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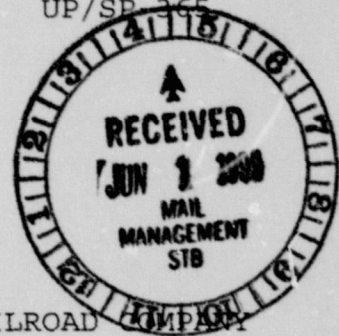
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BEFORE THE
SURFACE TRANSPORTATION BOARD

UP/SP 365



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

UP'S REPLY TO BNSF'S PETITION FOR CLARIFICATION

Applicants UPC, UPRR, and SPR^{1/} hereby file their response to BNSF's petition for clarification of its right to serve "new facilities on both SP-owned and UP-owned track" over which BNSF received trackage rights in the UP/SP-BNSF settlement agreement. Decision No. 44, p. 146. BNSF asks the Board to clarify the new facilities condition by declaring that a facility operated by Four Star Sugar Co. ("Four Star") at El Paso, Texas, which is located off the BNSF trackage rights lines at the back of the former SP's Dallas Street Yard and can only be reached by moving through the yard and over other active rail lines over which BNSF does not have trackage rights, is actually "on" the

^{1/} Acronyms used herein are the same as those in Appendix B of Decision No. 44. The following original applicants have been merged into UPRR: MPRR (on January 1, 1997); DRGW and SPCSL (on June 30, 1997); SSW (on September 30, 1997); and SPT (on February 1, 1998). For simplicity, and in light of the fact that SPT has merged with UPRR and no longer has any separate existence, we generally refer to the combined UP/SP rail system herein as "UP."

trackage rights line for purposes of the new facilities condition.

BNSF ignores clear Board precedent, and instead resorts to straw men and hyperbole, in an effort to convince the Board to define what constitutes a new facility located "on" the trackage rights in a way that would, if read literally, encompass a very large portion of the facilities on UP's lines. BNSF argues for this sweeping definition by falsely asserting that UP has adopted a "constricted" interpretation of what it means to be "on" a trackage rights line. BNSF also invokes a "traffic density" argument that the Board has squarely rejected, and that, after nearly three years of successful BNSF trackage rights operations, cannot be taken seriously.

The Board should reject BNSF's request that it adopt some sweeping definition of what it means to be "on" a trackage rights line, and should instead resolve the actual dispute before it. As the Board has previously recognized, the new facilities condition does not lend itself to sweeping definitions -- it must be applied by examining the unique facts of each situation: "A rule or guideline to cover all possible fact patterns . . . is simply not feasible or appropriate" Finance Docket No. 32760 (Sub-No. 21), Decision served Oct. 27, 1997 ("First Oversight Decision"), p. 12. Such a rule or guideline is no more appropriate today than it would have been a year and a half ago. The possible fact patterns are too varied to be captured by a simple rule. Moreover, the very small number of disputes that

have arisen over the past three years demonstrates that UP has not adopted an unduly "constricted" interpretation of what it means to be "on" a trackage rights line, and that there is no need to develop such a rule to ensure the success of the new facilities condition.

With respect to the Four Star facility at issue, the Board should reject BNSF's baseless assertions about the need for BNSF access to protect Four Star and Four Star's shippers, which in fact did benefit from siting competition when the Four Star facility was located where it is following the UP/SP merger. Rather, the Board should focus on the actual, on-the-ground facts. As the accompanying verified statements of John H. Ransom, UP's Manager-Interline Marketing, and Hugh S. Carr, UP's Business Manager of Industrial Development in Houston, explain, those facts demonstrate that Four Star is clearly not a new facility located "on" a trackage rights line. Four Star is located in the back of an active rail yard and can only be reached by moving off the trackage rights line, through the yard and over the same line that UP uses to move trains to the former Missouri Pacific yard in El Paso, and the International Yard, where cars are set out and picked up for interchange with FEX.

I. ARBITRATION VERSUS BOARD ADJUDICATION

BNSF devotes a substantial portion of its petition to the argument that the Board did not mean what it said when it ruled that "any further disputes between BNSF and UP arising under their settlement agreement should be arbitrated under the

provisions of that agreement before bringing the matter to us to resolve." Decision No. 81, served Sept. 30, 1998, p. 5. We do not take issue with the Board's power to decide this case if it elects to do so, but we believe that the Board also has the power to leave the parties to their bargained-for remedy. BNSF is wrong when it says (p. 10) that the Four Star dispute is not a dispute under the settlement agreement. The Board explicitly required UP and BNSF to "modify" their settlement agreement to include the expanded new facilities condition. Decision No. 44, p. 146. Thus, this dispute clearly falls within the settlement agreement's arbitration provision. Moreover, contrary to BNSF's suggestion (p. 11), there is no reason to think that arbitrating this dispute would lead to any more delay than is inherent in Board proceedings.

Although UP believes that this dispute should be arbitrated in accordance with the Board's instructions, we address the merits of the dispute below, in the event that the Board chooses to decide this case.

II. THE BOARD SHOULD REJECT BNSF'S INVITATION TO DEFINE WHAT CONSTITUTES A NEW FACILITY "ON" A TRACKAGE RIGHTS LINE

If the Board does not dismiss BNSF's petition in favor of arbitration, it should reject BNSF's invitation to craft some generalized definition of what constitutes a new facility "on" a trackage rights line, and it should reject BNSF's proposed definition in particular. BNSF would have the Board declare that it is entitled to serve new facilities that are "adjacent to

spurs, industrial tracks or yard tracks that are, in turn, served by trackage rights lines so long as such facilities are proximate to trackage rights lines and located to take advantage of the 'activity, work or function' of the line." Petition, p. 14. Such a sweeping definition is clearly overbroad, as it could encompass virtually any new facility remotely linked to a line over which BNSF received trackage rights.

BNSF attempts to defend its sweeping proposal by arguing (pp. 15-17) that the Board's purpose in imposing the new facilities condition was to protect shippers from the loss of siting competition between UP and SP. But BNSF's argument proves too much. The new facilities condition does not allow BNSF access to new facilities in any situation in which siting competition between UP and SP might conceivably have come into play. Rather, it applies only to facilities located "on" trackage rights lines. Thus, the issue that must be addressed in each case is whether a facility is "on" a trackage rights line.

This is not the first time that the BNSF has asked the Board to adopt an overly broad definition of which shippers are able to take advantage of the new facilities condition. The Board rejected a similar request in the first annual UP/SP merger oversight proceeding. The Board's reasoning in that decision was sound and bears repeating:

"We do not believe that it is necessary or appropriate for us to determine, in advance, the exact parameters of the new facilities condition. . . . A determination of whether a new facility

. . . addresses the loss of competition that this condition was intended to remedy, or whether instead it amounts to an overreach . . . is fact-specific; it cannot be made in a vacuum, nor can it be broadly defined. Rather, each determination will no doubt be unique, given the expected differences in each shipper's circumstances. Thus, in each case, we must examine the particular circumstances to determine whether the condition has been met."

First Oversight Decision, p. 12. The Board also noted that no "broadly applicable rules or declarations" were warranted because, although the new facilities condition had been in place for a year, only one controversy had been brought to its attention. Id., p. 13. It has now been almost three years, and this is only the second time such an issue has been brought to the Board. This fact alone conclusively demonstrates that the Board was correct when it held that there was no need to define the exact parameters of the new facilities condition. BNSF has shown no reason for revisiting the Board's conclusion.

BNSF claims (p. 15) that UP has interpreted what it means to be "on" a trackage rights line in a "constricted" manner that prohibits BNSF from serving any new facilities located on industrial track, spurs, and yard track. This is simply not true. In fact, BNSF refutes its own straw-man argument by describing (pp. 18-19, 19 n.12) several instances in which UP has granted access to facilities on industrial leads. Moreover, as discussed above, there have been only two disputes brought to the Board in the past three years, including this one. By comparison, in its most recent quarterly report, BNSF claims to

be serving seven "new facilities" (BNSF-PR-10, Att. 23), and UP has approved access to some half-dozen other "new facilities." BNSF is thus demonstrably wrong when it claims (p. 15) that "few if any" facilities would be opened to BNSF under UP's interpretation of the "new facilities" condition. The facts show that UP has not adopted a "constricted" view of the new facilities condition, and instead has followed the Board's instruction to consider each situation on a case-by-case basis.^{2/} We describe UP's reasons for denying BNSF access to Four Star in the next section.

III. FOUR STAR IS NOT A NEW FACILITY LOCATED "ON" A TRACKAGE RIGHTS LINE

The only issue presented in BNSF's petition that the Board should address, if it does not require the parties to arbitrate their dispute, is whether Four Star is "on" a trackage rights line, given Four Star's "unique" circumstance, or whether

^{2/} Because the evidence shows that UP has not adopted a "constricted" interpretation of the new facilities condition, it is unnecessary to answer BNSF's claim (p. 17) that UP's interpretation would "hamper" BNSF's efforts "to obtain adequate traffic density on the trackage rights lines." However, it is worth noting that BNSF once again tries to convince the Board that it did not mean what it said when it ruled that "[t]raffic density is irrelevant to the question of whether [a facility qualifies as] a 'new facility.'" Decision No. 75, served Oct. 27, 1997, p. 4 n.10. It is also worth noting in its most recent oversight decision, the Board found that "there now exists UP vs. BNSF competition, which appears to be at least as effective as the pre-merger UP vs. SP competition" and that UP's and BNSF's oversight reports "demonstrate that BNSF is providing fully competitive train service in every major trackage rights corridor, and is handling large and continually increasing volumes of business using the rights it acquired in connection with the merger." Finance Docket No. 32760 (Sub-No. 21), Decision served Dec. 21, 1998, pp. 8-9.

BNSF's request for access "amounts to an overreach." First Oversight Decision, p. 12. The facts show that BNSF's request amounts to an overreach.

Four Star is a facility in El Paso, Texas, located in the back of the former SP's Dallas Street Yard. Four Star transfers liquid sweeteners from rail tank cars to tank trucks for delivery to bottling companies in the vicinity of El Paso.

Prior to the UP/SP merger, El Paso received rail service from three Class I railroads -- UP, SP, and BNSF. It was thus a "3-to-2" point, not a "2-to-1" point. As depicted in Attachment B to BNSF's Petition, in addition to SP's Dallas Street Yard, both UP and BNSF have yards in El Paso that are in close proximity to each other and also near the point of interchange with FXE.

As a result of the settlement agreement, BNSF received trackage rights between El Paso and Sierra Blanca, Texas, to replace competitive service between those points that had been provided by both SP and UP. Although BNSF has an active operation at El Paso, it does not operate its own trackage rights trains to Sierra Blanca. Instead it relies on UP to provide haulage for BNSF's traffic.^{3/} According to its most recent quarterly report, BNSF's traffic on the Sierra Blanca-El Paso

^{3/} UP was not required to provide haulage as part of the settlement agreement, but agreed to do so as one of its many accommodations to BNSF. See Applicants' Submission of Final Settlement Agreement and Implementing Agreements With BN/Santa Fe (UP/SP-266), June 28, 1996.

line has grown from 286 loaded units in 1997 to 1,054 loaded units in 1998, and BNSF is on a pace to handle 1,386 units in 1999 BNSF-PR-11, Att. 5.^{4/}

As Mr. Carr explains in his verified statement, Archer Daniels Midland Company ("ADM") contacted UP in October 1996, shortly after the UP/SP merger had taken effect, on behalf of Four Star (which was then called Magnolia Coca-Cola). ADM ships liquid sweeteners to bottlers and was assisting Four Star in searching for a new location at which the commodity could be transferred from rail to truck. Such a terminal had been located on BNSF in Las Cruces, New Mexico, but a site closer to El Paso was preferred in light of BNSF's service. A local real estate broker was retained by Four Star and identified suitable prospective sites on BNSF and UP.

In December 1996, UP was advised that Four Star was interested in a UP site in the former SP Dallas Street Yard. UP entered into negotiations that ultimately resulted in UP's leasing Four Star a section of track and real estate at the back of the Dallas Street Yard. UP also made a number of property improvements, including paving nearby streets and alleys to

^{4/} Although the Board has made clear that BNSF's traffic density argument deserves no weight in assessing whether Four Star qualifies as a "new facility" (Decision No. 75, served Oct. 27, 1997 p. 4 n.10), it is also worth noting that such an argument is particularly meritless in this situation, where UP handles BNSF's traffic over the Sierra Blanca-El Paso trackage rights line under a UP haulage arrangement that feeds BNSF's established network of train operations to and from El Paso. This situation simply poses no question of whether volumes are sufficient to support competitive operations.

reduce dust in the transfer area, in order to make the property suitable for and acceptable to Four Star. UP's success in convincing Four Star to locate on UP rather than BNSF was due in no small part to the improved competition in El Paso that resulted from the UP/SP merger: UP was able to offer a new single-line route from UP-served shippers of liquid sweeteners in the Midwest to the new facility located in the former SP's Dallas Street Yard. UP's ability to locate the shipper in the former SP's Dallas Street Yard strengthened its ability to compete against potential sites on BNSF.

