-0642 ejones@mayerbrown.com

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882



October 1, 1998

VIA HAND DELIVERY

Honorable Vernon A. Williams Secretary Surface Transportation Board 1925 K Street, N.W. Room 711 Washington, D.C. 20423-0001

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are the original and twentyfive (25) copies of The Burlington Northern and Santa Fe Railway Company's Quarterly Progress Report (BNSF-PR-9). Also enclosed is a 3.5-inch disk containing the text of the Quarterly Progress Report in WordPerfect 6.1 format.

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

Sincerely,

ika J. Jones

Erika Z. Jones

Enclosures

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BNSF-PR-9

RECEIVED

NAGEMENT

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ENTERED Office of the Secretary

OCT - 2 1998

Part of BEFORE THE Public Record 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

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY'S QUARTERLY PROGRESS REPORT

Jeffrey R. Moreland Richard E. Weicher Michael E. Roper Sidney L. Strickland, Jr.

The Burlington Northern and Santa Fe Railway Company 3017 Lou Menk Drive P.O. Box 961039 Ft. Worth, Texas 76161-0039 (817) 352-2353

and

1700 East Golf Road Schaumburg, Illinois 60173 (847) 995-6887 Erika Z. Jones Adrian L. Steel, Jr. Kathryn A. Kusske Kelley E. O'Brien

Mayer, Brown & Platt 2000 Pennsylvania Ave., NW Washington, DC 20006 (202) 463-2000

Attorneys for The Burlington Northern and Santa Fe Railway Company

October 1, 1998

BNSF-PR-9

BEFORE THE SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION FACIFIC 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

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY'S QUARTERLY PROGRESS REPORT

Pursuant to the Surface Transportation Board's ("Board") Decision No. 44 in Finance Docket No. 32760, The Burlington Northern and Santa Fe Railway Company ("BNSF") hereby submits its ninth Quarterly Progress Report. <u>Union Pacific Corp., et al.</u> -- <u>Control and Merger -- Southern Pacific Rail Corp., et al.</u>, Fin. Dkt. No. 32760, Decision No. 44 at 147 (served Aug. 12, 1996).

This Progress Report describes the various changes that have occurred in BNSF's operations along the trackage rights lines and the purchased lines since the filing of BNSF's last Progress Report on July 1, 1998 (BNSF-PR-8). The Report will also address the marketing efforts undertaken since the July 1 Progress Report was filed. Finally, this Report will update the status of the various issues raised in BNSF's July 1

Progress Report relating to obstacles to BNSF's ability to provide reliable, dependable and consistent service over the UP/SP lines.^{1/}

As documented by this Progress Report, BNSF has aggressively continued its efforts over the past three months to compete with UP on the UP/SP lines. Generally, BNSF continues to be successful and effective in marketing its services over the trackage rights lines. However, although volumes of overhead traffic and traffic from "2-to-1" shortlines and regional carriers continue to grow, BNSF continues to have difficulty in providing competitive service to customers along trackage rights lines and at "2-to-1" points where UP provides haulage and reciprocal switch services to originate or terminate BNSF traffic. Additionally, certain "structural deficiencies"^{2/} in the rights BNSF received in the UP/SP merger, as well as congestion, crew shortages and other service

^{1'} Late yesterday afternoon, BNSF received UP's Reply to Comments (UP/SP-361) in Finance Docket No. 32760 (Sub-No. 21). While BNSF has not yet had an opportunity to review and analyze UP's Reply in detail, BNSF would note that it is obligated under the Board's oversight condition to report to the Board on BNSF's experience in implementing the rights it received in the UP/SP merger proceeding and on the various problems and difficulties it has encountered in implementing those rights and in attempting to provide competitive service. To the extent that UP disagrees with BNSF's positions on those issues, UP is entitled to express its views to the Board, but the implication in UP's Reply that BNSF has somehow acted inappropriately in submitting its views to the Board is without foundation. As it has in the past, BNSF will continue to report to the Board on its experience with its merger condition rights and its view as to whether BNSF is able to provide competitive service in order to provide the Board with a full and complete record on which to determine whether further action may be warranted.

As explained in its July 8, 1998 Application for Additional Remedial Conditions (at p. 4), by use of the term "structural deficiencies" BNSF means that the trackage and other rights it received, while sound when originally conceived, have degraded substantially as a result of unanticipated service and related problems and other post-merger events and circumstances.

problems, have prevented BNSF from offering fully competitive service in some areas. As detailed below, however, wherever possible, BNSF has actively addressed the problems that it has encountered in offering its customers efficient, reliable and dependable service along the trackage rights lines.

I. UPDATE ON BNSF PROGRESS ON IMPLEMENTATION

This section updates the status of BNSF's progress in implementing service over the lines to which it was granted access under the Board's Decision No. 44, including the specific implementation steps BNSF has taken during the period from July 1, 1998, through September 30, 1998. The following are highlights of operational developments and capital projects.

A. Gulf Corridor

UP, for the present, has eliminated most of the congestion BNSF had seen earlier in the year in the Houston and Gulf Coast area. Overall, congestion on UP is not impacting BNSF's trackage rights operations in the Houston and Gulf Coast area as the third quarter ends. The reduction of congestion in the Houston and Gulf Coast area has resulted from numerous parties, including BNSF, UP and Tex Mex, working together and independently to improve service in the region. Throughout the third quarter, BNSF continued to implement, to the degree that it is currently capable, operating plans designed to streamline flows into and out of the Houston area, bypass the area with overhead traffic where possible, and accommodate increased traffic and improve service for its customers.

These steps have contributed to the reduction of congestion in the region, thereby benefitting not only BNSF's shippers, but also UP's and Tex Mex's shippers.

As the Board is aware, in February of this year, BNSF and UP agreed to establish a joint regional dispatching center at UP's command center in Spring, TX for the purpose of providing both near and long-term relief to the congestion and service problems in the Houston and Gulf Coast area. By almost any measure, the Spring Center's joint and coordinated dispatching operations have worked well. Over 2,700 route miles are being dispatched at the Spring Center today,^{3/} with the prospect of more being added in the future. Indeed, UP has recently decided to relocate dispatching responsibility for its lines between Spring and Valley Junction, TX, Hearne, TX and Houston, and Houston and Shreveport, LA to the Spring Center. Further, on January 30, 1999, UP will relocate dispatching of various additional lines from Omaha, NE to the Spring Center, including the Sunset Route between Houston and San Antonio, and the Austin Subdivision between Laredo and Central Texas. UP has also indicated

^{3/} BNSF and UP agreed that the joint dispatching group would initially dispatch the lines of the Houston Belt & Terminal Railway Company ("HBT"), the lines of the Port Terminal Railroad Association ("PTRA") previously dispatched by UP, the trackage in the Houston terminal area that was owned and dispatched by SP, and the entire former SP Houston-New Orleans line.

that it will eventually move dispatching of the line between Spring and Longview, TX, to the Spring Center.

- On August 13, 1998, BNSF initiated a plan designed to improve the flow of merchandise traffic from the Pacific Northwest, Southern California, Colorado and Wyoming into Texas and Mexico. Under the plan, switching for trains destined to Houston and Silsbee, TX and Lafayette, LA is being handled at Temple, TX, while westbound switching for traffic destined for California and the Midwest is being handled at Somerville, TX. BNSF's facilities at Saginaw, TX are being used as a clearinghouse for traffic destined to Mexico, and LaJunta, CO is providing separate blocks for both BNSF's Alliance Yard (north of Fort Worth) and BNSF's North Yard at Fort Worth. These changes should reduce the overall amount of switching in high traffic areas and should improve the consistency and timeliness of train operations.
- Commencing September 6, 1998, BNSF improved merchandise service between New Orleans and Houston by building destination direct trains at Lafayette, LA and by eliminating switching for this traffic at Silsbee, TX. At Lafayette, a former SP yard BNSF purchased from UP which was rehabilitated by BNSF in 1997 and 1998, trains are now built on alternating days for direct interchange to UP at Englewood Yard and to the PTRA's North Yard. This change should improve the overall transit time for this

traffic by one day, and should create additional space at Silsbee for the handling other merchandise traffic.

- On September 24, 1998, BNSF increased its Temple-Houston merchandise train (M-TPLHOU) service to five days/week, from three days/week, in order to handle increasing business volumes. This train will terminate in the UP's Englewood Yard after setting out at BNSF's New South Yard. BNSF has also increased its PTRA merchandise train service from Temple (M-TPLPTR) to daily service. Traffic from the Silsbee area destined for Houston, which formerly moved through Dayton, TX, is now moved to Somerville, TX, blocked, and picked up by the daily M-TPLPTR train. These changes reduce handlings, decrease transit times, and release space at Dayton for other traffic.
- In July, BNSF began direct delivery and receipt of intermodal traffic to CSX and NS at New Orleans, thereby bypassing BNSF's Westwego intermodal facility. The Westwego facility continues to be used for local New Orleans traffic as well as for interchange with other carriers. These changes have improved overall service and reduced switching activities between BNSF and CSX and NS, BNSF's key connections at New Orleans.
- On September 2, 1998, BNSF commenced a daily Lafayette-Lake Charles, LA roundtrip local train for handling Lake Charles business through interchange with UP at the former SP Lake Charles yard. This change was implemented to improve service to customers which BNSF gained access
to in the Lake Charles area. Additionally, the change was designed to reduce congestion in the Lake Charles area by ending BNSF's prior practice of using through merchandise trains for setout and pickup work at Lake Charles.

- In early October, BNSF will begin direct train service for aggregates destined to Transit Mix at West Port Arthur, TX, on the former SP Sabine Branch to which BNSF gained access as a result of the February 12, 1998 Agreement ("Term Sheet Agreement")^{4/} between UP and BNSF relating to the two carriers' operations in and around Houston, TX, and along the Gulf Coast between Houston and New Orleans, LA. This service will mark BNSF's first direct operations to customers on this line.
- In the Baytown area, BNSF continues to negotiate with a second customer to commence direct switching on the Baytown Branch, and is hopeful that direct service to the customer will begin during October. BNSF has also commenced running, when daily outbound volumes warrant, a direct Dayton, TX-Memphis, TN merchandise train. These operations avoid moving Memphis-destined traffic to Silsbee, TX for inclusion in BNSF's daily Silsbee-Memphis merchandise train, thereby reducing congestion at Silsbee.

⁴ On September 29, 1998, the Board issued a decision exempting the joint ownership of the line between Dawes, TX and Avondale, LA from prior Board approval.

- With the completion of an additional operating track at Eagle Pass, TX in early July, which is discussed below, Ferrocaril Mexicano ("Ferromex" or "FXE") and BNSF instituted improved interchange processes at Eagle Pass, TX. Each morning, during an operating time frame approved by FXE and UP during which UP is not scheduled to operate in the same area, BNSF delivers all its traffic to FXE, and FXE delivers BNSF empties directly to BNSF at the interchange adjacent to the international bridge. All BNSF loads are interchanged along with UP loads by FXE to UP. UP then delivers the BNSF loads to BNSF after United States Customs clearance. During the third guarter, customs clearance processes at Eagle Pass have been improved. BNSF and customs brokers have worked together to preclear shipments for Mexcio prior to arrival at Eagle Pass (Dispacho Previo). Mexico's Secretaria de Agricultura Ganaderia Desarrollo Rural ("SAGDR") agreed to inspect and sample grain shipments at Piedras Negras rather than Eagle Pass, and United States Customs agreed to perform its clearance of northbound traffic at UP's Clarks Park yard, rather than at the international crossing. As a result of these efforts, the BNSF/FXE interchange and the flow of international traffic at Eagle Pass have improved considerably.
- BNSF continues to make significant capital improvements in the Houston/Gulf Coast area, and plans to continue its investments in maintenance, upgrading facilities and lines, and adding capacity in 1999.

BNSF has completed some projects, including restoring capacity lost through deferred maintenance on the SP route between Iowa Junction and Avondale, LA, which BNSF purchased in 1996, and upgrading the former ATSF routes in southeast Texas to handle heavy multiple through trains in addition to the existing local service. In addition, BNSF plans to join UP on a number of additional infrastructure projects in this area.

The following is a summary of some key projects that have been completed or are underway as of the end of the third guarter:

- BNSF constructed an interchange yard, consisting of two 9,000 foot tracks, with plans for further expansion, along its trackage rights on the former SP Baytown Branch opposite the Dayton "Storage-In-Transit" ("SIT") yard to which it gained access as a result of the merger conditions. These tracks provide BNSF space for interchange of traffic with UP, as well as for assembling and disassembling BNSF local trains originating and terminating on the Baytown Branch
 - In order to make existing BNSF routes bypassing Houston into viable higher-density through lines, BNSF has completed one phase of track rehabilitation, involving bridge, tie, and grade renewal on its Silsbee, Longview and Conroe Subdivisions between Beaumont and Longview, and between Silsbee and Somerville, TX. This effort has included new connections to the UP at Longview and upgraded yard trackage at Silsbee and Beaumont. Additional work on these lines to upgrade them for more intense use is being planned. These former BNSF lines and yards have been put to new uses as key through routes and facilities permitting BNSF to bypass Houston with traffic which need not go through Houston as well as preblocking and staging business which does move into c⁺ through Houston to minimize yard work and rehandling in Houston's facilities.
 - BNSF established an SIT facility on two tracks leased from UP in Beaumont following an expenditure to upgrade the tracks for this use.

BNSF has embarked on a multi-year project to rehabilitate and bring up to industry standards the former SP route between Iowa Junction and Avondale, LA, for which BNSF paid \$100 million, involving infrastructure including other mainlines. sidinas. and communications, crossings, and bridges, as well as Lafavette Yard and other support facilities. This work also included construction of a series of connections and crossovers between the former SP and UP routes in Avondale and Westwego. LA, with some of the expenditures split between BNSF and UP. This route, which will be part of the line ownership exchange between UP and BNSF giving both carriers 50% ownership in the entire mainline corridor between Houston and New Orleans, is critical to fluid operations for both carriers. This program is planned to continue in 1999, with heavy emphasis on upgrading bridges along the route. When completed, the line will be rated at FRA Class 4 standards and be capable of handling unrestricted 315,000 pound loaded shipments. When joint ownership of the former SP Houston-Avondale, LA route is finalized, BNSF and UP will share in maintenance, capital upgrading and capacity expansion of this rail corridor.

- BNSF also completed a new connection at Bridge Junction, AR between BNSF's Springfield, MO-Memphis line and the UP line over which BNSF has trackage rights between Memphis and Fair Oaks, AR in 1997. This connection is necessary for BNSF to use its trackage rights as part of UP's directional flow in the Houston-Memphis corridor. In addition, BNSF has rehabilitated yard tracks and connections in Memphis to support increased traffic flows and, in particular, the joint-BNSF/IC Houston-Memphis-Effingham, IL operation for traffic moving in conjunction with Conrail.
- BNSF constructed an additional 10,000 foot long operating siding just north of Eagle Pass, TX to accommodate increasing business flows and ensure that BNSF can both handle customer business to expectations and not interfere with UP operations at this key gateway. The new siding, located just north of BNSF's two existing operating sidings at Ryan's Ruin, was placed in service July 6, 1998, and provides BNSF with three 10,000 foot long sidings for train makeup and interchange work at Eagle Pass.
- BNSF and the Acadiana Railway Company have agreed to the construction of a new interchange at Crowley, LA, that will replace the existing single-track, seven-car capacity facility at that location. The new interchange, to be placed in service during the fourth

quarter of 1998, will provide for a five-fold increase in interchange capacity between the two carriers.

B. Central Corridor

Congestion during the third quarter in the Central Corridor between Denver and the Sacramento-Stockton area, as well as in California along the !-5 Corridor, has led to a number of operations changes in the quarter, with more changes anticipated in the fourth quarter. The following is a summary of recent changes:

Early in August, BNSF implemented a number of steps to address the impact on BNSF's trackage rights operations caused by the UP crew shortage problems which are discussed in Section III below. Although UP is contractually obligated to provide BNSF with crews west of Salt Lake City, BNSF proactively sought to make changes designed to restore consistent and reliable service for its customers relying on east-west Central Corridor train service, as well as north-south West Coast merchandise train flows in the I-5 Corridor. Specifically, on August 4, 1998, BNSF began rerouting westbound through manifest traffic off of the Central Corridor to BNSF's "Transcon" route through Arizona and Southern California. On August 6, BNSF eliminated its daily Galesburg, IL-Stockton, CA (H-GALSTO-1) merchandise train. On August 10, BNSF replaced its Galesburg-Stockton service with a Denver-Stockton merchandise service, akin to the merchandise service BNSF had originally commenced in the Central Corridor in 1996. The August 10th changes, through establishment

of a H-DENSTO westbound train and a Riverbank, CA (Stockton)-Lincoln eastbound merchandise train, commenced regularly scheduled manifest service over the former SP Donner Summit route.^{5/} The steeper grades on this route across the Sierra Nevada mountains requires the commitment of additional locomotive power on the part of BNSF. Nevertheless, the route has restored some measure of consistency to BNSF's Central Corridor manifest train performance and reduced delays to a maximum 8-10 hours through access to a larger UP crew base and the ability of BNSF to space trains arriving in the Stockton/Riverbank area. However, as a result of these changes, BNSF Central Corridor service has been reduced to one through merchandise train/day each way, running over both the former SP and UP routes between Winnemucca, NV and Sacramento, as well as a daily merchandise train between Denver and Provo, UT. The routing via the SP route through Reno/Sparks has improved BNSF direct service to a new customer in Fernley, NV and to BNSF's transload facility in Sparks. Further, the operation of the BNSF local to serve these customers has been changed, reducing operations to and from Winnemucca as well as setout activity at Winnemucca, which reduces congestion in that key Central Corridor area for both BNSF and UP.

^{5/} BNSF continues to route several trains east and west weekly via the UP Feather River Canyon route to provide service to a customer at Herlong, CA; however, the majority of the traffic moves via the former SP route.

- BNSF plans to hire and train its own train service personnel to operate between Stockton and Provo. BNSF crews are currently being used between Riverbank/Stockton and Roseville, CA, relieving UP of that responsibility.^{6/} Once BNSF and UP can agree on BNSF's use of an appropriate yard and crew change point in Nevada, this plan will be implemented in stages and should be fully operational, with BNSF trains operated by BNSF crews, by early 1999. This will complete BNSF crewing its own trains across the entire Central Corridor, the last major corridor where BNSF operates over UP or SP lines using UP or SP crews. A meeting between BNSF and UP to resolve the remaining operational issues in Nevada is planned during the fourth quarter.
- BNSF has commenced construction of much needed additional yard space at Midvale, UT, to handle traffic flows in the Salt Lake City area and across much of the Central Corridor, on property leased from UP. BNSF is adding two long and seven single-ended stub class tracks at Midvale to be used in conjunction with two tracks (tracks 3 and 4) leased from the UP at this location.

At the height of Stockton-Sacramento area congestion during the third quarter, BNSF was crewing and operating its Central Corridor manifest trains between Stockton and Sacramento via the Oakland area and the former SP "Cal-P" route, on which BNSF gained trackage rights as a result of the UP/SP merger, to bypass operational bottlenecks until new track connections in the Stockton area were completed early in August.

C. I-5 Corridor

During July, BNSF and UP completed major track realignment and construction projects to improve the movement of trains, impacting both the Central and I-5 Corridors, at Stockton and El Pinal, CA. The new track connections were placed in service on August 3, 1998. However, signal work and powering of the new switch connections are not planned to be completed until 1999. Until that work is complete, BNSF will continue to use switch tenders to align and restore switches manually to expedite through operations and minimize train delays. The track connections make it possible for BNSF trains to enter and exit the Central and I-5 Corridors at Stockton, en route to and from BNSF's Riverbank, CA vard, without requiring backing or run-around movements involving UP's Stockton yard. In early August, 1998, BNSF rerouted shipments in excess of 268,000 pounds as well as shipments of materials that have been classified as "hazardous commodities" off of its Bieber-Keddie, CA route in order to improve service and capacity along the I-5 Corridor. In recognition of traffic growth on this route from under a million gross tons annually prior to BNSF's acquisition of the route to over six million gross tons recently, BNSF is installing 80,000 ties and curve blocks to improve the stability of the track structure on the mountainous route. This work should be completed by mid-October. Once the work is complete, such movements, now using a much more circuitous BNSF route through Denver, will be

restored to the I-5 Coaridor. In addition, completion of the trackwork will permit BNSF to operate longer trains over this route, increasing operating efficiency and capacity for rail shippers.

II. BNSF's MARKETING PLANS AND EFFORTS

A. Recent Activities

During the third quarter of 1998, BNSF has been involved in intensified marketing activities with respect to a number of points along its trackage rights lines, with particular focus on customer identification and contact follow-through for customers located along the Baytown Branch; in the Lake Charles, LA area; between El Paso and Sierra Blanca, TX; in San Antonio, TX; and in the Sacramento, CA area. These efforts include field surveys, face-to-face or telemarketing customer contacts, and follow-through designed to acquaint customers with BNSF's services and capabilities, as well as to acquaint BNSF with the customers' transportation needs. These efforts will continue in the fourth quarter, and will also be conducted in other areas. Additionally, BNSF continues to issue service updates to its customers which are faxed directly to customer locations and posted on the Internet. Copies of these service updates are attached hereto as Attachment 1.