A. Four Star Is Not Located "On" a Trackage Rights Line

As Mr. Ransom describes in his verified statement, Four Star's location in relation to BNSF's trackage rights lines makes it very different from the type of facilities that UP has agreed should be treated under the settlement agreement as new facilities located "on" the BNSF trackage rights lines. Four Star's facility is located deep in the Dallas Street Yard in El Paso, and can be reached only by moving through the yard and over a line of railroad that is actively used for a number of purposes other than serving Four Star, and over which BNSF does not have trackage rights. Under these circumstances, Four Star cannot be considered to be "on" the El Paso-Sierra Blanca trackage rights line.

BNSF appears to have a fundamental misunderstanding of the track layout and the nature of UP's operations in the vicinity of the Dallas Street Yard. Contrary to BNSF's

assertions (Petition p. 5; Rickershauser VS, p. 3), BNSF's trackage rights line does not run through the center of the Dallas Street Yard; the track serving Four Star is not a simple industrial lead that connects directly to the trackage rights line; it is necessary to enter the Dallas Street Yard to serve Four Star; and the Dallas Street Yard is not an insignificant facility. BNSF's diagram (Petition, Att. B) misidentifies the trackage rights line and is inaccurate in a number of other respects.

An accurate diagram of UP's tracks in the vicinity of the Dallas Street Yard is attached to Mr. Ransom's verified statement. As that diagram shows, UP's main line, over which BNSF has trackage rights, runs to the north of the Dallas Street Yard, directly adjacent to Interstate I-10. (The main line can be seen running along I-10 in BNSF's photograph of the yard.) The main line does not run "through the center of the yard" (BNSF Petition p. 4; Rickershauser VS, p. 3).

In order to access the Four Star facility, a train must move off of UP's main line and move into the Dallas Street Yard. The Dallas Street Yard is an active flat switching yard, which has seven yard tracks and a capacity of 275 cars. UP uses the yard to build and process some 40 trains per day. The Dallas Street Yard is used as a switching support yard for trains made up in El Paso; it is an important facility for U.S.-Mexico traffic to be interchanged with FFE; and it is used for local

industry switching. The yard also includes facilities for locomotive fueling and servicing, and for car repairs.

When a train carrying traffic destined to the Four Star facility enters the yard, it must move over the same track that is used to access the yard's run-through tracks, which are used for crew changes, servicing trains and other yard activity. (BNSF's photograph shows cars sitting on these tracks, which appear to be the same tracks wrongly depicted on BNSF's diagram as the trackage rights line.) The train would also have to move over track that is used to access the yard's fueling, locomotive servicing, and car repair tracks.

After the train entered the Dallas Street Yard, it would then stop, and the cars destined to Four Star would be switched out. These cars would then be delivered to Four Star by a switch engine that would move the cars through the yard to the track that serves Four Star.

The track that serves Four Star is a multi-purpose track and is an active railroad line. It is the track that trains must use to access UP's line to the International Yard in El Paso, where cars are set out and picked up for interchange with FXE, and to access UP's line to the former Missouri Pacific yard in El Paso. It is also the same track that serves the Dallas Street Yard's rip tracks for car repairs. Ransom VS, p. 4.^{2/}

^{2/} Even if a train were to move directly from the trackage
(continued...)

In other words, the track serving Four Star is not a simple industrial lead to a shipper facility -- it is an active line of railroad over which BNSF does not have trackage rights. Nor is the Dallas Street Yard an insignificant facility -- it builds and processes trains and contains repair and fueling facilities.

It was based on these facts pertaining to the physical layout of the track structure and use, and yard activity, that UP advised BNSF that the Four Star facility was not located "on" the trackage rights line and thus not open to BNSF under the new facility condition. As evidenced by BNSF's Petition, UP gave this advice every time it was asked the question by BNSF. (See Petition, Att. D, E, H.)^{5/}

^{5/}(...continued)

rights line to Four Star, which would not be a realistic operation, it would still move over the same tracks that are used to access the Dallas Street Yard and the fueling and locomotive repair facilities, and it would still have to move over the track that is used to serve the International Yard, the former Missouri Pacific yard, and the Dallas Street Yard rip tracks. The only difference would be that train would not stop on one of the yard tracks for switching. Ransom VS, p. 4 n.1.

^{6/} BNSF cites a quote attributed to a member of UP's public relations staff in an October 19, 1998, edition of Rail Business apparently as evidence that one UP employee thought that BNSF had been granted access to Four Star. As BNSF is aware, however, there are well-established channels for it to use if it wants to obtain accurate information about the status of any particular facility. Indeed, on April 28, 1998, nearly six months earlier, UP's Linda Gaeta had responded to a BNSF request regarding Four Star and had informed BNSF by e-mail that Four Star was not open to BNSF (BNSF Petition, Att. D). UP's Charles Penner, Director-Industrial Development, had provided the same advice by letter on October 2 (id., Att. E). Moreover, when BNSF sought additional clarification after reading the Rail Business article, UP's John
(continued...)

BNSF argues (p. 18) that there is no difference between Four Star and other facilities located on spur tracks to which BNSF has gained access under the "new facilities" condition, such as R.R. Donnelley. BNSF is incorrect. As BNSF recognizes (p. 19 n.12), those other facilities were located in industrial parks along leads off the main line which had the single purpose of serving a number of shippers. None of those facilities were located in the back of an active rail yard where access would have required departing the trackage rights line, crossing through a yard, and moving over an active rail line on which BNSF did not have trackage rights in order to access the facility. UP did not claim that those other facilities were not located "on" a trackage rights line because it agreed that, in the specific circumstances in those cases, the facilities were located "on" trackage rights lines.

It is evident from an examination of the map and photograph submitted by BNSF, as well as the track diagram submitted as Exhibit A to Mr. Ransom's verified statement, that the Four Star facility is not in an industrial park located along a lead off the main line which has the single purpose of serving a number of shippers. The marked contrast between Four Star's location and the location of other shippers to which BNSF has been granted access can be seen in Exhibit B to Mr. Ransom's

^{5/} (...continued)

Ransom immediately confirmed UP's position that Four Star was not open to BNSF. Id. Att. H.

statement, which is a track diagram that shows the location of the R.R. Donnelley facility that BNSF repeatedly describes. This does not mean that UP believes that every new facility located in an industrial park is "on" a trackage rights line or that every new facility located in a yard is not "on" a trackage rights line. Rather, each case must be judged on its own unique set of facts.

Applying its informed analysis to the specific facts of the specific shipper facility at issue, UP concluded that the facts in Four Star's case demonstrate that it is not a new facility located "on" a trackage rights line.

B. Access to Four Star Is Not Necessary to Address the Loss of Competition That the "New Facilities" Condition Was Intended to Remedy

In its decision in the first annual oversight proceeding, the Board explained that, in determining whether a facility falls under the "new facilities" condition, it is important to consider whether granting BNSF access to the facility would "address[] the loss of competition that this condition was intended to remedy." First Oversight Decision, p. 12. Here, the clear answer is that it would not.

1. Post-Merger Siting Competition Exists in El Paso

The Board has explained that the "new facilities" condition was designed to preserve siting competition that was lost as a result of the UP/SP merger and ensure that BNSF would be able to achieve sufficient density on its trackage rights lines. Decision No. 61, served Nov. 20, 1996, p. 9. The "siting

competition" justification has no application, however, in a location such as El Paso.^{1/}

As noted above, El Paso was a "3-to-2" point, not a "2-to-1" point. Prior to the UP/SP merger, BNSF had active operations in El Paso, and it continues to have active operations in El Paso. Indeed, the photograph submitted along with BNSF's petition shows that BNSF's El Paso yard is within eyesight of the former SP's Dallas Street Yard. Even after the UP/SP merger, Four Star benefitted from two-railroad siting competition in El Paso. Indeed, as the Board found when it approved the merger, competition improved at this "3-to-2" location because UP was able to offer Four Star a site on the former SP and single-line service from UP-served shippers.

2. Four Star Benefitted From Siting Competition

The existence of siting competition in a city such as El Paso, where BNSF had its own operations prior to the UP/SP merger, is particularly apparent in the case of Four Star. As Mr. Carr explains in his verified statement, Four Star consciously selected the UP site for its rail-truck terminal in the Dallas Street Yard after having a real estate broker search for and locate potential sites on both BNSF and UP. UP's offer to Four Star was based on the understanding that it was competing with BNSF for the ability to site Four Star. UP never led Four Star to believe that it would have access to BNSF if it chose the

^{1/} The "density" justification clearly has no applicability here. See note 4, supra.

Dallas Street Yard site, and Four Star never expressed such a belief to UP. Four Star has not filed a statement supporting BNSF's petition. Instead, BNSF has filed a support statement from Cerestar USA, Inc., a shipper whose only connection to this case seems to be that it lost business from its BNSF-served mill when Four Star located its own facility in El Paso and ceased using a BNSF-served facility in Las Cruces, New Mexico.

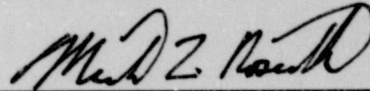
CONCLUSION

The dispute between UP and BNSF regarding access to Four Star Sugar is driven by the specific facts of the situation. The Board should reject BNSF's attempt to establish a sweeping definition of what it means to be "on" a trackage rights line, and should instead focus on the specific issue presented by the Four Star dispute. That issue is whether BNSF should have access to a facility located in the back of an active rail yard that may be accessed only by using an active rail line on which BNSF does not have trackage rights and that the receiver built after considering sites made available by both UP and BNSF. UP submits that the clear answer is "No." Under the unique circumstances applicable to Four Star, BNSF's petition for access should be denied.

Respectfully submitted,

CARL W. VON BERNUTH
Union Pacific Corporation
Suite 5900
1717 Main Street
Dallas, Texas 75201
(214) 743-5600

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 Applicants

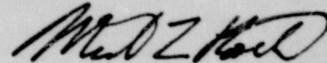
June 1, 1999

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 1st day of June, 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

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



Michael L. Rosenthal

VERIFIED STATEMENT

OF

JOHN H. RANSOM

My name is John H. Ransom. I am the Manager-Interline Marketing for Union Pacific Railroad. My office is located at UP's headquarters, 1416 Dodge Street, Omaha, NE 68179. I have been employed by UP since September 1971. I have been the Manager of Interline Marketing since July 1995.

Since the Board's approval of the UP/SP merger, I have been involved in the implementation of the merger and the conditions imposed by the Board with respect to UP's settlement agreements with BNSF. Specifically, I have had the primary responsibility for investigating and researching questions concerning BNSF's access to shipper facilities on UP and former SP lines as a result of the conditions to the merger. Anytime a question arises about BNSF's right to serve a particular facility, the question is usually directed to me by BNSF or referred to me by others at UP. On each occasion when a question has arisen, I have gathered information about the facility at issue. When necessary, I contact UP operating officers and other UP personnel in the area of the facility who are likely to be more familiar with the facility to make sure that I understand the facts. Only then do I provide my opinion on whether or not BNSF has access to a facility based on the settlement agreements and the Board's decisions.

I am familiar with BNSF's petition to the Board concerning the Four Star Sugar facility in El Paso, Texas, which began operations on UP property in the former SP's Dallas Street Yard after the UP/SP merger was approved and UP assumed control

of SP. The facility transfers liquid sweeteners from rail tank cars to tank trucks for delivery to Coca-Cola bottlers in the vicinity.

As BNSF points out in its petition, I sent a letter dated November 5, 1998 to Pete Rickershauser in response to his request for a clarification of UP's position regarding BNSF access to the Four Star facility. UP has consistently advised BNSF that this facility is not open to BNSF under the terms of the settlement agreement. While the SP's El Paso-Sierra Blanca line over which BNSF has trackage rights passes in the general vicinity of Four Star, it is clear from the facts that the Four Star facility is not "on" the trackage rights line and that BNSF therefore is not entitled to access the facility under the "new facilities" provision of the settlement agreement.

Of all the new facility questions I have been asked to review, this is the only one that has involved a facility that is buried in the back of an active UP yard and that can only be reached by moving over other active UP rail lines on which BNSF does not have trackage rights.

BNSF appears to misunderstand both the track layout and the nature of UP's operations in the vicinity of the Dallas Street Yard. BNSF's witness Rickershauser claims that BNSF's trackage rights line runs "through the center of the yard," that the Four Star facility is connected to the trackage rights line by an "industrial lead [that] connects directly to the trackage rights line," and that "it is not necessary to enter the yard to serve the facility from the trackage rights line." Rickershauser VS, p. 3. He also attempts to minimize the size and activity of the Dallas Street Yard. Mr. Rickershauser is wrong on all counts. He may have been misled in part by the diagram attached to

BNSF's petition, which does not accurately depict the Dallas Street Yard.

I have attached as Exhibit A to my statement an accurate track diagram of the Dallas Street Yard as an exhibit to this statement. As that diagram shows, UP's main line, over which BNSF has trackage rights, does not run through the center of the yard. Instead, it runs along the north side of the yard, directly adjacent to Interstate I-10. (The line can be seen in BNSF's photograph of the yard running right next to I-10.)