BNSF also will be cooperating again this fall with public and private interests in the State of Louisiana, as well as the Louisiana & Delta Railroad ("LDRR"), in the operation of sugar cane trains on expedited schedules from the Lake Charles area to receivers on the LDRR reached over BNSF's Iowa Junction-Avondale, LA route. LDRR will operate a daily "sugar cane train" over BNSF's route, with plans to transport 120,000

tons of cane during the fall harvest campaign. This marks the second year of this program, designed to both assist in increasing cane production and refining in southern Louisiana, and remove large and growing volumes of sugar cane from the region's highway system. Sugar cane, by its nature, is highly perishable, and BNSF and LDRR are working together to establish transit plans for this traffic to preserve product integrity, while at the same time ensuring that the sugar cane trains do not interfere with other operations. Dispatching for these movements will be done at the Spring Center.

B. Traffic Volumes

As discussed earlier, and as the chart attached hereto as Attachment 2 reflects, BNSF traffic volumes over the lines to which BNSF received access as a result of the merger have continued to grow. The charts attached hereto as Attachments 3 to 11 reflect the volumes of traffic for each train in the major traffic lanes to which BNSF received access. Attachment 12 shows the breakdown by general commodity groups of this traffic.

It is important, however, to segment and differentiate the volume growth shown on the charts. While BNSF overall traffic levels have steadily increased, a large percentage of this growth is attributable to the growth of overhead traffic along the UP/SP trackage rights lines. Indeed, as a result of the establishment or upgrading of numerous facilities along the trackage rights lines, and the improvements in BNSF operating plans, particularly with respect to the handling of merchandise traffic, BNSF has been particularly successful in generating overhead traffic. BNSF has also experienced traffic growth where BNSF relies on "2-to-1" shortlines and regional carriers to reach customers along the trackage rights lines. BNSF enjoys a growing working partnership in business generation with these carriers. BNSF has also steadily grown its traffic volumes for traffic which BNSF or its agent (for example, Utah Railway) switch customers directly.

BNSF generally has, however, not been successful in competing for traffic and growing its traffic volumes where UP provides the direct switching link between BNSF and the customer. While reciprocal switching has worked well between carriers for many years, it does not seem to work well where UP provides switching and haulage services for BNSF on the trackage rights lines. Indeed, cars given to UP for movement to and from "2-to-1" customers are frequently delayed while on UP. Notable problem areas in the past and present include the Baytown Branch; the Brownsville, TX area; El Paso-Sierra Blanca; the Sacramento area; and the Central Corridor, particularly in Nevada between Winnemucca and Wells.

The attached graphs, Attachments 13 through 24, separately show business volumes for traffic UP either originates or terminates for BNSF at "2-to-1" points, using reciprocal switching and, frequently, haulage services. While there are notable fluctuations, increases and decreases, several conclusions are obvious:

1. Traffic growth has not been as dramatic at these "2-to-1" points as along the trackage rights lines overall. Indeed, the fluctuations reflect a combination of seasonal traffic flows (grain inbound to "2-to-1" receivers or moving to Mexico via UP haulage over Brownsville, TX, for example, or outbound cottonseeds from Arkansas) as

well as cycles of customers sampling BNSF's service offering, only to revert to UP or alternative modes of transportation when the door-to-door service product BNSF provides, involving a UP reciprocal switch and haulage component, proves to be erratic and delayed.

2. The inbound flows to Texas reflect, in addition to seasonal unit grain flows to Mexico over Brownsville, BNSF's additional access to customers on the Baytown and Cedar Bayou Branches, commencing during the first quarter of 1998. The Texas outbound flows reflect BNSF's committed focus to serving customers on the Baytown and Cedar Bayou Branches, as detailed elsewhere in this Report and in previous Progress Reports, including proactive shipment specific management of UP's haulage service on these lines commencing in the first quarter of 1998.

Throughout the third quarter, BNSF has continued its efforts to work with UP to address the switching problems that BNSF and its customers have experienced at "2-to-1" points on the trackage rights lines. However, UP to date has been unable to provide BNSF with satisfactory resolution to many of these problems. As detailed below, BNSF set up an organization in Fort Worth to work specifically with UP to improve local switching service performed by UP and to identify and correct problem shipments before serious service failures occur. However, this effort has been unsuccessful in addressing the switching problems in large part because of UP's own indifference or inability at the field operations level to adequately and efficiently handle BNSF's traffic. Ultimately, for BNSF to be an effective competitor at "2-to-1" points, customers have to be assured of a consistent, dependable switching and haulage product from UP.

BNSF also has attempted to address the switching problems itself in some areas. including Utah and the Baytown Branch, by establishing its own local services. In Utah, where many customer facilities were switched pre-merger directly by both UP and SP, substituting BNSF's agent Utah Railway for SP has generally proven satisfactory to customers experienced with managing two switching carriers at their locations. Elsewhere, however, many customers have not found direct service by two switching carriers to be an adequate or workable solution for accessing two competing railroads' linehaul transportation services. Indeed, many customers cannot take advantage of BNSF's local service because they cannot permit two carriers to directly switch their facilities. These customers have cited infrastructure, data exchange, management, safety, production downtime, or "time-of-day" issues as obstacles to allowing both BNSF and UP to directly switch their facilities. On the Baytown Branch, for example, even though BNSF has had an established local switch service since May, 1998, BNSF is still directly switching only one of over 20 customer facilities that it can access, because of problems of coordination and managing two switch carriers at individual customer locations.

C. Customer Identification And Access Pursuant To Merger Conditions

BNSF has also continued its efforts to identify all UP/SP customer facilities to which it received access as a result of the UP/SP merger. These facilities include access to "2-to-1" customers and transload facilities on its trackage rights lines, facilities which can be served by the seventeen "2-to-1" shortlines to which it received access, and other facilities to which it gained access through reciprocal switch over carriers other

than UP or the seventeen "2-to-1" shortlines. Current listings of all such facilities are attached as Attachment 25.

During the quarter, BNSF and UP agreed to add the following customers and facilities to those which can be accessed by BNSF as a result of the Settlement Agreement and merger conditions:^{1/2}

Additional "2-to-1" Customers:

Drake Enterprises, Tornillo, TX

Jindal United Steel Corporation, Baytown, TX

Lopez Scrap Metal, Buford, TX

Weyerhaeuser Wastepaper Recycling Plant, Salt Lake City, UT

Additional Transloads:

Savage Industries, San Antonio, TX

BNSF is continuing to investigate and pursue opportunities for build-ins/build-outs, new facilities, transloads and expansions of existing facilities at "2-to-1" points, and is currently engaged in discussions with a number of interested customers concerning such facilities and expansions.

With respect to the development of new facilities, BNSF is working with a number of customers and has achieved several major successes to date, including serving Total Petroleum and Conoco at Durham (Grand Junction), CO; Valley Joist at Fernley, NV;

 $^{^{2&#}x27;}$ UP has generally responded to BNSF with respect to the identification of "2-to-1" customers within the timeframes of the "2-to-1" protocol agreed to on June 25, 1998. However, currently there are no established timeframes for a UP response relating to the identification of either new customer facilities or transloads. BNSF has contacted UP to discuss standards for responses to these types of identification requests.

and Qualitech Steel, Inc. (when completed) at Corpus Christi, TX. Over 20 additional projects involving new customer facilities along the trackage rights lines are also in various phases of discussion, planning, or implementation. BNSF is also awaiting advice from UP confirming BNSF's ability to access additional new customers locating along the trackage rights lines, including Quebecor Printing Corp., Fernley, NV; Four Star Sugars, Ei Paso, TX;[&] RCA/Thompson Electronics, Belen, TX; and Pilgrim's Pride, Tenaha, TX.

BNSF's efforts to identify customer facilities have included direct customer contact both with customers located on the trackage rights lines as well as with customers throughout the nation which ship to or from "2-to-1" points, and telephone surveys and on-the-ground site reviews of "2-to-1" points by BNSF teams. As a result of these efforts, BNSF now has access to over 1,180 customer facilities pursuant to the UP/SP merger conditions.

III. ISSUES AFFECTING BNSF'S IMPLEMENTATION OF TRACKAGE RIGHTS

In general, as the third quarter of 1998 ends, UP has for the present eliminated most of the congestion BNSF had seen earlier this year in the Houston and Gulf Coast area. However, a number of obstacles remain to BNSF's ability to offer fully competitive service to its customers. The following is a summary of those obstacles.

Houston and Gulf Coast Area. As set forth in BNSF's July 1, 1998 Progress Report and its July 8, 1998 Application for Additional Remedial Conditions Regarding the Houston/Gulf Coast Area, BNSF's ability to provide shippers with reliable, dependable

⁸ UP informally notified BNSF that UP will deny BNSF access to Four Star Sugars. BNSF will continue to pursue access to this facility, as it clearly is a "new transload facility" to which BNSF should have access under the Settlement Agreement.

and consistent service over the UP/SP lines to which it gained access is continuing to be thwarted by certain "structural deficiencies" in the rights BNSF received in the UP/SP merger proceeding as well as by certain UP operating practices which have, on numerous occasions, led to UP's trains and traffic being favored over BNSF's trains and traffic. The additional conditions BNSF seeks in the Houston/Gulf Coast oversight proceeding are necessary and vital to ensuring BNSF's ability to provide the competitive alternative envisioned by the Board and the shipping public. BNSF will continue to address those concerns in the Houston/Gulf Coast oversight proceeding.^{9/}

BNSF also notes that congestion in the Smithville, TX area has adversely affected BNSF's service for its aggregates business originating on the Georgetown Railroad in the Georgetown, TX area. The delays caused by such congestion would be reduced for both BNSF and UP if BNSF obtained overhead trackage rights, as requested in BNSF's July 8 Application, between Taylor and Milano, TX, thereby allowing it to bypass Smithville. Coal traffic moving between New Orleans and Eagle Pass is also impacted by this congestion. Congestion in San Antonio is also adversely impacting coal traffic destined to the City Public Service Board of San Antonio's plant at Elmendorf, TX, as well as through traffic to and from the Eagle Pass gateway. It remains to be seen whether UP's restoration to service of over seventeen miles of former MKT track in the New Braunfels, TX area will adequately address the congestion problems encountered by BNSF and its customers in this area.

⁹/ BNSF intends to file rebuttal evidence in support of its July 8 request for remedial conditions on October 16, in accordance with the procedural schedule adopted in the Houston/Gulf Coast oversight proceeding.

<u>Central Corridor Congestion.</u> During the third quarter, congestion along UP lines in the Central Corridor continued to adversely impact BNSF service. UP's lines between Denver and Grand Junction remain congested, as are yards and tracks in the Salt Lake City area. Accordingly, the level of service that BNSF has been able to provide over its trackage rights line between Denver and Stockton, CA has prevented BNSF from being competitive with UP in this corridor on a consistent basis.

Further, as reported in BNSF's July 1, 1998 Progress Report and August 14, 1998 Comments in the oversight proceeding, BNSF's service to and from shippers in Salt Lake City, using Utah Railway as its agent, has been adversely impacted by UP's practice of parking trains and blocking switching leads that are used by Utah Railway to service customers' facilities.^{10/} This increased congestion in the Salt Lake City area, as well as at other points such as Elko, NV, appears to have a number of causes. First, it is in part due to UP's shutdown of its Roseville, CA yard for complete reconstruction, shifting work normally performed at Rosevil'e to other UP locations, as well as by overflow trains moving into the Salt Lake City area from North Platte, Yermo, and other facilities for processing, and track work on UP lines north of Salt Lake area.

Second, the delays in the Salt Lake City area experienced by Utah Railway have been caused by UP trains which are parked on the former SP trackage due to congestion at UP's Roper Yard, requiring the "staging of trains" on the former SP Salt Lake-Ogden route awaiting entry to the yard. This leaves the parallel UP route clear,

^{10&#}x27; UP's blocking of these switching leads has forced extra Utah Railway crews to be called to complete the service required by customers at other than the agreed-to switching times, which is disruptive to the customers.

but keeps Utah Railway from providing competitive, and indeed at times any, switching service to customers in this area, although UP switching service is frequently unimpeded. BNSF and Utah Railway continue to call these instances to the attention of UP operations officers in Salt Lake and Omaha for immediate resolution. However, as long as the Central Corridor remains congested, UP trains will be backed up, consuming track facilities such as these Salt Lake lines intended for use by BNSF.^{11/}

A joint meeting was held with UP, BNSF and Utah Railway managers on August 27 in Salt Lake City to review current operations, outline barriers to service, and outline action items to address each. The processes put in place at a meeting on June 12 to address local service problems (as reported on pages 23-24 of BNSF's July 1 Progress Report) were reaffirmed, with progressive communication by BNSF and Utah Railway of problems and blockages to local and regional UP operations officials, as well as contact at the Harriman Center in Omaha by BNSF's Superintendent, Trackage Rights Operations, for resolution. BNSF and Utah were requested to provide UP a listing of

¹¹ UP's September 30, 1998 Reply makes several comments about BNSF's earlier statements concerning switching problems in the Salt Lake City area, both specifically concerning Amoco as well as generally. UP's statement that "The Amoco situation is not an example of a merger-related problem" is inaccurate. Utah Railway uses the SP tracks to access Amoco and other customers in the area. Prior to the UP/SP merger, UP trains would not have been parked on SP tracks awaiting entry to Roper Yard. The SP tracks would have had to remain clear for SP trains to move between Salt Lake City and Ogden. Also, UP's statement that "UP serves those shippers using the same track that Utah uses, and UP service was impaired too" is also somewhat misleading. Many of these customers are either jointly served by independent former SP and UP tracks, which is kept clear for UP's switching moves while adjacent SP track is blocked.

locals run, schedules, customers served, as well as the routes used and the times of service Utah is aiming to operate within.

Nevertheless, as evidenced by a September 3, 1998 letter from Amoco to the Board (copy attached hereto as Attachment 26), the problems have persisted throughout the third quarter. While the direct involvement of senior UP operating management, including Dennis Duffy, Executive Vice President Operations, has helped improve these problems, at this time they remain. Delays of one to three hours for Utah Railway to get into the Amoco facility to switch occurred on September 10 and 17. On the evening of September 23 and the morning of September 24, Utah Railway was totally blocked out of the Amoco facility by a parked UP train, after being blocked in at the adjacent Flying J refinery from 10:40 PM until 2:35 AM, requiring the calling in of a relief crew to continue switching, hours late. Amoco was not switched due to the parked UP train; however, as the Amoco work for that evening was light, this did not cause undue hardship on Amoco's operation.

In addition to problems discussed above which are clearly caused by congestion on UP lines, BNSF has also encountered difficulty in offering competitive service to shippers along the Central Corridor, most notably in central Nevada between Alazon and Weso, because of the mishandling of trains by UP. These problems may be caused by continuing problems in implementing the July 1 cutover of the UP and SP data systems, or by congestion due to additional traffic being handled in this area while rehabilitation occurs on main lines and at facilities such as Roseville, CA.

One aspect of UP's mishandling of trains which has been identified by BNSF and highlighted to UP on an ongoing basis, both along the Central Corridor and at many "2-to-1" points, is the lack of proper movement information reporting by UP crews into UP's TCS operating system to update car location and status. BNSF has also confirmed that UP is not implementing BNSF's blocking instructions in this area, due to concerns about information integrity which BNSF understands have been resolved, and BNSF has further offered to resolve any remaining outstanding issues on blocking integrity. Whatever the reasons for these failures, they continue to jeopardize BNSF's capabilities to provide effective competitive service to customers at "2-to-1" points. Recent examples include:

BNSF 519329, a load of steel destined Fernley, NV that was shipped on August 1 was erroneously reported by UP as being in Elko on September 3. BNSF research revealed that the car was lost between American Forks, UT and Elko, and was raised with UP officials on September 8. Using mutually agreed upon processes between BNSF and UP to handle issues such as this, UP eventually located the car in Elko on September 22. However, the car continued to remain on UP in Elko because UP's system showed it to be a "no bill." On September 23, BNSF raised this car to a "Level 3" problem log, the highest level agreed to between BNSF and UP. The "Level 3" designation was intended to clearly identify resolution of problems impacting movement of this car as a priority. Nonetheless, the car remained in Elko on September 29. On that date, the BNSF train that

planned to make the pickup, the M-DENSTO1-24, was instructed by UP's dispatcher to forgo the Elko pickup. UP is cooperating in resolving this issue by planning to move this car with a UP train on October 1.

- NAHX 94388, containing a load of barite, was billed out of Battle Mountain,
 NV on September 11, but delayed at Winnemucca and did not arrive Elko
 until September 23, and was not interchanged to BNSF at Elko until
 September 25.
- -- GATX 91149, destined to Coastal Chemical at Rennox, NV, was delivered to UP at Elko on September 12, departed Elko on September 17, arrived Winnemucca on September 18, and was finally made available to the receiver at Winnemucca on September 23.
- MRL 50019 and three other cars, destined to Continental Lime at Golconda, NV, were delivered to UP at Elko on September 9, departed Elko on September 15 for Winnemucca, and was delivered to the receiver on September 18.
- PROX 13737, destined to Kennecott Utah Copper at Jayhawk, NV, was delivered to UP at Elko on September 5, 1990. The car arrived at Winnemucca on September 8, and returned to Elko without being spotted or unloaded on September 14. The car was not placed at the receiver's facility until September 17.
- -- KCCX 2137 and two other empties returning to Kennecott Utah Copper at Magna, UT from Jayhawk, NV, arrived in Winnemucca on September 5,

but did not arrive in Elko until September 14, and were not received by BNSF until September 18. Part of the delays encountered at Elko after September 14, however, were due to coordination problems between UP and BNSF in moving traffic out of Elko onto BNSF trains.

As discussed in BNSF's August 14 filing with the Board, one customer, Sinclair, which ships diesel fuel to Anshutz Marketing's rail transfer terminal at Carlin, NV from California for truck handing to the final receiver, was having considerable problems using BNSF's service, which utilized UP haulage and reciprocal switch, to receive its product on a timely basis at Carlin. Earlier this week, Sinclair advised BNSF it would gradually phase out all rail movement to Carlin over the coming months, replacing it with increased diesel fuel production at Sinclair's Wyoming refinery in place of its current source; pipeline transfer to Salt Lake City; and truck service direct to Nevada receivers. Sinclair reported that the primary reason for the change was the incredibly poor, inconsistent, and unreliable rail service that Sinclair had experienced using both BNSF and UP. Sinclair or its customers could no longer bear the administrative and equipment costs, and product outages, which rail transport caused.^{12/}

Service and facilities in the Central Corridor will be the subject of further meetings between operating management of UP and BNSF in the fourth quarter, with a goal of

^{12/} UP in its September 30 Reply claims that the problems specifically impacting Anschutz Marketing at Carlin were "related to the maintenance of separate UP and SP data systems, and the July 1 TCS cutover resolved these issues as employees became acclimated to the new computer system." As discussed above, the problems with traffic to Anschutz continued through the third quarter, to the point that the customer has now begun implementing long-term plans to forego rail handling of Sinclair traffic to this facility altogether.

resolving these issues and restoring consistent service and meaningful competition. Likewise, BNSF's newly-enlarged UP/SP Logistics Trackage/Haulage Team in Fort Worth continues to work with their counterparts in UP's National Customer Service Center in St. Louis on a daily basis to highlight issues such as the examples shown above, and to work with UP to ensure that problem shipments move, and the underlying causes for service failures, whether those causes stem from BNSF or UP, are identified and corrected.

BNSF and UP representatives toured the Central Corridor between Sparks, NV and Grand Junction, CO at the end of June and early in July, inspecting available facilities and discussing local and through trains service needs of BNSF to provide service to customers in the Corridor. Subsequent proposals were made to UP by BNSF for trackage and facilities to be used by BNSF in Nevada, Utah and Colorado. UP responded on August 21 with offers of property for BNSF to lease and construct facilities on at Durham, CO; Fernley and Lovelock, NV; and Ogden, UT. BNSF is evaluating these proposals.

UP also has agreed to lease BNSF existing track for support of local operations at Sparks and Winnemucca, NV, as well as the existing trackage at Midvale, UT referred to earlier. It is BNSF's expectation that moving forward on these proposals will permit a further separation of service between BNSF and UP in the Central Corridor, and an improvement in local and through BNSF service as well as a reduction in the kinds of operating problems reported above. As indicated previously, BNSF is also rerouting trains off the Central Corridor back to BNSF's "Transcon" route across Arizona and Southern California, which will further reduce volumes in the Central Corridor. BNSF is using BNSF crews from the I-5 Corridor to supplement UP crews operating over the Central Corridor between Keddie and Stockton, CA. Finally, BNSF is now crewing BNSF trains between Stockton and Roseville as well as Stege (Richmond) and Roseville when BNSF trains operate over the SP route, further reducing demands on UP's Central Corridor crew base.