As the attached track diagram also shows, in order to access the Four Star facility, a train would have to move off of UP's main line and move into the Dallas Street Yard. The yard is an active flat switching yard with seven yard tracks which have a capacity of 275 cars. The yard is used to flat switch cars to fill trains made up in El Paso. The yard is also a major facility for U.S.-Mexico traffic to be interchanged with FXE, and it is used as an industry support yard for local industry switching. The yard also contains car repair and locomotive repair and servicing facilities. UP has four switch engines and one local train that start work at the Dallas Street Yard.

When a train carrying traffic destined to Four Star enters the Dallas Street Yard, it must move over the same track that is used to access the yard's run-through tracks, which are used for crew changes, servicing trains and other yard activities. (BNSF's photograph shows cars sitting on these tracks.) The train would also have to move over track that is used to access the yard's fueling, locomotive servicing tracks, and rip track facility.

After the train enters the Dallas Street Yard, it would then stop, and the cars destined to Four Star would be switched out. These cars would be delivered to

Four Star by a switch engine that would move through the yard to the lead that serves Four Star.

As the attached track diagram shows, the Four Star facility is situated on a stub-end track at the south side of the yard. It is served by a track that trains must use to access UP's line to the International Yard, where cars are set out and picked up for interchange with FXE, to access the former MP yard in El Paso, and to access the yard's rip tracks. In other words, the track serving Four Star is an active railroad line, and BNSF does not have trackage rights over that line.¹

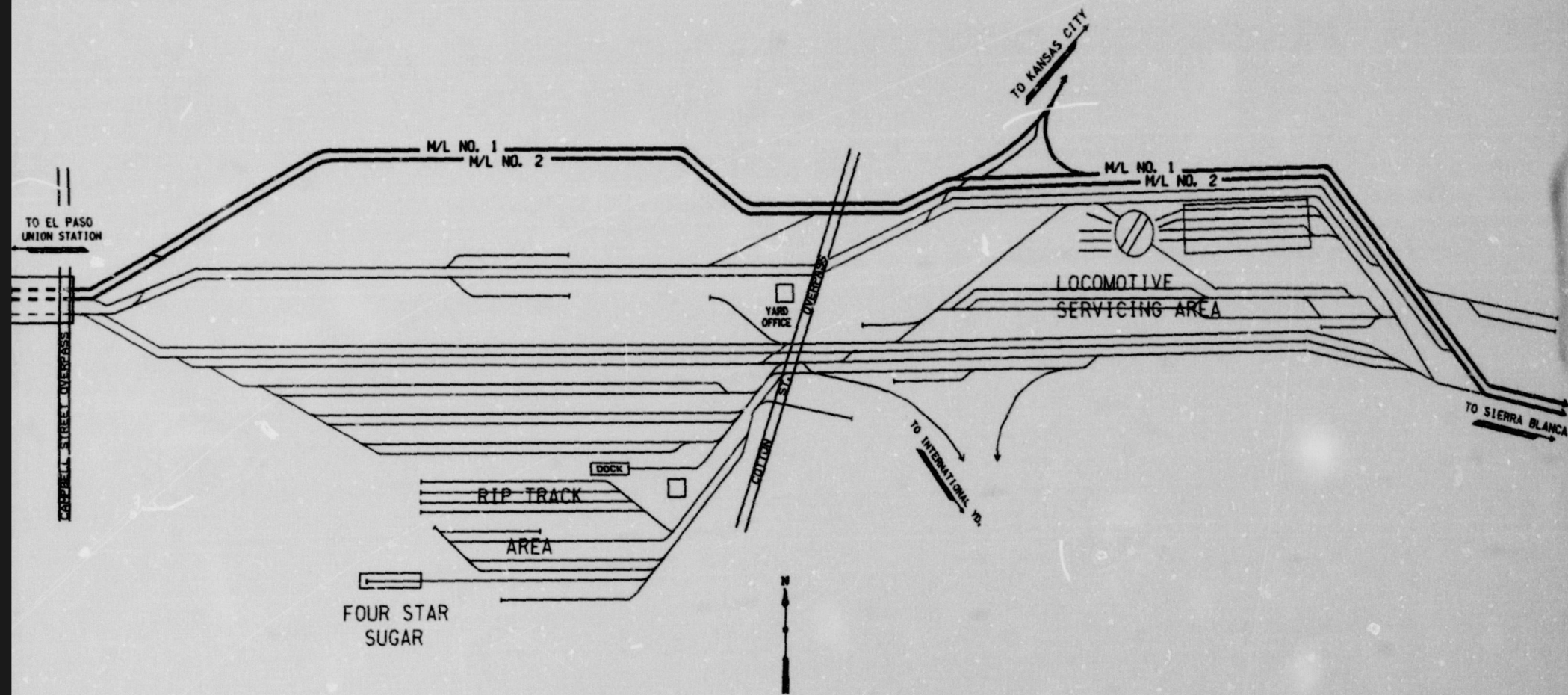
These circumstances make the Four Star facility significantly different from any other "new facility" issue I have reviewed. BNSF's previous requests, including those that are specifically cited in BNSF's petition such as its request to access R.R. Donnelley, involved industrial parks in which a number of shipper facilities were served via an industrial lead off a trackage rights line that passed by or through the industrial development. I have attached as Exhibit B to my statement a diagram that shows the industrial park in which the R.R. Donnelley facility is located. The differences are obvious. The track serving Four Star is not a simple industrial lead -- it is an active, multi-purpose line. Moreover, unlike other facilities to which BNSF has received access, Four Star is located in the back of an active rail yard.

¹Even if a train were to move directly from the trackage rights line to Four Star, which is not realistic, it would still have to move over the same tracks that are used to access the Dallas Street Yard and the fueling and locomotive repair facilities, and it would still have to move over the track that is used to serve the International Yard, the former Missouri Pacific yard, and the Dallas Street Yard rip tracks. The only difference is that the train would not stop on one of the yard tracks for switching.

BNSF's argument that it has access to any new facility adjacent to spurs, industry tracks or yard tracks that are, in turn, served by the trackage rights lines is a sweeping attempt to encompass virtually any new facility or new transload remotely linked to a line over which BNSF has received trackage rights. But the Board does not have to address that issue. It only has to do what I do when I am presented with a request from BNSF, which is to address the specific factual situation at hand. The only real question, then, is whether the Four Star facility, which was located at the receiver's specific request at the back of an active yard accessible only over a track used for active rail operations on which BNSF does not have trackage rights, is accessible to BNSF under the settlement agreement.

BNSF claims that it needs access to facilities like Four Star Sugar to build traffic density to support its trackage rights operation over lines to which it gained access as a result of the UP/SP merger. That argument seems very farfetched in this instance. BNSF served El Paso prior to the merger and even had the opportunity to capture Four Star's facility exclusively on its line. Moreover, BNSF does not even operate its own trains on the El Paso-Sierra Blanca trackage rights. Instead, it relies on UP to provide haulage. BNSF has no need to increase density on the line to support its trackage rights operations.

EXHIBIT A



——— BNSF TRACKAGE RIGHTS
 ——— UPRR TRACK

BNSF HAS TRACKAGE RIGHTS - EL PASO TO
 SIERRA BLANCA. STB FINANCE DOC #32760
 EFFECTIVE SEPTEMBER 11, 1996

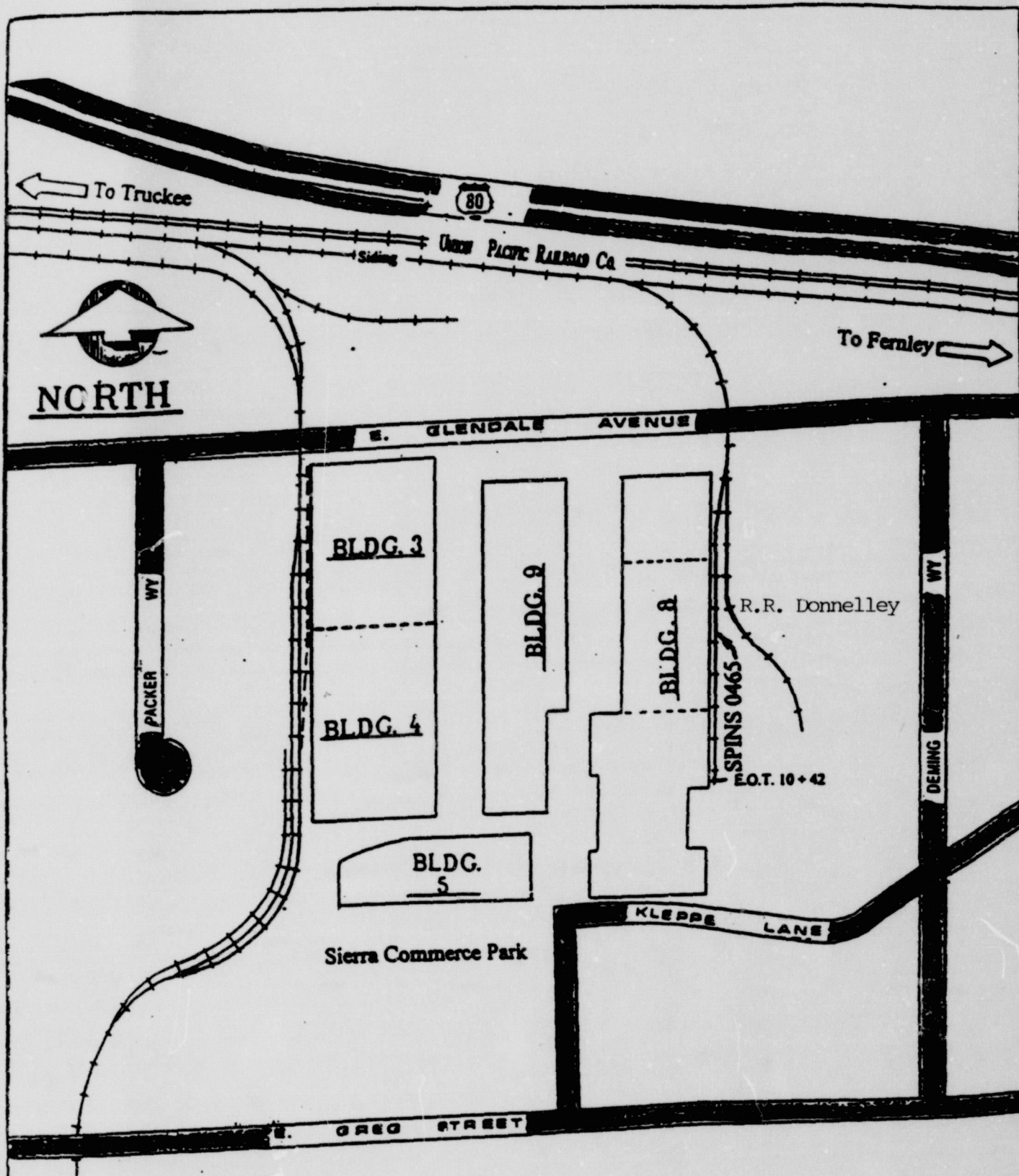


DALLAS ST. YARD
 EL PASO, TX.

THE ENGINEERING DEPARTMENT
 OMAHA, NE ND SCALE

FILE EL PASO.DWG REVISION 00-27-99
 000116.PDW

EXHIBIT B



Vicinity Map

Scale: 1" = 400'

VERIFICATION

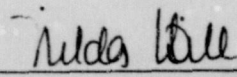
STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

I, JOHN H. RANSOM, being duly sworn, state that I have read the foregoing statement, that I know its contents, and that those contents are true as stated.



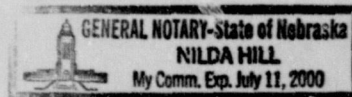
JOHN H. RANSOM

SUBSCRIBED AND SWORN TO before me this 27th day of May 1999.



NOTARY PUBLIC

My Commission Expires:



VERIFIED STATEMENT

OF

HUGH S. CARR

My name is Hugh S. Carr. I am the Business Manager of Industrial Development in the Houston office of Union Pacific Railroad's Marketing & Sales Department. My office is located at 24125 Aldine-Westfield Road in Spring, Texas.

I have been in Industrial Development since August 1989, first with Southern Pacific and now with UP as a result of the UP/SP merger. El Paso, Texas is part of the territory for which I am responsible.

I am familiar with the Four Star Sugar rail-to-truck transfer facility in El Paso. UP was contacted by Archer Daniels Midland Company ("ADM") in October 1996 on behalf of Magnolia Sugar, a part of Coca-Cola. ADM ships corn sweetener to the Coca-Cola bottlers and was working with Magnolia to locate a transload site. A local real estate broker was then asked on behalf of Four Star (then known as Magnolia Coca-Cola Bottling Company) to find suitable locations. The broker, who was with Best Real Estate of El Paso, was looking for a site in El Paso either on BNSF or UP. The new site was to be for the transfer of liquid sweeteners from rail cars to trucks for delivery to local bottling facilities. The El Paso facility was being sought to replace a rail-to-truck transfer facility on the BNSF in Las Cruces, New Mexico. As a result of the UP/SP merger, UP was in a better position to compete with BNSF for this business because the combined UP/SP system is able to provide single line service from liquid sweetener origins in the Midwest to the SP location in El Paso.

The real estate broker submitted sites on both UP and BNSF to Four Star for consideration. After Four Star reviewed several locations on both BNSF and UP trackage, UP was asked by Four Star's representative to make a proposal for siting the facility on the track in the SP's Dallas Street Yard. Since the track location selected was in an active yard, UP's Operating Department had to approve the location specifically. UP also agreed to paving certain roads leading to the location. Finally, UP entered into a lease with Four Star for use of the track and the UP-owned real estate. There was no representation made to Four Star that this site would be accessible to BNSF; and, to my knowledge, Four Star had no expectation that BNSF would have access to the facility in the Dallas Street Yard.

The location selected by Four Star is not an industrial park or similar industrial trackage along a main line. It is readily accessible to the streets in El Paso, but it is also set back significantly from the main line. It is not located on or in an industrial park or similar piece of industrial property. Rather it is clearly set up in a yard location well back from the main line which can be reached only after movements over a number of different yard tracks.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MONTGOMERY)

I, HUGH S. CARR, being duly sworn, state that I have read the foregoing statement, that I know its contents, and that those contents are true as stated.

Hugh S Carr

HUGH S. CARR

SUBSCRIBED AND SWORN TO before me this 27th day of May 1999.



Landy Charlton
NOTARY PUBLIC

My Commission Expires: 9.2.00

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Item No. _____

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BEFORE THE
TRANSPORTATION BOARD



Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSES TO CHEMICAL MANUFACTURERS
ASSOCIATION'S INTERROGATORIES TO APPLICANTS
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

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

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

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

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

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

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

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

ENTERED
Office of the Secretary

MAR 13 1996

March 12, 1996

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

APPLICANTS' RESPONSES TO CHEMICAL MANUFACTURERS
ASSOCIATION'S INTERROGATORIES TO APPLICANTS
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,^{1/}
collectively, "Applicants," hereby respond to Chemical Manu-
facturers Association's Interrogatories and Requests for
Production of Documents.

GENERAL RESPONSES

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

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

^{1/} UPC, UPRR, and MPRR are referred to collectively as
"Union Pacific." UPRR and MPRR are referred to collectively
as "UP." SPR, SPT, SSW, SPCSL and DRGW are referred to
collectively as "Southern Pacific." SPT, SSW, SPCSL and
DRGW are referred to collectively as "SP."

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

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

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

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

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

GENERAL OBJECTIONS

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

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

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

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

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

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

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

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

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"In accordance with Mr. Peterson's undertaking at his deposition session on February 6, 1996 to provide more detailed information concerning a list of locations proffered by the undersigned counsel (and listed on what was marked as Peterson deposition Exhibit 1), please state, for each of the locations listed on Attachment A hereto (an identical copy of said deposition exhibit) (a) whether the location, or any portion of the real estate at the location is considered by Applicants to be a "2-to-1" point as that term has commonly been used in this proceeding (i.e., a point, or facility at a point, that would following the proposed merger be open to service by the Burlington Northern Santa Fe under the trackage rights agreement dated 25th September 1996 [sic], as amended); (b) if a portion of the real estate at the location is considered by Applicants to be a 2-to-1 point, which portion

is so considered; and (c) if the location or a portion of the real estate there is not considered by Applicants to be a 2-to-1 point, the specific reason(s) why it was not so considered, including what specific criterion or criteria for inclusion in the Applicants' list of 2-to-1 points the point failed to meet."

Response

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

Responsive information will be produced.

Document Request No. 1

"Please provide all notes, memoranda, or other documents whether in paper form or stored on a computer or in other electronic form, that refer to the locations listed on Attachment A and were prepared as part of Applicant's work to delineate which locations or points (or portions of locations or points) are 2-to-1 points as that term is defined above."

Response

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

Responsive information may be found in Mr. Peterson's workpapers. See Document Nos. HC01-004821 to 5139 and HC01-006273 to 6516 in Applicants' document depository.

General Objections stated above, Applicants respond as follows:

Extensive responsive material, including shipper files and business plans, has already been produced, and files of pertinent UP and SP executives have already been searched for documents relating to much of the scope of this request.

Source competition between UP and SP was discussed at the January 26, 1996 discovery conference. Tr., pp. 704-05. Applicants stipulated in response to KCS Interrogatory No. 21 that source competition "occurs with respect

to many commodities and most major transportation corridors."

Tr., p. 704.

Respectfully submitted,

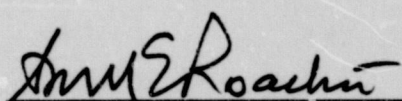
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

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

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

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

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


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

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

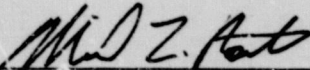
March 12, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 12th day of March, 1996, I caused a copy of the foregoing document to be served by hand on Scott N. Stone, counsel for the Chemical Manufacturers Association, at Patton Boggs, L.L.P., 2550 M Street, N.W., Washington, D.C. 20037-1350, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

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



Michael L. Rosenthal

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Item No. _____

Page Count 6

Mar. # 237

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

1100 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-3934

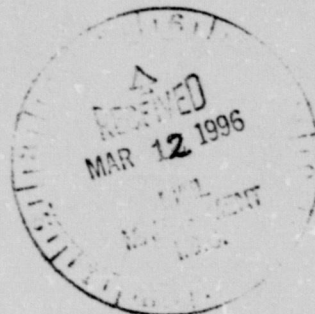
OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

March 12, 1996

Via Hand Delivery

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Department of Transportation
Room 1324
12th Street & Constitution Avenue, NW
Washington, DC 20423



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

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are an original and twenty (20) copies of THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE'S INITIAL RESPONSES TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS. A 3.5-inch diskette containing this pleading in Word Perfect 5.1 is also enclosed. Additionally, an extra copy of this pleading is enclosed for the purpose of date stamping and returning to our office.

Respectfully submitted,

Nicholas J. DiMichel

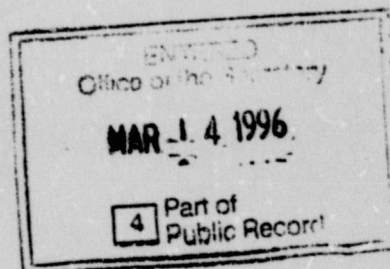
Frederic L. Wood

Attorneys for The National
Industrial Transportation League

Enclosures

cc: Arvid E. Roach II, Esquire
Paul A. Cunningham, Esquire
Honorable Jerome Nelson
Restricted Service List
(all with enclosures)

0124-480



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 32760

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

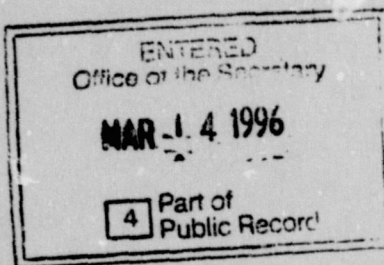
— CONTROL AND MERGER —

**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 NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE'S
INITIAL RESPONSES
TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**



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



***Attorneys for The National Industrial
Transportation League***

March 12, 1996

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 32760

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

— CONTROL AND MERGER —

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

**THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE'S
INITIAL RESPONSES
TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

The National Industrial Transportation League ("NIT League") submits the following Initial Responses to the First Set of Interrogatories and Requests for Production of Documents propounded by Applicants on February 27, 1996. On March 4, 1996, NIT League submitted Objections to this First Set of Interrogatories and Requests for Production of Documents. On March 8, 1996, in a discovery conference, the Administrative Law Judge in this proceeding ruled that certain of the discovery propounded by Applicants on February 27, 1996 was appropriate, but that certain of the discovery should be reformulated and resubmitted under an accelerated procedural schedule after the filing of evidence in this proceeding, currently scheduled for March 29, 1996. In other words, in the March 8 discovery conference, the ALJ ruled that the February 27 discovery should be conducted in two "phases," with "Phase I" discovery to be propounded now, and "Phase II" discovery appropriate for resubmission and

reformulation in light of the filings on March 29. Consequently, NIT League hereby responds to the Phase I discovery identified by the ALJ to be answered on March 12, 1996.¹

Interrogatory No. 2

Identify all members of the NIT League.

Initial Response to Interrogatory No. 2

A list of the members of the NIT League will be placed in the document depository established in the offices of Donelan, Cleary, Wood and Maser, P.C.

Document Request No. 15

Produce all presentations, letters, memoranda, white papers or other documents sent or given by NIT League or its members to DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Initial Response to Document Request No. 15

In the discovery conference on March 8, the ALJ ruled that presentation, letters, etc. to security analysts and other financial addressees are Phase I questions for which answers are due on March 12. Subject to the objections set forth on March 4, 1994, NIT League states it has sent or given no presentations, solicitations, etc. to security analysts and other financial addressees relating to the UP/SP merger as sought in the Document Request.

¹ As noted in the transcript of the discovery conference, certain of the "Phase I" discovery is required to be answered on March 12, 1996, while other "Phase I" discovery is required to be answered on April 1, 1996. The responses encompassed in these Initial Responses by Dow is limited to the discovery that is required to be answered on March 12, 1996. Responses will be made beginning on April 1 for interrogatories and document requests identified by the ALJ for response on that date.

Document Request No. 16

Produce notes of, or memoranda relating to, any meetings with DOJ, DGT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Initial Response to Document Request No. 16

In the discovery conference on March 8, the ALJ ruled that notes or memoranda of any meetings with security analysts and other financial addressees are Phase I questions for which answers are due on March 12. Subject to the objections set forth by NIT League on March 4, 1996, NIT League states it has no notes or memoranda relating to any meetings with security analysts and other financial addressees relating to the UP/SP merger as sought in the Document Request.

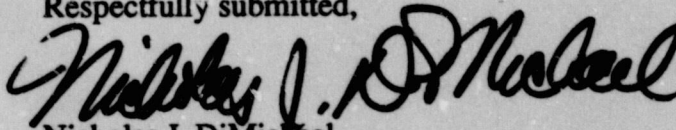
Document Request No. 23

Produce all NIT League publications that refer to the UP/SP merger.

Initial Response to Document Request No. 23

The NIT League will produce publications that refer to the UP/SP merger in the document depository established in the offices of Donelan, Cleary, Wood and Maser, P.C.

Respectfully submitted,

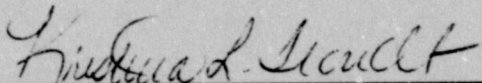

Nicholas J. DiMichael
Frederic L. Wood
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W., Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

March 12, 1996

*Attorneys for The National Industrial
Transportation League*

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing INITIAL RESPONSES OF THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS has been served by First Class Mail, postage prepaid, on all parties on the restricted service list in this proceeding on this 12th day of March 1996, and by facsimile to Washington, D.C. counsel for Applicants.



Kristina L. Troudt

STB

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Item No. _____

Page Count 2

Mar. # 210

WN & PLATT

41A AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

CAGO
ILIN
BRUSSELS
HOUSTON
LONDON
LOS ANGELES
NEW YORK
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARETTE, NADER & ROJAS

202-463-2000
TELEX 892603
FACSIMILE
202-861-0473

ERIKA Z. JONES
202-778-0002

MAR 12 1996

March 11, 1996



TO ALL COUNSEL ON THE RESTRICTED SERVICE LIST

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

BN/Santa Fe has completed its review of the deposition transcripts of Larry M. Lawrence.

BN/Santa Fe designates the following portions of the transcripts "Highly Confidential."

Page 94, line 3

Page 95, line 2 through Page 95, line 3

Page 95, line 9 through Page 95, line 11

Exhibit 1

BN/Santa Fe designates the following portions of the transcripts "Confidential."

Page 36, line 11 through Page 36, line 14

Page 66, line 22 through Page 67, line 1

Page 67, line 8 through Page 67, line 16

Page 67, line 23 through Page 69, line 25

Page 70, line 16 through Page 70, line 17

Page 71, line 9 through Page 72, line 9

Page 72, line 20 through Page 72, line 25

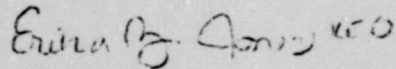
Page 84, line 5 through Page 84, line 9

All Counsel On The Restricted Service List
March 11, 1996
Page 2

Page 121, line 3 through Page 121, line 5

Redacted versions of the transcripts will be available in
the BN/Santa Fe document depository.

Sincerely,

A handwritten signature in dark ink, appearing to read "Erika Z. Jones". The signature is fluid and cursive, with the last name "Jones" being more legible than the first name "Erika".