Sacramento Area. On July 1, BNSF reported to the Board on its long-running service problems using UP/SP reciprocal switch and haulage to provide Farmers Rice at West Sacramento, CA, a "2-to-1" customer, with competitive service via BNSF as a replacement for SP. Since July 1, UP has still not implemented viable service between Farmers Rice and the BNSF Stockton interchange, which would both meet UP's commitment to BNSF and allow BNSF to meet its dock-to-dock service commitments to Farmers Rice or its customers.^{13/} A graph of shipment dwell time on the UP between release by Farmers Rice and interchange to BNSF is attached hereto as Attachment 27. The long-term erratic nature of this service has required BNSF to provide additional

¹³ UP in its September 30 Reply refers to Farmers' Rice several times, both directly and indirectly. Concerning BNSF's service commitments to customers, UP states that "the appropriate test should be whether BNSF is able to offer competitive service, not whether BNSF is meeting unilaterally-established commitments." As pointed out in prior filings, the significant measure for the Farmers' Rice traffic is UP's commitment to four days between release and interchange, which BNSF included in its door-to-door service offering to this customer. As has been detailed in this and prior filings, UP has been unable to meet its own "unilaterally-established commitment" -- four days is not a competitive service, but it was the best UP would offer BNSF and this customer when UP unilaterally changed the interchange point from South Sacramento to Stockton earlier this year. BNSF welcomes the 47 hour service commitment on this specific traffic from release to interchange UP reports on page 36 of its September 30 Reply, and will be tracking and reporting on how UP's performance improves service.

equipment to this customer to meet commitments in light of reduced equipment velocity per move. BNSF's hope that improvement to interchange tracks in the Stockton area would improve this service has not been borne out. Other customers in the Sacramento area have been likewise impacted during the third quarter. During September, BNSF and UP had operational meetings on these service issues, and will have further meetings in an attempt to resolve them.

Tehachapis Line. As was reported to the Board on July 1st, the service BNSF has received over the Tehachapis Line between Kern Junction (Bakersfield) and Mojave, CA since the UP/SP merger had deteriorated significantly, and BNSF had been experiencing numerous unacceptable delays in moving its trains over the Tehachapis Line. The problems being experienced by BNSF stemmed from both shortages of UP crews for its trains, which result in UP trains blocking mainlines, and UP's inconsistent, unreliable and often discriminatory dispatching practices. These actions have resulted in the blocking of BNSF's access to the Tehachapis Line and the unsatisfactory handling of BNSF's priority "Z" (intermodal) trains, in particular.

With the completion of major track work by UP on the Tehachapis Line during the third quarter and a concerted effort by BNSF to work closely with UP dispatchers and management in the Harriman Center in Omaha to identify and resolve dispatching protocol problems, service on BNSF's critical high priority trains across this route between Mojave and Kern Junction, CA has improved during the third quarter.

These efforts notwithstanding, BNSF continued, through September, to have dispatching problems relating to UP's handling of BNSF trains over the Tehachapis Line.

In particular, BNSF "Z" (Priority Intermodal) continued to be delayed by inappropriate meets with lower priority trains or by being required to follow lower priority trains on this route.

BNSF remains committed to the view that both railroads and their customers would be best served in this area through establishment and implementation of a Joint Dispatch Center for many central and southern California routes, similar to the Houston-area Spring Center. Initial direct conversations with UP operations management personnel have been positive, and those discussions will continue in the fourth quarter. In the meantime, BNSF will continue to be involved in ongoing discussions with UP to resolve these problems impacting specific trains promptly, and will pursue other remedies if these discussions prove unsuccessful.

UP Switching and Haulage Service. As discussed earlier, business handled by UP for BNSF to and from "2-to-1" customers using haulage and reciprocal switch services provided for in the BNSF Settlement Agreement has provided overall unsatisfactory results to shippers. As a consequence, BNSF's most significant success in competing for traffic with UP using UP haulage and reciprocal switch service for "2-to-1" customers occurs on moves originating on BNSF, and BNSF is also generally successful in maintaining business destined to BNSF local points. However, this represents only a fraction of the "2-to-1" business available. In any other traffic scenario, including traffic moving to or from points jointly served by BNSF and UP as well as interline connections, customers, though frequently willing to try BNSF service using UP reciprocal switch and haulage on either end, usually revert to a UP routing because the

erratic nature of UP local switch and haulage service makes the overall BNSF service product unacceptable and non-competitive. The examples discussed above relating to service and handling in the Central Corridor illustrate this point.

In addition, BNSF earlier in 1998 secured sludge traffic moving from the New York City area to the Merco Joint Venture in Sierra Blanca, TX in a competitive bid against UP. Moving this traffic required BNSF, however, to hand inbound loaded movements in private equipment over to UP for haulage from El Paso to Sierra Blanca, TX under the terms of the Settlement Agreement, as well as for UP to return empty equipment back to BNSF at El Paso. UP service failures at Sierra Blanca in August, where three sets of the shipper's equipment were not pulled or returned to BNSF on a timely basis, led to the traffic being abruptly returned to UP direct handling, eliminating BNSF, for a "trial period." BNSF is now attempting to recover this traffic, and will implement direct local service between El Paso and Sierra Blanca to handle the traffic if it is successful, since UP haulage and reciprocal switch handling has been proven to be unreliable and not capable of meeting customer expectations. BNSF is also investigating what further actions, if any, can be taken against UP in terms of loss of this traffic to UP as a result of UP's mishandling of this traffic.

BNSF has asked the Board for neutral switching supervision to remedy the erratic and unworkable switching provided by UP in several geographic areas in order to provide customers competitive service options, and it will continue to work with UP to address the problem in other areas. If those efforts fail, BNSF will seek appropriate orders from the Board to assure that "2-to-1" customers receive viable local service.

UP's Application Of Existing Agreements and Crewing Problems. In addition to its failure to provide viable switching service to BNSF, UP has continued to apply existing agreements in ways which hinder BNSF's ability to compete. For instance, in the critical Central Corridor. UP has a contractual obligation under Section 1(h) of the BNSF Settlement Agreement to provide, at BNSF's request, the train and engine crews necessary to handle BNSF trains moving between Salt Lake City and Oakland, CA. However, because of crew shortages, UP had been unable to provide sufficient crews to allow BNSF to operate efficiently, particularly on weekends over the UP's Canyon Subdivision in northern California, and the practice has been that, whenever there is a shortage of crews, UP's needs for crews are met before BNSF's needs are met.14/ BNSF trains in the Central Corridor using this route were often delayed three to five days longer than scheduled, not only impacting service to customers, but severely reducing BNSF's locomotive resources. Thus, BNSF, as reported previously, has reduced the number of trains operating in the Central Corridor, and rerouted many of the remaining trains from the UP Feather River Canyon route to the former SP Donner Summit route, even though the Donner route requires commitment of additional BNSF locomotive power due to heavier grades across the Sierra Nevada mountain range.

However, despite BNSF's proactive efforts to address these issues, the problems remain unresolved. For instance, on September 17, BNSF's westbound Denver-Stockton

¹⁴ UP's practice of crewing its own trains first is causing delays of several days in BNSF service. That practice is a significant impediment to competitive BNSF service. In addition, because UP has failed to notify BNSF of the impending crew shortages until after they have commenced, BNSF has had no opportunity to plan for the shortages or to work with UP to try to minimize their impact.

priority manifest merchandise train, H-DENSTO1-14, arrived Sparks, NV at 2:00 a.m. without a crew to continue the train's movement to Roseville and Stockton. A crew was not called until 10:15 a.m. on September 17, with the train departing at 12:05 p.m. While the ten hours and five minutes this train was delayed at Sparks is an improvement from instances in late July and early August, as recounted in BNSF's August 14 filing to the board, when an H-GALSTO1-24 was delayed at Doyle, CA for days on account of a lack of crews, appropriate crewing of BNSF trains in the Central Corridor remains an issue negatively impacting service performance of BNSF for our customers.

Problem Resolution Between UP and BNSF. Further, as BNSF has reported to the Board in its previous Progress Reports, UP and BNSF have agreed upon a process through which shipment specific problems are to be resolved by UP through the development and implementation of specific action plans. In addition, BNSF considerably enlarged its commitment to identify and resolve shipment-specific problems occurring when cars are on UP in reciprocal switch or haulage status moving to or from customers at "2-to-1" points during the third quarter. Earlier in 1998, BNSF relocated several members of its Service Assurance Team, dedicated to UP/SP haulage and trackage rights issues, from Topeka, KS to Fort Worth, TX. In August, this group was expanded to seven members, and made a part of BNSF's Logistics group of Customer Service, responsible for proactive monitoring as the Logistics Trackage/Haulage Team.

The BNSF Logistics Trackage/Haulage Team and its UP counterpart, the Haulage Team located in UP's National Customer Service Center in St. Louis, have agreed on processes to use for problem resolution of BNSF cars on UP in haulage or reciprocal switch service pursuant to the merger settlement agreements and conditions. BNSF's team starts each day by identifying all new shipments billed during the prior business day and intervening time frame, then verifies that the proper movement billing is in the UP TCS operating system, current status of the individual car (load or empty), and whether the car is moving in accordance with plan. When a problem is detected, the BNSF team either initiates contact with their UP counterparts or, if the problem is determined to be a service failure, opens a joint BNSF/UP Haulage Customer Service Problem Log. UP's obligation is to respond to BNSF within four hours on these logs. The UP team, which BNSF understands has been expanded from two to three members, starts off each day updating open problem logs and responding to BNSF. To further resolve outstanding issues and review and clarify processes for problem resolution, the two teams met in Fort Worth on September 3, 1998. A number of action items for further review and follow-up emerged from the meeting, which are the subject of ongoing discussions.

To assist the work of the Logistics Trackage/Haulage team in identifying problem shipments on BNSF's UP/SP trackage rights lines, BNSF's Information Systems Services (ISS) group has been developing a reporting system to (a) proactively alert the Trackage/Haulage team of shipments in UP reciprocal switch or haulage status failing to meet committed transit plans, and (b) provide a basis for BNSF to measure UP's reciprocal and haulage service for follow-up with UP as necessary. BNSF expects this tool to become operational in the fourth guarter of 1998.

Nevertheless, BNSF continues to experience some difficulties in obtaining UP's commitment to resolve problems concerning BNSF shipments on the trackage rights lines, which go beyond UP's Haulage Team in St. Louis and will require the execution of committed operating plans for problem shipments in the field. While cooperation between the teams is improving, and "root cause" issues are being identified for resolution, problems such as UP arbitrarily deciding which problems to focus on and closing other "problem logs", whether involving haulage or reciprocal switch traffic, regardless of BNSF's or the rail customer's specific needs, continue.^{15/}

UP also refuses to handle service problems involving BNSF traffic to disputed customers, such as South Texas Liquid Terminal in San Antonio, through this process. It appears that this tactic by UP is part of an effort to get the customers to return such traffic to UP regardless of the Board's ultimate decision.