Erika Z. Jones

cc: The Honorable Jerome Nelson
The Honorable Vernon Williams

STB

FD

32760

3-12-96

D

61775

Item No. _____

Page Count 7

Mar. # 231

LEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

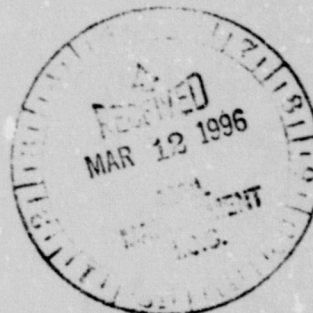
OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

March 12, 1996

Via Hand Delivery

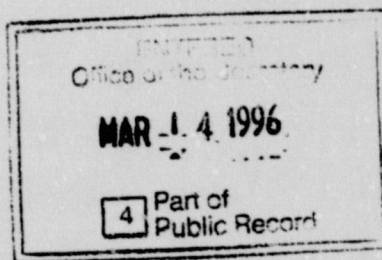
Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Department of Transportation
Room 1324
12th Street & Constitution Avenue, NW
Washington, DC 20423



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

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are an original and twenty (20) copies of THE DOW CHEMICAL COMPANY'S INITIAL RESPONSES TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS. A 3.5-inch diskette containing this pleading in Word Perfect 5.1 is also enclosed. Additionally, an extra copy of this pleading is enclosed for the purpose of date stamping and returning to our office.



Respectfully submitted,

Nicholas J. DiMichael
Nicholas J. DiMichael
Jeffrey O. Moreno
Attorneys for The Dow Chemical Company

Enclosures

cc: Arvid E. Roach II, Esquire
Paul A. Cunningham, Esquire
Honorable Jerome Nelson
Restricted Service List
(all with enclosures)

1750-020

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

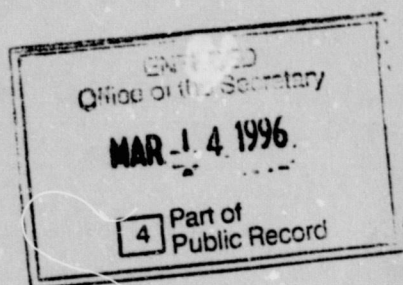
Finance Docket No. 32763

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

— CONTROL AND MERGER —

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

**THE DOW CHEMICAL COMPANY'S
INITIAL RESPONSES
TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**



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

Attorneys for The Dow Chemical Company

March 12, 1996

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 32760

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

— CONTROL AND MERGER —

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

**THE DOW CHEMICAL COMPANY'S
INITIAL RESPONSES
TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

The Dow Chemical Company ("Dow") submits the following Initial Responses to the First Set of Interrogatories and Requests for Production of Documents propounded by Applicants on February 27, 1996. On March 4, 1996, Dow submitted Objections to this First Set of Interrogatories and Requests for Production of Documents. On March 8, 1996, in a discovery conference, the Administrative Law Judge in this proceeding ruled that certain of the discovery propounded by Applicants on February 27, 1996 was appropriate, but that certain of the discovery should be reformulated and resubmitted under an accelerated procedural schedule after the filing of evidence in this proceeding, currently scheduled for March 29, 1996. In other words, in the March 8 discovery conference, the ALJ ruled that the February 27 discovery should be conducted in two "phases," with "Phase I" discovery to be propounded now, and "Phase II" discovery appropriate for resubmission and reformulation in light of the filings on March 29.

Consequently, Dow hereby responds to the Phase I discovery identified by the ALJ to be answered on March 12, 1996.¹

Document Request No. 15

Produce all presentations, letters, memoranda, white papers or other documents sent or given by Dow or its members to DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Initial Response to Document Request No. 15

In the discovery conference on March 8, the ALJ ruled that presentation, letters, etc. to security analysts and other financial addressees are Phase I questions for which answers are due on March 12. Subject to the objections set forth on March 4, 1994, Dow states it has sent or given no presentations, solicitations, etc. to security analysts and other financial addressees relating to the UP/SP merger as sought in the Document Request.

Document Request No. 16

Produce notes of, or memoranda relating to, any meetings with DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Initial Response to Document Request No. 16

In the discovery conference on March 8, the ALJ ruled that notes or memoranda of any meetings with security analysts and other financial addressees are Phase I

¹ As noted in the transcript of the discovery conference, certain of the "Phase I" discovery is required to be answered on March 12, 1996, while other "Phase I" discovery is required to be answered on April 1, 1996. The responses encompassed in these Initial Responses by Dow is limited to the discovery that is required to be answered on March 12, 1996. Responses will be made beginning on April 1 for interrogatories and document requests identified by the ALJ for response on that date.

questions for which answers are due on March 12. Subject to the objections set forth by Dow on March 4, 1996, Dow states it has no notes or memoranda relating to any meetings with security analysts and other financial addressees relating to the UP/SP merger as sought in the Document Request.

Document Request No. 23

Produce all studies, reports or analyses relating to collusion among competing railroads or the risk thereof.

Initial Response to Document Request No. 23

In the discovery conference on March 8, the ALJ ruled that studies, reports, or analyses relating to collusion, located in the files of officers responsible for marketing or strategic planning, among competing railroads and the risk thereof is an appropriate Phase I question. Subject to the objections set forth by Dow on March 4, Dow states that it has no such studies, reports or analyses.

Document Request No. 24

Produce all studies, reports or analyses relating to the terms for or effectiveness of trackage rights.

Initial Response to Document Request No. 24

In the discovery conference on March 8, the ALJ ruled that studies, reports, analyses relating to the effectiveness of trackage rights (but not to the terms for trackage rights) is an appropriate Phase I question. Subject to the objections set forth by Dow on March 4, Dow states that it has no such studies, reports or analyses.

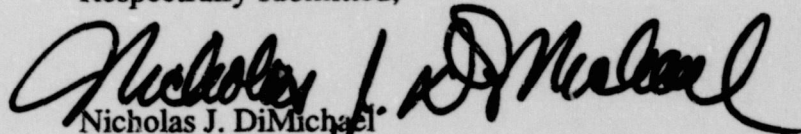
Document Request No. 26

Produce Dow's files regarding the transportation (including the transportation by non-rail modes) of all commodities that Dow has moved via UP or SP since January 1, 1993.

Initial Response to Document Request No. 26

This Document Request was not specifically ruled upon by the ALJ on March 8, 1996.² Dow believes that this Document Request is clearly a Phase II request that would be better propounded in more focused form after the submission of evidence on March 29, 1996. To the extent that there is disagreement on this point, Dow repeats the objections set forth on March 4, 1996. Specifically, Dow objects to the substantial overbreadth of this request. This document request on its face could require Dow to review or copy tens of thousands of documents relating to the movement of virtually every material produced, purchased or distributed by Dow worldwide. Responsive documents could be located in numerous locations across the country, whether or not the actual movement involved transportation by the UP or SP.

Respectfully submitted,



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

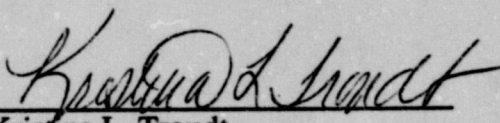
March 12, 1996

Attorneys for The Dow Chemical Company

² In the March 8, discovery conference, the ALJ ruled upon the Interrogatories and Document Requests of Consolidated Rail Corporation. The Interrogatory No. 1 and Document Requests Nos. 1-24 to Dow were exactly the same as the corresponding questions to Conrail. With respect to "non-common" questions, the ALJ ruled that the parties should apply the principles applicable to the common questions to determine whether individual non-common questions should be answered in Phase I, or whether they were subject to reformulation and resubmission in Phase II.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing INITIAL RESPONSES OF THE DOW CHEMICAL COMPANY TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS has been served by First Class Mail, postage prepaid, on all parties on the restricted service list in this proceeding on this 12th day of March 1996, and by facsimile to Washington, D.C. counsel for Applicants.


Kristina L. Troudt

STB

FD

• 32760

3-12-96

D

• 61771

Item No. _____

Page Count 24

FINANCE # 235

OFFICES

& RASENBERGER, L.L.P.

338 SEVENTH STREET, N.W.

WASHINGTON, D.C. 20006-3939

TELEPHONE: (202) 298-8660

FACSIMILES: (202) 342-0683

(202) 342-1316

61771

March 12, 1996

VIA HAND DELIVERY

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



Re: Union Pacific Corp., Union Pacific RR. Co. and
Missouri Pacific RR Co. -- Control and Merger --
Southern Pacific Rail Corp., Southern Pacific
Transp. Co., St. Louis Southwestern Rv. Co., SPCSL
Corp. and The Denver and Rio Grande Western RR Co.,
Finance Docket No. 32760

Dear Secretary Williams:

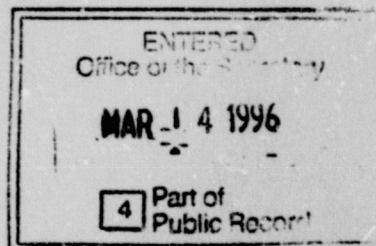
Enclosed are an original and twenty copies of SPP-7,
Responses of Sierra Pacific Power Company and Idaho Power Company
to Applicants' First Set of Interrogatories and Request for
Production of Documents. Also enclosed is a 3.5" floppy computer
disc containing a copy of the filing in Wordperfect 5.1 format.

Sincerely,

Richard A. Allen
Jennifer P. Oakley

Enclosures

cc: Honorable Jerome Nelson
Restricted Service List



STB

FD

32760

3-12-96

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61768

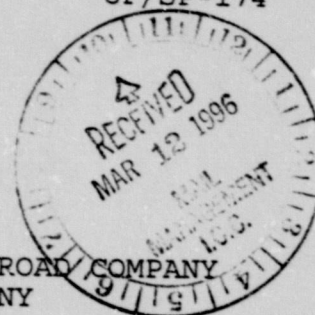
Item No. _____

Page Count 10

Mar. #229

BEFORE THE
TRANSPORTATION BOARD

UP/SP-174



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

ENTERED
Office of the Secretary

MAR 13 1996

5 Part of
Public Record

APPLICANTS' RESPONSES TO IBT'S
THIRD SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

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

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

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

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

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

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

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

March 12, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' OBJECTIONS TO IBT'S
SECOND SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

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

GENERAL RESPONSES

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

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

^{1/} In these responses, Applicants use acronyms as they have
defined them in the application. However, subject to General
Objection No. 10 below, for purposes of interpreting the
requests, Applicants will attempt to observe Tex Mex's
definitions where they differ from Applicants' (for example,
Tex Mex's definitions of "UP" and "SP," unlike Applicants',
include UPC and SPR, respectively).

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

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

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

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

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

^{2/}(...continued)

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

GENERAL OBJECTIONS

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

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

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

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

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

5. Applicants object to the production of, and are not producing, draft verified statements and documents related thereto. In prior railroad consolidation proceedings, such

documents have been treated by all parties as protected from production.

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

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

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

9. Applicants incorporate by reference their prior objections to the definitions and instructions set forth in IBT's first set of interrogatories and document requests.

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 71

"Identify all studies and analyses conducted by Reebie Associates at any time addressing the impacts on labor of diversion of traffic from truck to rail."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without

waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

No such studies or analyses have been identified.

Interrogatory No. 72

"To what extent does the TRANSEARCH database used by Reebe Associates in preparing its diversion study in this proceeding rely on the Commodity Flow Survey conducted by the United States government? What are the relative percentages of traffic flows in the TRANSEARCH data base that are derived from, respectively, (i) the Commodity Flow Survey and (ii) all other sources?

Additional Objections

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

Responsive information will be placed in Applicants' document depository.

Interrogatory No. 73

"Describe how Reebe Associates has updated its TRANSEARCH database from 1977 until the present. Does Reebe Associates extrapolate from data for certain lanes in order to update traffic volume levels for lanes for which it does not have data? How many such extrapolations were involved in establishing the 1994 TRANSEARCH database used in the diversion study conducted by Reebe Associates for this proceeding?"

Response

Responsive information will be placed in Applicants' document depository.

Interrogatory No. 74

"Has Reebe Associates revised its TRANSEARCH database in order to incorporate the 1993 Commodity Flow

Survey data? If so, identify each market pair included in Appendix A to Mr. Ainsworth's Verified Statement for which such revision resulted in a traffic flow increase for dry van cargo of greater than ten percent (10%) in either direction. For each such market pair for which revision to the TRANSEARCH database using 1993 Commodity Flow Survey data resulted in a traffic flow increase in dry van cargo of greater than ten percent (10%), identify the amount of each such increase."

Response

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

No. The 1993 Commodity Flow Survey is not yet available other than national summary totals.

Interrogatory No. 75

"For each of the following market pairs, indicate the yearly volume of traffic carried in both directions by UP and SP, separately, for United Parcel Service: Seattle to/from the Bay Area; Chicago to/from the Bay Area; Portland to/from Los Angeles; Seattle to/from Los Angeles; Chicago to/from Los Angeles; Los Angeles to/from Dallas.

Response

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

Responsive information can be derived from the traffic tapes in Applicants' document depository.

Document Request No. 18

"Produce all documents identified in response to Interrogatory No. 71."

Response

See Response to Interrogatory No. 71.