Separately, BNSF's Vice President, Customer Service & Business Unit Support, Tay Lyman, contacted his counterpart, Jim Damman, UP's Vice President of the National Customer Service Center on July 10 to raise several issues for resolution. Among the issues raised are problems between BNSF and UP in resolving problem shipments along the trackage rights lines and at "2-to-1" points through the problem log process, and unresolved systems problems, most involving "451" car reporting messages. With changes in UP's organization, Mr. Damman's successor, Mr. Rick Turner, responded to

^{15/} UP in its September 30 Reply reports that "[i]n UP's view, the problem log system has been tremendously successful in resolving these problems." BNSF disagrees, and cites the earlier car-specific instances as evidence. The problem log system does permit prompt transmission of problems and action plans to resolve between BNSF and UP. In too many cases, however, the underlying problems themselves remain unsolved.

Mr. Lyman on September 11. A face-to-face meeting to discuss and resolve outstanding issues raised in this correspondence at a senior level is now planned for the end of October.

CONCLUSION

BNSF's efforts to provide reliable, dependable and consistent service over its trackage rights lines are continuing to be hampered in various areas (i) by the difficulties BNSF has encountered in providing competitive service to customers where UP provides haulage and reciprocal switch services, and (ii) by the structural deficiencies in BNSF's rights and the disproportionate impact, whether intentional or not, that the congestion and service problems on UP's lines are having on BNSF's operations. Despite these problems, BNSF's capabilities and business are growing steadily as a result of BNSF's proactive approach in resolving problems and the continuing support of its customers, and many customers are benefiting from BNSF's new access.

Respectfully submitted,

Jeffrey R. Moreland Richard E. Weicher Michael E. Roper Sidney L. Strickland, Jr.

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The Burlington Northern and Santa Fe Railway Company 3017 Lou Menk Drive P.O. Box 961039 Ft. Worth, Texas 76161-0039 (817) 352-2353 Erika Z. Jones Adrian L. Steel, Jr. Kathryn A. Kusske Kelley E. O'Brien

Mayer, Brown & Platt 2000 Pennsylvania Ave., NW Washington, DC 20006 (202) 463-2000

and

1700 East Golf Road Schaumburg, Illinois 60173 (847) 995-6887

Attorneys for The Burlington Northern and Santa Fe Railway Company

October 1, 1998

CERTIFICATE OF SERVICE

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I hereby certify that copies of The Burlington Northern and Santa Fe Railway Company's Quarterly Progress Report (BNSF-PR-9) are being served, by first-class mail or hand-delivery, on all Parties of Record in Finance Docket No. 32760.

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ATTACHMENT 1

BNSF



Customer Service Update

This update is being sent to BNSF customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for all such communications, please inform your BNSF marketing representative.

Two Steps to Improve Service to Mexico via Eagle Pass

Grain and other international traffic has begun flowing more smoothly across the border between the U.S. and Mexico at Eagle Pass, Texas, thanks to two moves made in June as part of BNSFs continuing effort to improve transit time and consistency on international shipments moving via Eagle Pass.

First, customs brokers are working with BNSF to ensure that shipments are pre-cleared through customs before they arrive at Eagle Pass for interchange to Ferrocaril Mexicano (Ferromex) at Piedras Negras, across the Rio Grande from Eagle Pass. Cars avoid delay at Eagle Pass for customs clearance.

Second, Secretaria de Agricultura Ganaderia Desarrollo Rural (SAGDR), the Mexican counterpart to the U.S. Department of Agriculture, has agreed to inspect and sample grain shipments at Piedras Negras rather than at Eagle Pass, as had been the practice. There's less risk of congestion due to grain cars occupying track space while awaiting agricultural inspection at Eagle Pass.

"We appreciate the cooperation of the customs brokers and SAGDR in helping to improve international rail service via Eagle Pass," says Harold Weddle, assistant vice president, Mexico. "Their efforts, along with those of Kenn Miller, our superintendent operations for Mexico and other BNSF people, will help provide more timely, consistent customer service."

BNSF Customer Service Updates provide BNSF Merchandise customers with information on BNSF rail service. For the latest available information, visit the BNSF web site at www.bnsf.com. Customer Service Updates will be issued as needed but at least once each week.

For additional information, please contact your BNSF marketing representative.

Sent via fax at 5 p.m. CDT Thursday, July 2, 1998


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Customer Service Update

August 6, 1998

This update is being sent to BNSF customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for all such communications, please inform your BNSF marketing representative.

NOTICE TO CUSTOMERS SHIPPING ON THE I-5 CORRIDOR

Effective today, BNSF has reduced the maximum allowable car weight to 268,000 pounds for the I-5 corridor between Keddie, Calif., and Wishram, Ore. It previously had been 286,000 pounds.

The change is being made primarily for operational safety reasons. BNSF's division management has determined that the heavier car loading weights may have been a contributing factor in recent derailments along this line.

No cars exceeding 268,000 pounds will be allowed to operate on this BNSF line. If any cars are received for this line that exceed this weight, they will be detoured through Denver or other alternate routes and the car schedules will be adjusted accordingly.

Affected customers on the line have been notified of the change by their BNSF marketing representatives. Contact your marketing representative if you have questions.

BNSF SYSTEM OVERVIEW

Power shortages and congestion at Pasco, Wash., and Barstow, Calif., will impact some merchandise traffic. An initiative is underway to review intra-regional merchandise traffic flows on each BNSF service region to improve service and efficiency.

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For additional information, please contact your BNSF marketing representative.

Sent via fax at 5 p.m. CDT Thursday, Aug. 6, 1998



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Customer Service Update August 10, 1998

This update is being sent to BNSF customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for all such communications, please inform your BNSF marketing representative.

Congestion on Union Pacific Delays California Interchange Traffic

Interchange traffic to destinations on Union Pacific Railroad (UP) in both Northern and Southern California is being delayed due to congestion on UP. Shipments are being delayed by up to three days from the time BNSF offers them for interchange to UP at locations ranging from Barstow in the south to Stockton in the north.

UP's refusal to accept all traffic offered for interchange is resulting in some congestion on BNSF lines in California, although that congestion so far has not resulted in significant delay to shipments moving on BNSF lines. BNSF traffic moving on UP trackage rights in California is incurring delays as well, although those delays are generally less than a day.

Hazardous Materials Re-Routed Around I-5 Corridor

Effective immediately, BNSF is temporarily re-routing specific commodities away from the I-5 Corridor between Wishram, Wash., and Keddie, Calif., until track upgrading work in the area is completed. BNSF crews began work on trackage in the area last week, and more crews began work this morning on the affected trackage.

Commodities to be re-routed include all hazardous Standard Transportation Commodity Codes (STCCs) from 48-000-00 (all 48s are hazardous waste) through 49-601-50. Primary commodities subject to the re-routes include flammable gases, alcohols, anhydrous ammonia, sulfuric acid and chlorine. Such commodities as asphalt and lubricating oils are not included in the re-route plan.

The re-routes will continue until track work is completed; and an estimated completion date will be provided as soon as work crews finish their assessment of the situation. Re-routed traffic is moving via Denver.

BNSF Customer Service Updates provide BNSF Merchandise customers with information on BNSF rail service. For the latest available information, visit the BNSF web site at www.bnsf.com. Customer Service Updates will be issued as needed but at least once each week.

For additional information, please contact your BNSF marketing representative.

Sent via fax at 5 p.m. CDT Monday, Aug. 10, 1998 BNSF

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Customer Service Update August 14, 1998

This update is being sent to BNSF customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for all such communications, please inform your BNSF marketing representative.

BNSF Introduces Texas Plan

BNSF has initiated a plan designed to improve the flow of traffic from the Pacific Northwest, Southern California, Colorado and Wyoming into Texas and Mexico. The "Texas Plan" began late Thursday afternoon and should be in complete operation by the weekend.

Under the plan, Temple will handle switching for trains going to Houston and East Texas while Somerville will handle westbound switching for traffic headed to California and the midwest. Saginaw will be used as a clearinghouse for traffic destined to Mexico and La Junta will provide a separate grouping for BNSF's Alliance and Fort Worth yards.

The changes will reduce the overall amount of switching in high traffic areas and should improve consistency.

BNSF Customer Service Updates provide BNSF Merchandise customers with information on BNSF rail service. For the latest available information, visit the BNSF web site at www.bnsf.com. Customer Service Updates will be issued as needed but at least once each week.

For additional information, please contact your BNSF marketing representative.

Sent via fax at 5 p.m. CDT Friday, Aug. 14, 1998



Customer Service Update September 29, 1998

This update is being sent to BNSF Forest Products customers who have expressed interest in receiving regular service update communications from BNSF. If you would like to be taken off the fax list for <u>all</u> such communications, please inform your BNSF marketing representative.

BNSF Resumes Service To New Orleans

BNSF has resumed traffic into New Orleans today following a 48-hour delay due to weather conditions caused by Hurricane Georges. The Illinois Central has also resumed traffic while Norfolk Southern expects to return to service by 6 p.m. this evening.

BNSF manifest traffic scheduled to interchange with CSX at New Orleans is being rerouted to Birmingham, while CSX Intermodal traffic is being held. CSX is expected to be out of service for seven days.

BNSF traffic for Mobile is being held in Amory, Miss.

Although the hurricane has been downgraded to a tropical storm, forecasts call for up to an additional 14 inches of rain in the area. BNSF will continue to monitor conditions to determine courses of action.

BNSF Customer Service Updates provide BNSF Merchandise customers with information on BNSF rail service. For the latest available information, visit the BNSF web site at www.bnsf.com. Customer Service Updates will be issued as needed but at least once each week.

For additional information, please contact your BNSF marketing representative.