Respectfully submitted,

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

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

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

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

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

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

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

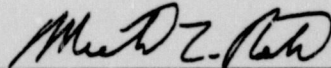
March 12, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 12th March, 1996, I caused a copy of the foregoing document to be served by facsimile and first-class mail on Marc J. Fink, counsel for International Brotherhood of Teamsters, at Sher & Blackwell, 2000 L Street, N.W., Suite 612, Washington, D.C. 20036, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

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



Michael L. Rosenthal

STB

FD

32760

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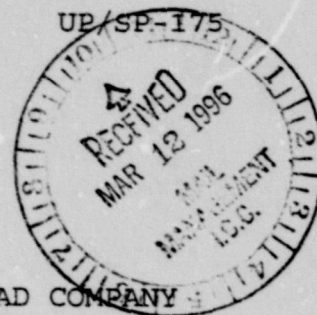
Item No. _____

Page Count _____

Mar. # 238

BEFORE THE
SURFACE TRANSPORTATION BOARD

61741
UP/SP-175



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' RESPONSE TO CONSOLIDATED RAIL CORPORATION'S
FIRST REQUEST FOR INSPECTION OF APPLICANTS' PROPERTY

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

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

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

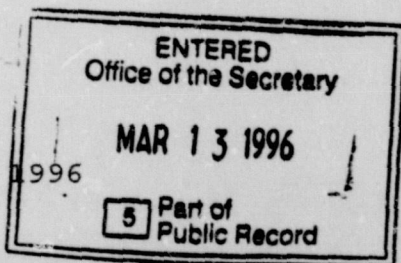
CARL W. VON BERNUTH
RICHARD J. RESSLER
Union Pacific Corporation
Martin Tower
Eighth and Eaton Avenues
Bethlehem, Pennsylvania 18018
(610) 861-3290

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

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

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

March 12, 1996



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSE TO CONSOLIDATED RAIL CORPORATION'S
FIRST REQUEST FOR INSPECTION OF APPLICANTS' PROPERTY

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby respond to Conrail's First
Request for Inspection of Applicants' Property, served
February 26, 1996.

RESPONSE

Applicants object to Conrail's request as unduly
burdensome, and as seeking discovery that is neither relevant
nor reasonably calculated to lead to the discovery of
admissible evidence. Particularly in light of Conrail's
determination not to file a responsive application in this
proceeding, this request is unjustified.

Respectfully submitted,

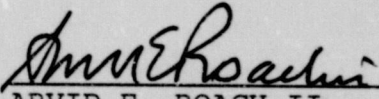
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

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

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

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

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


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

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

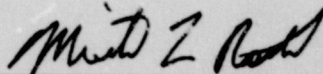
March 12, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 12th day of March, 1996, I caused a copy of the foregoing document to be served by hand on Daniel K. Mayers, counsel for Consolidated Rail Corporation, at Wilmer, Cutler & Pickering, 2445 M Street, N.W., Washington, D.C. 20005-3934, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
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

STB

FD

32760

3-12-96

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61760

Wyoming State Legislature

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

Item No. _____

Page Count 1
Mar. # 246

Vernor A. Williams
Secretary, Surface Transportation Board
Room 1324
Twelfth Street & Constitution Avenue N.W.
Washington, DC 20423

March 4, 1996

SUBJECT: Finance Docket No. 32760, Union Pacific Corporation,
Control and Merger With the Southern Pacific Rail Corporation.

Dear Secretary Williams,

I am writing to support the merger of the Union Pacific and
Southern Pacific Railroads for the following reasons:

1. The historical research indicates that the original intent
when the two lines formed was that they would form one line, this
would finally bring that plan to fruition,
2. The Union Pacific is a major employer in my district. The
inability to compete with Burlington Northern Santa Fe (BNSF)
could mean a loss of jobs and a disruption to the community, not
only in my district but all across Wyoming,
3. In addition to having all the trona mines in my district, I
also work in the mines. I believe the improved access to major
shipping ports on the Gulf and West Coast could result in a
significant reduction in transportation costs. This would
improve the competitive position of Wyoming Soda Ash produces in
the world market.

Again, I want to state that the merger of the Union Pacific and
Southern Pacific railroads should deserve your support, and I
urge you to act to approve the merger as proposed by the UP and
SP.

Respectfully,

Mark O. Harris

Senator Mark Harris

cc: Dick Hartman
242 Pioneer Ave.
Cheyenne, WY 82001

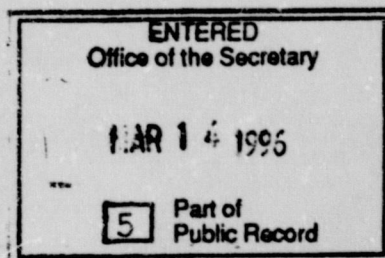
MH:BD



Senate

SENATOR MARK O. HARRIS
Minority Caucus Chairman
Senate District 14
Sweetwater/Uinta Counties
P.O. Box 345
Green River, Wyoming 82935
mharris@ferret.state.wy.us

Committees:
Revenue
Travel, Recreation, Wildlife
& Cultural Resources
Management Council



**ADVISE OF ALL
PROCEEDINGS**

STB

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32760

3-12-96

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Item No. _____

Page Count 1

Mar. # 247



MISSOURI SENATE
JEFFERSON CITY



PETER D. KINDER
27TH DISTRICT
ROOM 431, CAPITOL BUILDING
JEFFERSON CITY, MISSOURI 65101
(314) 751-2455
TDD (314) 751-3969

March 6, 1996

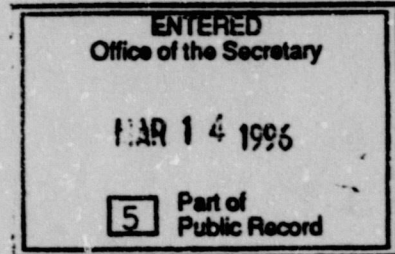
301 BROADWAY
CAPE GIRARDEAU, MISSOURI 63701
(314) 335-8838

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

Re: Union Pacific/Southern Pacific Merger

Dear Secretary Williams:

FD 3276



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

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

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

Sincerely,

PETER D. KINDER

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

**ADVISE OF ALL
PROCEEDINGS**

STB

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3-11-96

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LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

Item No. _____
NEW YORK 1075 CONNECTICUT AVENUE, N.W.
WASHINGTON, DC 20009-5728
Page Count 7
ALBANY (202) 986-8000
BOSTON Mar. 11 #178
DENVER TELE 440274 FACSIMILE: (202) 986-8102
HARRISBURG
HARTFORD
JACKSONVILLE

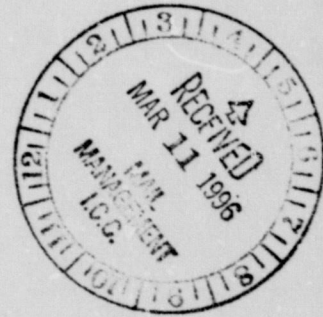
WRITER'S DIRECT DIAL:
(202) 986-8050

LOS ANGELES
NEWARK
PITTSBURGH
PORTLAND, OR
SALT LAKE CITY
SAN FRANCISCO
BRUSSELS
MOSCOW
ALMATY
LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)

March 11, 1996

VIA HAND DELIVERY

Mr. Vernon A. Williams
Secretary, Room 2423
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W.
Washington, D.C. 20423



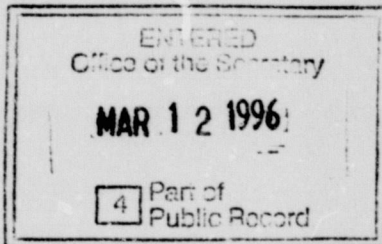
Attn.: Case Control Branch

Re: UP/SP Merger, Finance Docket No. 32760

Dear Mr. Williams:

Enclosed are the original and 20 copies of the "Reply of Western Shippers' Coalition In Support of Appeal of Entergy Services, et al." for filing in the above-referenced proceeding. Also enclosed is a 3.5" diskette containing the Reply text of this pleading in WordPerfect 5.1 format.

Also enclosed are three additional copies for date stamping and return via our messenger.



Enclosure

Very truly yours,

Michael F. McBride

Michael F. McBride

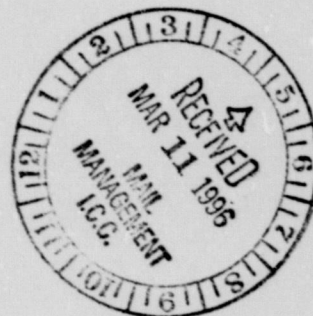
Attorney for Western Shippers'
Coalition

cc: Restricted Service List (via first-class mail)
Arvid E. Roach, II, Esq. (via facsimile)
Paul A. Cunningham, Esq. (via facsimile)

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORP., et al. --
CONTROL AND MERGER --
SOUTHERN PACIFIC RAIL CORP., et al.



REPLY OF WESTERN SHIPPERS' COALITON IN SUPPORT OF
APPEAL OF ENTERGY SERVICES, ET AL.

Western Shippers' Coalition ("WSC")¹, a party of record in this proceeding, hereby replies in support of the appeal of Entergy Services, Inc., Arkansas Power & Light Company, Gulf States Utilities Company, and the Western Coal Traffic League (collectively, "Entergy Services, Inc.") filed on or about March 6, 1996. In support of this Reply, WSC states:

1. Its counsel intended to attend the depositions sought by Entergy Services, Inc., et al., pursuant to the

¹ WSC consists of over 20 shippers, coal producers, and shipper associations (the Western Coal Transportation Association, Utah Mining Association, and Colorado Mining Association, which themselves have many members) who make up most of the shippers or producers on the lines of the SP in its "Central Corridor", from California to Colorado, especially along the lines of the former Denver & Rio Grande Western Railroad Company in Utah and Colorado. Much of the low-sulfur coal mined in that region is accessible to SP, which has been aggressively marketing that coal in recent years to utilities and others who previously took UP- or BN-SF-origin coal.

Discovery Guidelines in this proceeding, and to ask questions on behalf of WSC.

2. WSC did not separately seek the same depositions, because it was aware that Entergy Services, Inc., et al. were doing so and because the Discovery Guidelines instruct all parties to avoid duplicative discovery.

3. The witnesses for whom depositions are sought are highly relevant persons who have knowledge of coal marketing at Union Pacific ("UP"), Southern Pacific Transportation Company ("SP") and Burlington Northern Santa Fe Railroad ("BN-SF").

4. Although they are "non-testifying witnesses" (in the parlance of the proceeding, because testimony was not submitted under their name), they have highly relevant information that has not and could not be obtained from other witnesses whose depositions have been taken. SP and UP did not offer testimony from any person in the Coal/Coke Business Group (or "Energy Marketing", as UP calls it) of either Applicant. The UP/SP coal "expert", Mr. Sharp, testified in his deposition that he relied almost totally on published data, never spoke to anyone at SP, and never spoke to a single coal producer or shipper before submitting his Verified Statement in this proceeding. Nevertheless, coal is the most important commodity, at least in SP's Central Corridor, and it is so important in the proceedings of this Board (and its predecessor, the ICC) that it has been analyzed separately in prior merger proceedings. Yet, as matters now stand, no person particularly knowledgeable about coal

marketing at either Applicant has testified in the proceeding, and those opposed to the relief sought are entitled to inquire of such witnesses before their testimony is due on March 29.

5. BN-SF also did not submit testimony from any person knowledgeable about coal traffic even though BN-SF submitted its comments with three supporting Verified Statements on December 29, 1995, and despite the fact that coal is the most important commodity to BN-SF.

6. The most important issue to WSC, and apparently to Entergy Services, Inc., et al. is the question whether SP-origin coal competes with UP- or BN-SF-origin coals. The testimony of the witnesses sought will not be cumulative, is highly relevant to what may be the most, or one of the most, critical issues in the proceeding, and WSC respectfully submits it would be reversible error for the Board not to permit these depositions.

7. WSC's undersigned counsel, having been present at the hearing where the requested depositions were denied, is of the view that Judge Nelson, who has otherwise done a superb job in these proceedings dealing with very difficult and urgent discovery problems, acted hastily on this matter and may not have fully understood the importance of these depositions to the proceeding. He had just ordered the production of two unredacted SP Coal/Coke Business Unit Plans for 1995 and 1996 from SP, and may have thought that would suffice. But the testimony sought is not just from SP, but also from a UP witness and a BN-SF witness, and the availability of SP Business Plans alone would not obviate

the need for a deposition from a person at UP knowledgeable about coal matters or a person at BN-SF knowledgeable about coal matters. (They also would not obviate the need for such a deposition of an SP coal marketing official, since there will likely be a dispute between WSC, Entergy Services, Inc., et al. and Applicants, as to what the SP Business Plans, which are very voluminous, mean. Such disputes have already occurred in discovery, and the undersigned represents to the Board that he believes such disputes are likely to occur. Moreover, because UP/SP Witness Sharp did not speak to anyone at SP, the testimony of the SP coal witness sought by Entergy Services, Inc., et al. would not be cumulative with any testimony submitted by Applicants.)

8. The depositions of UP and SP in-house coal experts obviously would not obviate the necessity of deposing an individual from BN-SF, as requested by Entergy Services, Inc., et al. The individual sought has highly relevant information available to him that no other witness has or will have about the competition BN-SF experienced or may experienced for the transportation as to which his deposition is sought.

9. The Board must recognize that whether SP now competes with BN-SF and UP for the transportation of Western coal -- which WSC and others contend, and represent to the Board as true, in many circumstances -- is directly at odds with what the Applicants claim by submitting the Verified Statement of Mr. Sharp in support of the Application. The depositions sought by

Entergy Services, Inc., et al. therefore are critical to the disposition of issues surrounding the most important commodity to the Nation's railroads, the most important commodity in the litigation of recent years before the ICC and this Board, and the most important commodity to the generation of electricity by this Nation's electric utilities.

Conclusion

Accordingly, the depositions sought by Entergy Services, Inc., et al. should be allowed.

Respectfully submitted,

Michael F. McBride

Michael F. McBride
Linda K. Breggin
Daniel Aronowitz
LeBoeuf, Lamb, Greene
& MacRae, L.L.P.
1875 Connecticut Avenue, N.W.
Suite 1200
Washington, D.C. 20009-5728
(202) 986-9000

Attorneys for Western
Shippers' Coalition

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

UNION PACIFIC CORP., et al. --
CONTROL AND MERGER --
SOUTHERN PACIFIC RAIL CORP., et al.

CERTIFICATE OF SERVICE

I hereby certify that I have served this 11th day
of March, 1996, a copy of the foregoing Reply of Western
Shippers' Coalition to the Appeal of Entergy Services, Inc. by
facsimile to all persons on the Restricted Service List in this
proceeding.

Michael F. McBride
Michael F. McBride

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COALITION FOR COMPETITIVE RAIL TRANSPORTATION

MOBILIZATION OFFICE

1029 North Royal Street

Suite 400

Alexandria, Va. 22314

Item No. _____

Page Count 17

Mar. 11 #179

Fax: (800) 641-2255

March 11, 1996

Via Hand Delivery

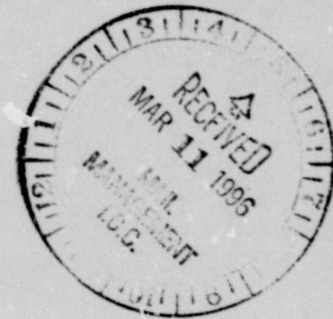
Honorable Vernon A. Williams

Secretary

The Surface Transportation Board

1201 Constitution Avenue, N.W.

Washington, D.C. 20423



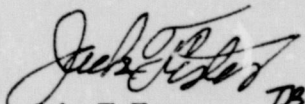
Re: Finance Docket No. 32760, *Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company -- Control & Merger -- Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and the Denver and Rio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

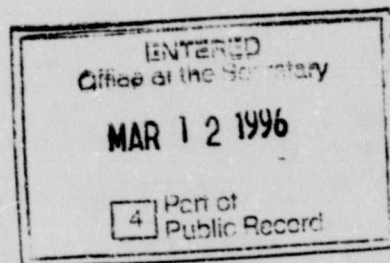
Dear Secretary Williams:

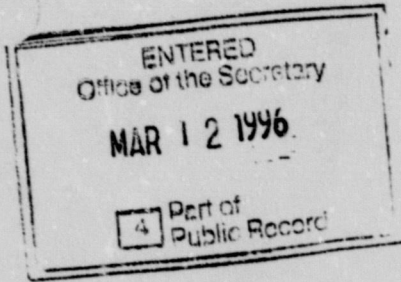
Enclosed for filing in the above-captioned case are an original and twenty copies of the Coalition for Competitive Rail Transportation's Responses to Applicants' First Set of Interrogatories and Requests for Documents.

Enclosed is a 3.5 inch Microsoft Word 6.0 diskette containing the text of CCRT-3.

Respectfully Submitted,


John T. Estes
Executive Director





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

COALITION FOR COMPETITIVE RAIL TRANSPORTATION (CCRT)
RESPONSES TO APPLICANTS' FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

John T. Estes
Executive Director
Coalition for Competitive Rail Transportation
1029 North Royal Street, Suite 400
Alexandria, Va 22314
(800) 814-3531

March 11, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



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

John T. Estes
Executive Director
Coalition for Competitive Rail Transportation (CCRT)
1029 North Royal Street
Suite 400
Alexandria, Virginia 22314
phone: (800) 814-3531
fax: (800) 641-2255

March 11, 1996

COALITION FOR COMPETITIVE RAIL TRANSPORTATION (CCRT)
RESPONSES TO APPLICANTS' FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Coalition for Competitive Rail Transportation (CCRT) submits the following responses
to the discovery request served by Applicants (UP/SP) on February 26, 1996.

GENERAL OBJECTIONS

The following objections are made with respect to the interrogatories and document
requests:

1. CCRT objects to production of documents or information subject to the attorney-client privilege.
2. CCRT objects to production of documents or information subject to the work product doctrine.
3. CCRT objects to production of documents or information subject to the joint defense privilege.
4. CCRT objects to production of public documents that are readily available, including but not limited to documents on public file at the Surface Transportation Board or clippings from newspapers or other public media.
5. CCRT objects to the production of draft verified statements and documents related thereto.
6. CCRT objects to providing information or documents that are as readily obtainable by UP/SP from its own files.
7. CCRT objects to the definition of CCRT as the "Coalition for Competitive Rail Competition" which is not the name of CCRT.
8. CCRT objects to the interrogatories and document requests to the extent that they call for the preparation of special studies not in existence.
9. CCRT objects to the interrogatories and document requests as over broad and unduly burdensome to the extent, inter alia, that they seek information or documents for periods prior to January 1, 1993.
10. CCRT objects to production of documents which are irrelevant to the disposition of this proceeding.
11. CCRT objects to production of documents or information which is designed to harass and encumber the expeditious disposition of this proceeding.
12. CCRT objects to production of any document or information within the control or under the custody of its members or affiliates because CCRT is a voluntary ad hoc membership organization with no control over the actions, interests, positions or

plans of its members or affiliates, and is not a repository for such requested membership information.

RESPONSES TO INTERROGATORIES AND DOCUMENT REQUESTS

INTERROGATORIES

Subject to the general objections above, CCRT submits the following responses to the interrogatories and document requests:

Interrogatory No. 1: Identify and describe in detail any agreements that CCRT or its members have with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be identified. If CCRT contends that any such agreement is privileged, state the parties to, date of, and general subject of the agreement.

Response: CCRT objects to this request as overreaching, burdensome and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence. CCRT also contends this request is an effort to seek documents subject to the attorney-client, work product privilege, or joint defense privileges. CCRT also objects to the relevancy of this interrogatory.

Interrogatory No. 2: Identify all members of CCRT.

Response: Subject to the general objections, CCRT submits that information responsive to this interrogatory will be contained in its March 29, 1996 filing and/or in documents to be placed in its document repository subsequent to March 29th.

Interrogatory No. 3: Identify all persons or entities that have asked for their names to be removed from lists of members of CCRT.

Response: CCRT objects to this request as overreaching, and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence.

Interrogatory No. 4: Identify the financial contributors to CCRT and the amounts contributed.

Response: CCRT objects to this request as overreaching, and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence.

DOCUMENT REQUESTS

Document Request No. 1: Produce no later than April 1, 1996 (a) all workpapers underlying any submission that CCRT makes on or about March 29, 1996 in this proceeding, and (b) all publications, written testimony and transcripts, without limitation as to date, of any witnesses presenting testimony for CCRT on or about March 29, 1996 in this proceeding.

Response: CCRT objects to this request because it endeavors to seek information that exceeds requirements set forth in the Discovery Guidelines as to both content and timeliness. CCRT objects to this request as being unduly broad and burdensome and it seeks information which may be subject to a protective order or more readily obtainable by Applicants. Furthermore, to the extent CCRT members participate in this proceeding by submission of verified statements, or otherwise, CCRT has neither control over such participation nor authority to compel production of information related thereto.

Document Request No. 2: Produce all documents in the possession of CCRT or its members relating to benefits or efficiencies that will result from the UP/SP merger.

Response: Objection is raised to this request by CCRT as being premature because position evidence and arguments are not due to be filed until March 29, 1996.

Furthermore, this information may be subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by Applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 3: Produce all documents in the possession of CCRT or its members relating to potential traffic impacts of the UP/SP merger.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information may be subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 4: Produce all documents in the possession of CCRT or its members relating to competitive impacts of the UP/SP merger, including, but not limited to effects on (a) market shares, (b) source or destination competition, (c) transloading options, or (d) build-in options.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996.

Furthermore, this information may be subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 5: Produce all documents in the possession of CCRT or its members relating to the BN/Santa Fe Settlement Agreement.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information may be subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 6: Produce all documents in the possession of CCRT or its members relating to the IC Settlement Agreement.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996.

Furthermore, this information may be subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 7: Produce all documents in the possession of CCRT or its members relating to the Utah Railway Settlement Agreement.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information may be subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 8: Produce all documents in the possession of CCRT or its members relating to conditions that might be imposed on approval of the UP/SP merger.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information may be subject to the attorney-client, work product or joint

defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 9: Produce all studies, reports or analyses in the possession of CCRT or its members relating to actual or potential competition between UP and SP.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information may be subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 10: Produce all studies, reports or analyses in the possession of CCRT or its members relating to competition between single-line and interline rail transportation.

Response: CCRT objects to this request in that it is incapable of submitting a meaningful answer because the request is vague and ambiguous. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information

under the control of third parties or "consultants or others" as defined by Applicant in its definition of "document." Subject to this foregoing objection, CCRT to the best of its knowledge, information and belief has no such information in its possession.

Document Request No. 11: Produce all studies, reports or analyses in the possession of CCRT or its members relating to the benefits of any prior rail merger or rail mergers generally.

Response: CCRT objects to this request in that it is incapable of submitting a meaningful answer because the request is vague and ambiguous and is also irrelevant to this proceeding. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by Applicant in its definition of "document." Subject to this foregoing objection, CCRT to the best of its knowledge, information and belief has no such information in its possession.

Document Request No. 12: Produce all studies, reports or analyses in the possession of CCRT or its members relating to the financial position or prospects of SP.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information is maybe subject to the attorney client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 13: Produce all communications between CCRT or its members and other parties to this proceeding relating to the UP/SP merger or the BN/Santa Fe Settlement Agreement, and all documents relating to such communications. This request excludes documents already served on Applicants.

Response: CCRT objects to this request as overreaching, burdensome and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence. CCRT also contends this request is an effort to seek documents subject to the attorney-client, work product or joint defense privileges.

Document Request No. 14: Produce all presentations, solicitation packages, form verified statements, or other materials used by CCRT or its members to seek support from shippers, public officials, railroads or others for the position of CCRT or any other party in this proceeding.

Response: CCRT objects to this request as over-reaching, burdensome and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence. CCRT also contends this request is an effort to seek documents subject to the attorney-client, work product or joint defense privileges. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 15: Produce all presentations, letters, memoranda, white papers or other documents sent or given by CCRT or its members to DOJ, DOT, any state Governor's, Attorney General's or Public Utilities Commission's (or similar agency's) office, any Mexican government official, any other government official, any security analyst, any bond rating agency, any consultant, any financial advisor or analyst, any investment banker, any chamber of commerce, or any shipper or trade organization relating to the UP/SP merger.

Response: CCRT objects to this request as overreaching, burdensome and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence. CCRT also contends this request is an effort

March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 18: Produce all documents in the possession of CCRT or its members relating to the price to be paid for, or the value of, any UP or SP lines that might be sold as a condition to approval of, or otherwise in connection with, the UP/SP merger.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information is subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 19: Produce all documents relating to trackage rights compensation for any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information is subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to the

foregoing objections, any such documents, to the extent they exist, will be a part of the March 29, 1996 CCRT filing and/or in its document repository subsequent to the March 29 filing.

Document Request No. 20: Produce all documents relating to actual or estimated maintenance-and-operating costs, taxes and return-to-capital costs with respect to any of the BN/Santa Fe Settlement Agreement Lines or any other line of UP or SP that might be the subject of a proposed trackage rights condition in this proceeding.

Response: Objection is raised to this request by CCRT as being premature because opposition evidence and arguments are not due to be filed until March 29, 1996. Furthermore, this information is subject to the attorney-client, work product or joint defense privileges. CCRT has no authority to obtain information from members of a voluntary ad hoc membership organization, information under the control of third parties or "consultants or others" as defined by applicant in its definition of "document." Any newspaper articles or other documents in the public domain can be readily obtained by Applicant. Subject to these objections, CCRT states that no such documents are to the best of our knowledge, information or belief in the possession of CCRT.

Document Request No. 21: Produce all documents in the possession of CCRT or its members relating to any agreement or understanding that CCRT or its members have with any other party to this proceeding regarding positions or actions to be taken in this proceeding. Documents relating to routine procedural agreements, such as agreements concerning the order of questioning at depositions or the avoidance of duplicative discovery, need not be produced.

Response: CCRT objects to this request as overreaching, burdensome and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence. CCRT also contends this request is an effort to seek documents which may be subject to the attorney-client, work product or joint defense privileges.