Sent via fax at 5 p.m. CDT Tuesday, Sept. 29, 1998

Total 1997-98 BNSF Loaded Units On UPSP Merger Condition Lines



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Central Corridor

Between Denver, CO and Stockton, CA



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1997-98 BNSF Loaded Units In Trackage Rights Corridors

Gulf East Corridor

Between Houston, TX and New Orleans, LA



98volume-092498



Gulf North Corridor

Between Houston, TX and Memphis, TN





Gulf South Corridor

Between Temple, Corpus Christi and Brownsville, TX



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Eagle Pass Corridor

Between Temple, San Antonio, and Eagle Pass, TX



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1997-98 BNSF Loaded Units In Trackage Rights Corridors Central Texas Corridor



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El Paso Corridor





I-5 Corridor

Between Stockton, CA and Klamath Falls, OR



Note: Operations commenced July 15, 1997

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Southern California Corridor



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Commodities Handled To/From and Via UPSP Merger Condition Lines All Loaded Units January 1998 - August 1998



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Switch/Haulage Loads Delivered By UP For BNSF At "2-To-1" Points



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Switch/Haulage Loads Delivered By UP For BNSF At "2-To-1" Points In Arkansas

Number of Loads





Switch/Haulage Loads Delivered By UP For BNSF At "2-To-1" Points In California



Switch/Haulage Loads Delivered By UP For BNSF At "2-To-1" Points In Louisiana



1
Switch/Haulage Loads Delivered By UP For BNSF At "2-To-1" Points In Nevada

Number of Loads



Switch/Haulage Loads Delivered By UP For BNSF At "2-To-1" Points In Texas*



* Includes overhead merchandise, unit grain for TFM via Brownsville/Matamoros

Switch/Haulage Loads Originated By UP For BNSF At "2-To-1" Points

Number of Loads



1

Switch/Haulage Loads Originated By UP For BNSF At "2-To-1" Points In Arkansas





Switch/Haulage Loads Originated By UP For BNSF At "2-To-1" Points In California



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Switch/Haulage Loads Originated By UP For BNSF At "2-To-1" Points In Louisiana



Switch/Haulage Loads Originated By UP For BNSF At "2-To-1" Points In Nevada

Number of Loads



Switch/Haulage Loads Originated By UP For BNSF At "2-To-1" Points In Texas*

Number of Loads



* Includes overhead traffic from TFM via Matamoros/Brownsville

UP/SP Served Facilities Accessed By BNSF Other Than As a Result of "50/50 Line" '98 Agreement

1	Customer	Station	State	Status
	3M Industrial Mineral Prod (3M Arch St)	Little Rock	AR	2:1
	3M Industrial Mineral Prod (3M Road)	Little Rock	AR	2:1
	A E Staley @ Imperial Holly facility	Sugar Land	ТХ	2:1
	A K Railroad Materials	Salt Lake City	UT	2:1
-	A L Gilbert	Turlock	CA	2:1
_	A Y Building Supply	Provo	UT	2:1
	ABB Randall Corp	Lake Charles	LA	Agreement
•	ACF Industries	Paragould	AR	2:1
-	ADM Processing	Little Rock	AR	2:1
	AFCO Steel Bond Street Plant	Little Rock	AR	2:1
-	AFCO Steel South Shop	Little Rock	AR	2:1
-	AFCO Steel Thomas Street Shop	Little Rock	AR	2:1
	Ag Processing	Dexter	MO	2:1
-	Agri Producers	Herington	KS	2:1
-	Alamo Forest Products	Harlingen	тх	2:1
	Alamo Iron Works	San Antonio	тх	2:1
-	Alcoa Specialty Chemicals	West Lake Charles		Agreement
	Allen Millwork Inc	Shreveport	LA	Agreement
	Allen & Allen Co	San Antonio	тх	2:1
	Allied Signal	Orange	тх	2:1
	Alman, Sol Co	Little Rock	AR	2:1
	Alpark Petroleum	Elko	NV	2:1
	Alpine Transfer	Clearfield	UT	2:1
1	Alta Industries	Salt Lake City	UT	2:1
	Amc Warehouses	Great Southwest	TX	2:1
_	Ameri Steel (Florida Steel)	Paragould	AR	2:1
	American Brass & Iron (ABI)	Melrose	CA	2:1
-	American Chrome Chemicals	Corpus Christi	TX	2:1
-	American Excelsion	Salt Lake City	UT	2:1
	American Metals Corp	Yolo Port	CA	2:1
-	American Nutrition	Ogden	UT	2:1
-	American Plant Food Company	Tyler	TX	2:1
	Americold	Clearfield	UT	2:1
-	Americold Plant 1	Turlock	CA	2:1
-	Amerigas Propane Lp	Salt Lake City	UT	2:1
	Amoco	Eldon	TX	Agreement
-	Amoco Oil	Salt Lake City	UT	2:1
-	Anschutz Marketing Transport	Carlin	NV	2:1
-	Arco Chemical (Olin Corp)	West Lake	LA	Agreement
-	Arkansas Power & Light	Little Rock	AR	2:1
-	Armour Equipment Sales	Melrose	CA	2:1

Ash Grove Cement Co	Eiko	NV	2:1
Ashland Chemical	Genoa	TX	2:1
Ashland Chemical	Clearfield	UT	2:1
	Little Rock	AR	2:1
Asphalt Products		UT	2:1
Asphalt Systems Inc	Salt Lake City	UT	2:1
Associated Food Stores	Salt Lake City		
Atlas Steel	Provo	UT	2:1
Atlas Steel	Ogden	UT	2:1
Atlas Steel Inc	Salt Lake City	UT	2:1
Atlas Towing Co	Battle Mountain	NV	New Facility
Baker Hughes Inteq	Argenta	NV	2:1
Baker Hughes Inteq	Salt Lake City	UT	2:1
Baroid Corp	Texarkana	TX	2:1
Baroid Drilling Fluids	West Lake Charles		Agreement
Baroid Drilling Fluids	Dunphy	NV	2:1
Baroid Petroleum Svc	West Lake Charles		Agreement
Barrett Hamilton	Little Rock	AR	2:1
Bayer (Miles Polysar)	Orange	тх	2:1
Bayer (Miles/Polysar)	Eldon	тх	Agreement
Bee Hive Brick	Salt Lake City	UT	2:1
Bell Industries	Shreveport	LA	Agreement
Benergy dba Star Carbon Divn	Salt Lake City	UT	2:1
Big Four Distributing	Provo	UT	2:1
Big Tex Grain	San Antonio	ТХ	2:1
Birmingham Bolt	Clearfield	UT	2:1
Blach Distributing	Elko	NV	2:1
Block Distributing	San Antonio	тх	2:1
BNSF Nevada Quality Distr Center (QDC)	Sparks	NV	New Facility
Boise Cascade	Great Southwest	тх	2:1
Bonar Packaging	Tyler	тх	2:1
Borden Chemical	Eldon	тх	2:1
Border Steel	Salt Lake City	UT	2:1
Brown and Joiner	Harlingen	TX	2:1
Brown Strauss Steel	Livermore	CA	2:1
Browning Ferris Industries (BFI)	San Antonio	TX	2:1
Bruce Transfer & Storage	Salt Lake City	UT	2:1
Burke Flooring Products	San Jose	CA	2:1
Cache Commodities DRGW	Ogden	UT	2:1
Cairo Coop Equity Exchange	Preston	KS	2:1
Calcasieu Steel & Pipe Inc	Lake Charles	LA	Agreement
	Elmhurst	CA	2:1
California Cereal (Nabisco Brands)	Yolo Port	CA	2:1
California Distribution Center		TX	2:1
California Fruit Co.	San Antonio	TX	2:1
Cameron Whse (Cameron Wm & Co)	Tyler		
Cameron Wm & Co	Harlingen	TX	2:1
Cameron Wm & Co Inc	Waco Solt Lake City	TX	2:1
Capitol Lumber	Salt Lake City	UT	2:1
Capitol Plywood	Sacramento	CA	2:1

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-	Cargili	W Sacramento	CA	2:1
	Cargill	Dexter	MO	2:1
-	Cargill Flour Milling	Ogden	UT	2:1
-	Cargill Inc	Forrest City	AR	2:1
	Cargill Nutrena Feeds	Ogden	UT	2:1
-	Carry Companies	Great Southwest	тх	2:1
-	Carry Companies (Imperial Sugar)	Great Southwest	тх	2:1
	Cashman Equipment	Elko	NV	2:1
-	Cenex Land O Lakes	Salt Lake City	UT	2:1
-	Central Forwarding Co	Waco	TX	2:1
	Central Terml Distributing Centers Inc	North Little Rock	AR	2:1
-	Central Texas Iron Works	Waco	TX	2:1
-	Central Warehouse Co	Waco	TX	2:1
	Century Tube Corporation	Pine Bluff	AR	2:1
-	Cereal Food Processors	Salt Lake City	UT	2:1
-	Cereal Food Processors	Ogden	UT	2:1
	Certainteed	Waco	TX	2:1
-	Certified Warehouse Transfer	Salt Lake City	UT	2:1
-	Champion Recycling	Great Southwest	TX	2:1
	Chevron Chemical	Fldon	TX	
-	Chevron Chemical		TX	Agreement 2:1
-	Chevron Products	Orange Salt Lake City	UT	
		North Little Rock		2:1
-	Chicopee Inc (Personal Prod) Choctaw Inc		AR	2:1
-		Little Rock	AR	2:1
	Chris & Dicks Lbr & Hardware	Salt Lake City	UT	2:1
-	Christian Salveson	La Habra	CA	2:1
-	Church Of Jesus Christ LDS	Salt Lake City	UT	2:1
	Cit Con Oil	West Lake Charles		Agreement
-	Citgo Petroleum Corp	West Lake Charles		Agreement
-	Citgo Petroleum East Plant	Corpus Christi	TX	2:1
	Citgo Petroleum West Plant	Corpus Christi	тх	2:1
-	City Of Brownsville	Brownsville	тх	2:1
-	City Public Service	Elmendorf	тх	2:1
	Cloud Oak Flooring	Pine Bluff	AR	2:1
-	Coastal Chemical	Rennox	NV	2:1
-	Coastal Refining & Marketing	Corpus Christi	TX	2:1
	Commercial Stg & Distribution Co	Texarkana	ТХ	2:1
-	Condea Vista Co	West Lake	LA	Agreement
-	Conoco	West Lake	LA	Agreement
	Conoco Inc	Salt Lake City	UT	2:1
-	Conoco Inc	Durham	CO	New Facility
-	Conoco Inc	Lake Charles	LA	Agreement
	Continental Chemical Co	Sacramento	CA	2:1
-	Continental General Tire	Waco	TX	2:1
-	Continental Lime	Gclconda	NV	2:1
	Continental Lime	Carlin	NV	2:1
	Cooper Tire & Rubber Co	Texarkana	тх	2:1
	Coors Brewing		TX	2:1
	Contraction and Contraction an	C. Sur Courinoor		

	Coors Dist. of Santa Clara	San Jose	CA	2:1
	Corp Of The President (LDS Church)	Salt Lake City	UT	2:1
	Corporation Of The Presiding	Salt Lake City	UT	2:1
	Cortez Gold Mines	Beowawe	NV	2:1
	Crawford Door Sales	Salt Lake City	UT	2:1
	Crowley American Transport	Lake Charles	LA	2:1
_	Crum Crum	Yolo	CA	Transload
	Crus Distributing	Salt Lake City	UT	2:1
	Crystal Cold Storage	San Antonio	ТХ	2:1
_	Custom Bilt Cabinet & Supply #1	Shreveport	LA	Agreement
	D D Recycling	Great Southwest	тх	2:1
	D S Plastics	Great Southwest	ТХ	2:1
	Darragh Co	Little Rock	AR	2:1
	David Grant Trucking Inc	Ogden	UT	Transload
•	Defense Depot	Ogden	UT	2:1
	Defense Depct/U.S. Gov.	Lathrop	CA	2:1
	Defense Distribution Depot	Defense	ТХ	2:1
-	Del Monte Foods	Clearfield	UT	2:1
	Del Monte Foods Corp. Plant #3	San Jose	CA	2:1
	Drake Enterprises	Tornillo	тх	2:1
	DSC Logistics	Great Southwest	тх	Transload
	DSC Logistics	Clearfield	UT	2:1
	DSC Logistics (Lever)	Great Southwest	тх	Transload
	DSC Logistics (Pillsbury)	Great Southwest	тх	Transload
	Dupont	Vivian	NV	2:1
	Dupont De Nemours, E I	Orange	тх	2:1
	Durbano Metals	Ogden	UT	2:1
1	Dyce Chemical Ind	Ogden	UT	2:1
	Earthgrains	Harlingen	тх	2:1
	Eaton Metal Products	Salt Lake City	UT	2:1
	Ecolab Inc.	San Jose	CA	2:1
	Eimco Process Equipment	Salt Lake City	UT	2:1
	Eka Chemical	South Gate	CA	2:1
	El Paso Valley Cotton Assn	Clint	ТХ	2:1
	Encycle Texas Inc.	Corpus Christi	тх	2:1
	Engelhard	Salt Lake City	UT	2:1
	Equalizer	Waco	ТХ	Transload
	Equistar Chemicals LP	West Lake Charles	LA	Agreement
	Equitable Bag	Orange	тх	2:1
	Esco Distributors Inc	Corpus Christi	ТХ	2:1
	Excel Mining	Clearfield	UT	2:1
	Excel Paralubes	West Lake	LA	Agreement
	Exporters & Traders Compress & Whse Co	Waco	тх	2:1
	Exxon Chemical Americas	Mont Belvieu	тх	2:1
	Exxon Chemical Americas	Baytown	ТХ	Agreement
	Exxon Chemical Plastics	Baytown	TX	Agreement
	Exxon Company USA	Baytown	TX	Agreement
	FABPRO Oriented Polymers Inc	Clearfield	UT	2:1

		W/ Commente	CA	2:1
_	Farmers Rice Coop	W Sacramento	LA	2:1
	Farmers Rice Mill	Harbor	TX	2:1
	Farstad Oil	Buford	UT	2:1
-	Farwest Steel	Salt Lake City	TX	2:1
	Featherlite	Ysleta	CA	2:1
-	Feedstuffs Processing Co.	Turlock		Transload
_	Fiesta Warehousing Distribution	San Antonio	TX	2:1
	Firestone Syn Rubber Latex	Orange	TX	
-	Firestone Synthetic Rubber & Latex	West Lake Charles		Agreement
-	Fite Distribution Services	San Antonio	TX	2:1 2:1
	Fleenor Packing	Elmhurst	CA	2:1
-	Fleetwood Homes	Waco	TX	
-	Fleetwood Trailer Co	Waco	TX	2:1
	Fleischili Transload	Beowawe	NV	2:1
-	Fleischman's Yeast	Elmhurst	CA	2:1
-	Floor Service Supply Co.	San Jose	CA	2:1
	Flying J Inc	North Salt Lake City		2:1
-	Frank Lin Distillers Product Co.	San Jose	CA	2:1
-	Franklin Lumber Bldg Supply	Elko	NV	2:1
	Freeport Center	Clearfield	UT	2:1
-	Freeport Cold Storage	Clearfield	UT	2:1
-	Frito Lay	San Jose	CA	2:1
	Frito Lay	Great Southwest	TX	2:1
-	G E Appliances	Great Southwest	TX	2:1
-	G S Roofing Products	Livermore	CA	2:1
	G S Roofing Products Co Inc	Shreveport	LA	Agreement
-	Gatx Logistics	Clearfield	UT	2:1
	Gaylord Container Paper	Pine Bluff	AR	2:1
	Gaylord Graphics	Livermore	CA	2:1
	General Chemical Corp	Pine Bluff	AR	2:1
-	General Distributing	Salt Lake City	UT	2:1
	General Electric Railcar Repair	Texarkana	тх	2:1
	General Felt Industries	Salt Lake City	UT	2:1
	General Hardwoods	Great Southwest	ТХ	2:1
	General Motors	Fremont	CA	2:1
	General Tire	East Waco	ТХ	2:1
	Geneva Steel	Geneva	UT	2:1
-	Georgia Pacific	Harlingen	TX	2:1
	Georgia Pacific Corp	San Antonio	тх	2:1
	Georgia Pacific Corp	Shreveport	LA	Agreement
-	Georgia Pacific Corp	Little Rock	AR	2:1
	Gilchrist Bag	Camden	AR	2:1
	GLI Distributing	San Antonio	тх	2:1
	Goff Distribution Warehouse	Little Rock	AR	Transload
-	Grace Davison (W R Grace)	West Lake Charles		Agreement
	Great Salt Lake Minerals	Ogden	UT	2:1
	Great Salt Lake Minerals	Little Mountain	UT	2:1
-	Great Western Chemical	Salt Lake City	UT	2:1

Gross Yowell Lumber	Waco	TX	2:1 2:1
Gulf States Asphalt	Dumont	TX	2:1
Gulf States Paper	Waco	TX	
Halo Distributing	San Antonio	TX	2:1
Hardwoods Inc	Trevarno	CA	2:1
Harlingen Valley Compress	Harlingen	TX	2:1
Harrington Trucking Inc	Salt Lake City	UT	Transload
Harsac	Ogden	UT	2:1
Hart Lumber	San Antonio	TX	2:1
Hart Lumber Co Inc	Shreveport	LA	Agreement
Hill Brothers Chemical	Salt Lake City	UT	2:1
Hixson Lumber Sales	Pine Bluff	AR	2:1
Holnam	West Lake	LA	Agreement
Holnam	Salt Lake City	UT	2:1
Hood Clays Vr	San Antonio	ТХ	2:1
Hoover Treated Wood Prod	Pine Bluff	AR	2:1
Houston L&P #1	Dumont	TX	Agreement
Houston L&P #3	Dumont	TX	Agreement
Houston Shell & Concrete	Webster	TX	2:1
Hudson Foods	Dexter	MO	2:1
Imperial Bedding	San Antonio	TX	2:1
Imperial Holly	Sugar Land	TX	2:1
Ink	Great Southwest	TX	2:1
Inland Refining Inc	Woods Cross	UT	2:1
Intermod Industries	Ortega	CA	2:1
International Paper	Turlock	CA	2:1
International Paper Bag Pak	Camden	AR	2:1
International Paper Bagpak Div. (Closed)	San Jose	CA	2:1
International Paper Container Division	Ysleta	ТХ	2:1
International Paper Mill	Pine Bluff	AR	2:1
International Paper Southern Kraft	Camden	AR	2:1
Interstate Grain Corp	Corpus Christi	TX	2:1
Intsel Southwest	Great Southwest	TX	2:1
J J S Distributing	Texarkana	TX	2:1
Jarvis Paris Murphy	Waco	TX	2:1
Jewell Concrete Products	Waco	TX	2:1
Jewell Concrete Products	Tyler	TX	2:1
	Baytown	TX	2:1
Jindal United Steel Corp	Pine Bluff	AR	2:1
Johnson Metal Recyclers	West Lake	LA	Agreement
Jupiter Nash	Pleasanton	CA	2:1
Kaiser Sand Gravel	Victoria	TX	2:1
Kamin Furniture		CA	2:1
Karrolton Envelope	W Sacramento	AR	2:1
Kaufman Lumber Whse (7th St)	Little Rock		2:1
Kelly Springfield Tire	Tyler	TX	
Kennecott Utah Copper	Jayhawk	NV	2:1
Kennecott Utah Copper	Dunphy	NV	2:1
Kennecott Utah Copper	Redhouse	NV	2:1

	Kennecott Utah Copper Corp	Magna	UT	2:1
	Kerr McGee Chemical Corp	Texarkana	TX	2:1
	Key West Wire	San Jose	CA	2:1
	Kilborn International	Carlin	NV	2:1
	Kimberly Clark	Ogden	UT	2:1
	Koch Agri Services West	Ogden	UT	2:1
	Koch Industries	Corpus Christi	TX	2:1
	Koch Performance Asphalt Co	Woods Cross	UT	2:1
	Koppers Industries Inc.	North Little Rock	AR	2:1
_	Kruse Grain Milling, O.H.	Ontario	CA	2:1
	L Bloom & Sons	Ogden	UT	2:1
	Laidlaw Environmental Svcs	San Jose	CA	2:1
_	Lake Charles Carbon	Harbor	LA	2:1
	Lake Charles Harbor Terminal	Lake Charles	LA	Agreement
•	Lake Charles Public Elevator	Lake Charles	LA	Agreement
_	Lake Charles Stevedores	Harbor	LA	2:1
	Laroche Industries	Geneva	UT	2:1
-	LCRA Plant	Halsted	TX	2:1
-	Lifetime Products	Clearfield	UT	2:1
	Liquid Sugars	Salt Lake City	UT	2:1
-	Livermore Whse	Livermore	CA	2:1
	Lmd Warehouse Distribution	Great Southwest	TX	2:1
	Lone Star Brewing	San Antonio	TX	2:1
	Longview Fibre Co	Elmhurst	CA	2:1
	Lopez Scrap Metai	Buford	TX	2:1
	Los Angeles Chemical	South Gate	CA	2:1
	Lucky Food Stores	La Habra	CA	2:1
	Lucky Food Stores (Vacant Building)	Fullerton	CA	2:1
	M G Building Materials, Wholesale Div.	Heafer	TX	2:1
	M I Drilling Fluids	Battle Mountain	NV	2:1
	M I Drilling Fluids	Harbor	LA	2:1
	M Lipsitz	Waco	ТХ	2:1
	M M Mars	Waco	ТХ	2:1
	Mackie Automotive Southwest	Great Southwest	ТХ	2:1
	Malnove	Clearfield	UT	2:1
	Mariani, Ernest F. Co.	Salt Lake City	UT	Transload
	Mark Steel (W 200)	Salt Lake City	UT	2:1
	Markovits & Fox	San Jose	CA	2:1
_	Marmon Keystone	Salt Lake City	UT	2:1
	Matlack Systems	Great Southwest	ТХ	2:1
	May Foundry	Salt Lake City	UT	2:1
	McCoys Bldg Supply Center	Webster	тх	2:1
	McGregor Printing	Great Southwest	ТХ	2:1
•	McNabb Grain	Ogden	UT	2:1
	Merco Joint Venture	Sierra Blanca	ТХ	2:1
	Metro Lumber Industries	Waco	ТХ	2:1
	Metro Steel Recyclers Inc	Salt Lake City	UT	2:1
	Mid America Packaging Inc Div of Gaylord	Pine Bluff	AR	2:1

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