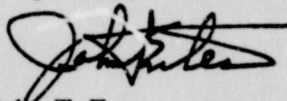
Document Request No. 22: Produce all presentations to, and minutes of, the boards of directors (or other governing bodies) of CCRT or its members relating to the UP/SP merger or conditions to be sought by any party in this proceeding.

Response: CCRT objects to this request as overreaching, burdensome and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence. CCRT also contends this request is an effort to seek documents which may subject to the attorney-client, work product or joint defense privileges.

Document Request No. 23: Produce all CCRT publications.

Response: CCRT objects to this request in that it is incapable of submitting a meaningful answer because the request is vague and ambiguous. In addition, CCRT objects to this request as overreaching, burdensome and unnecessary for these proceedings in that it seeks information that is neither relevant nor a rational basis for leading to discovery of admissible evidence. To the extent we understand this request, information will be available after March 29, 1996 in a CCRT documents repository.

Respectfully submitted,



John T. Estes
Executive Director
Coalition for Competitive Rail Transportation

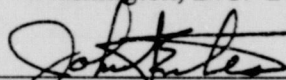
March 11, 1996

CERTIFICATE OF SERVICE

I, John T. Estes, certify that, on the 11th day of March, 1996, I caused a copy of the foregoing document to be served by hand or overnight mail as appropriate on the representatives set forth below and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph nine of the Discovery Guidelines in Finance Docket No. 32760, and in addition by hand on :

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

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



John T. Estes

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

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

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

JAMES V. DOLAN
PAUL A. CONLEY, JR.
LOUISE A. RINN
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 and Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044-7566
(202) 662-5388

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Item No. _____

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Mar. 11 #181

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

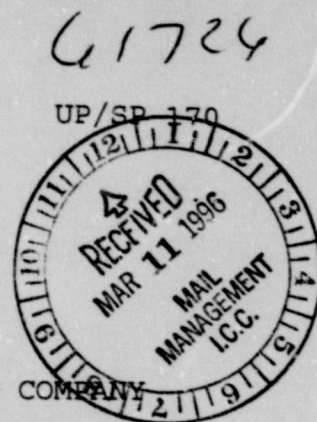
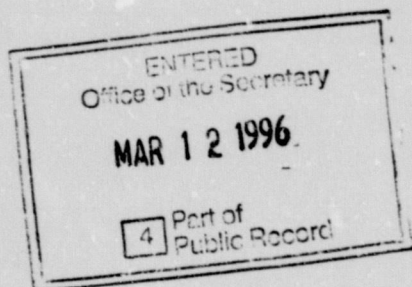
SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC
TRANSPORTATION COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY
COMPANY, SPCSL CORP. AND THE DENVER AND
RIO GRANDE WESTERN RAILROAD COMPANY

SOUTHERN PACIFIC APPLICANTS' RESPONSE TO
UNION CARBIDE CORPORATION'S FIRST REQUEST FOR ADMISSIONS

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

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

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



March 11, 1996

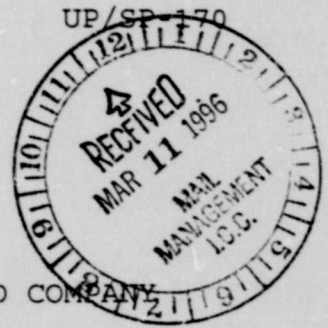
BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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



SOUTHERN PACIFIC APPLICANTS' RESPONSE TO
UNION CARBIDE CORPORATION'S FIRST REQUEST FOR ADMISSIONS

Applicants SPR, SPT, SSW, SPCSL and DRGW, collectively,
"Southern Pacific," hereby respond to the request for admissions
served by Union Carbide Corporation on February 23, 1996.^{1/}

OBJECTIONS

1. Southern Pacific objects to the instructions to
the Request for Admissions to the extent that they exceed the
requirements of the applicable discovery rules.

2. Souther Pacific objects to the definition of "SP"
as unduly vague and overbroad.

RESPONSE TO REQUESTED ADMISSION

Admission Request No. 1

For the purposes of this proceeding only, UC requests
that SP admit the following statement to be true:

^{1/} In these responses Southern Pacific uses acronyms as
Applicants have defined them in the application. However,
subject to Objection 2, for purposes of interpreting the request,
Southern Pacific will attempt to observe Union Carbide's
definitions where they differ from Applicants'.

1. That SP expressed an interest as late as 1994 in reinitiating discussions with Union Carbide Corporation concerning the possibility of a "build-in" off of its Victoria, Texas/Port Lavaca, Texas spur to the Union Carbide chemical plant in North Seadrift, Texas.

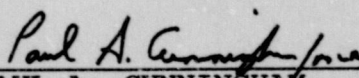
Response

Subject to the objections stated above, Southern Pacific responds as follows:

Southern Pacific's response will be placed in Applicants' document depository.

Respectfully submitted,

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



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

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

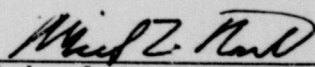
March 11, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 11th day of March, 1996, I caused a copy of the foregoing document to be served by hand on Martin W. Bercovici, counsel for Union Carbide Corporation, at Keller & Heckman, 1001 G Street, N.W., Suite 500W, Washington, D.C. 20001, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

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



Michael L. Rosenthal

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UP/SP-169

BEFORE THE
TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESPONSES TO SPI'S SECOND SET
OF INTERROGATORIES AND DATA REQUESTS TO APPLICANTS

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

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

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

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

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

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

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

March 11, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESPONSES TO SPI'S SECOND SET
OF INTERROGATORIES AND DATA REQUESTS TO APPLICANTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby respond to the discovery
requests served by the Society of the Plastics Industry, Inc., on
February 23, 1996.^{1/}

GENERAL RESPONSES

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

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

^{1/} In these responses Applicants use acronyms as they have
defined them in the application. However, subject to General
Objection No. 10 below, for purposes of interpreting the
requests, Applicants will attempt to observe SPI's definitions
where they differ from Applicants' (for example, SPI's defini-
tions of "UP" and "SP," unlike Applicants', include UPC and SPR,
respectively).

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

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

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

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

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

^{2/}(...continued)

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

GENERAL OBJECTIONS

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

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

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

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

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

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

6. Applicants object to providing information or documents that are as readily obtainable by SPI from its own files or the files of its members.

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

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

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

10. Applicants incorporate by reference their prior objections to the definitions and instructions set forth in SPI's First Set of Interrogatories and Data Requests to Applicants.

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"Identify each and every contract, agreement, commitment, or draft of such contract or agreement or proposal tendered to or entered into by the UP with Exxon Chemical America ('ECA') or any company affiliated with ECA between October 30, 1995 and February 23, 1996."

Response

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

Applicants have previously produced UP's plastics shipper files and contract files for Exxon Chemical America. If SPI believes that that production is incomplete in some material respect, it should so advise Applicants.

Interrogatory No. 2

"Other than those documents identified in response to Interrogatory No. 1 above, identify all documents, including, but not limited to, notes, internal memoranda, records of conversations, drafts of contracts or agreements by prepared by the UP between October 30, 1995 and February 23, 1996 relating to the UP's service with Exxon Chemical Americas ('ECA') or any company affiliated with ECA."

Response

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

See the Response to Interrogatory No. 1.

Interrogatory No. 3

"With reference to a memorandum located at the Covington & Burling repository in the Chevron file (document # HC44-000724) (hereinafter referred to as 'Memorandum') [sic] the SP's knowledge of a UP customer being leveraged on its rate increases, please identify:

- a. the SP personnel discussed in the Memorandum and otherwise associated with the Memorandum;
- b. the SP customer that the 'SP salesperson' is referring to in the Memorandum;
- c. the specific details of the conversation referred to in the Memorandum between the author of the Memorandum and the 'SP sales person.' "

Response

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

SP has been unable to obtain the requested information. The author of the referenced memorandum is no longer an SP employee. SP has attempted to obtain information about the memorandum from other individuals at SP but thus far has not obtained the requested information.

Interrogatory No. 4

"Produce the UP file on the SP customer identified in response to Request No. 3.b. above."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor reasonably

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

See the Response to Interrogatory No. 3.

Interrogatory No. 5

"Produce the 'study' referred to by Richard B. Peterson on pp. 508-509, among other pages, of his deposition transcript in this proceeding concerning 'opportunities for UP to build in or work with a customer out at locations primarily involved in the chemical industry.'"

Response

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

The study referred to has been produced.

Interrogatory No. 6

"Produce all other documents identified in response to the interrogatories above."

Response

See the responses to the above interrogatories.

Respectfully submitted,

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

CARL W. VON BERNUTH
RICHARD J. RESSLER
Union Pacific Corporation
Martin Tower
Eighth and Eaton Avenues
Bethlehem, Pennsylvania 18018
94105 (610) 861-3290

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

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

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

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

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

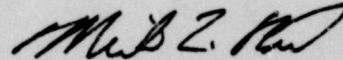
March 11, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 11th day of March, 1996, I caused a copy of the foregoing document to be served by hand on Martin W. Bercovici, counsel for Society of the Plastics Industry Inc., at Keller & Heckman, 1001 G Street, N.W., Suite 500W, Washington, D.C. 20001, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

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



Michael L. Rosenthal

STB

FD

32760

3-11-96

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61723

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Item No. _____

Page Count 2
Mar. 11 #183

Montana State Senate

SENATOR LINDA J. NELSON
SENATE DISTRICT 49
CAPITOL BUILDING
HELENA, MONTANA 59620-0500
PHONE: (406) 444-1800



HOME ADDRESS:
469 GRIFFIN ROAD
MEDICINE LAKE, MONTANA 59247
PHONE: (406) 286-5413

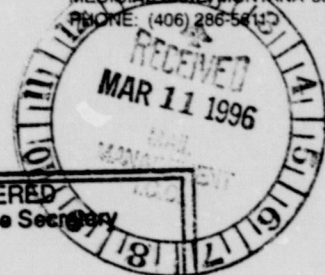
ADVISE OF ALL PROCEEDINGS

The Big Sky Country

February 29, 1996

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

ENTERED	
Office of the Secretary	
MAR 14 1996	
5	Part of Public Record



FD3276.0

Re: Finance Docket No. 327650 Union Pacific Corp./Southern Pacific Rail Corp. - Control and Merger

Dear Mr. Williams:

I received a letter from Mark David Hoffman of Hoffman & Suenram, Attorneys at Law, urging me to write a letter of support for the merger of UP/SP. His information sounded good, but fortunately, I was able to do some checking and found that this merger is not going to be good for Montana at all.

The merger will create the largest railroad in the United States, and it will eliminate competition between the UP and SP. This has many persons, companies, and organized labor concerned about the anti-competitive effects of the merger.

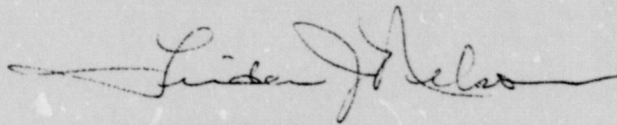
I see no supporting evidence that this merger would benefit Montana or that it would be in the Montana shippers' best interests. The UP (contrary to information provided by Mr. Hoffman) does not serve Montana shippers or haul Montana coal.

Montana shippers may be further disadvantaged by this merger. To quote Jim Christensen of the Montana Wheat & Barley Committee, "If the UP/SP is allowed only to compete over the Portland, OR gateway and not over the Butte, MT gateway, then the effect could be that the price of competing for Montana traffic may be too high for the UP to remain competitive into the southwest markets. However, it could still be possible for the UP to take Canadian grain shipments (lower priced) and still be able to compete into the southwest, even with the higher

priced proportionals over the Portland, OR gateway. The fact is that the UP has never been a major rail competitor of the Burlington Northern in the state of Montana. Nor will it be, in all likelihood, after the merger, if it cannot price competitively with the BN on the proportional rates."

Therefore, I cannot support this merger at this time.

Sincerely,

A handwritten signature in dark ink, appearing to read "Linda J. Nelson", with a long horizontal flourish extending to the right.

Linda J. Nelson
State Senator

STB

FD

32760

3-11-96

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61722

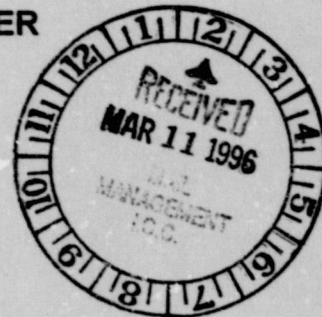
Item No. _____

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Mar. 11 # 184

61722

LETTER OPPOSING MERGER



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

Dear Secretary Williams:

FD32760

As someone who represents working families and consumers, I am concerned about the proposed Union Pacific-Southern Pacific merger. I do not believe it is in the public interest for the following reasons:

1. I believe it would result in unnecessary layoffs and job losses among the affected railroad workers;
2. It would weaken Northeast Ohio's economy by weakening eastern and midwestern railroads, and threatening industrial jobs here; and
3. By concentrating so many resources, it could negatively affect prices and service -- potentially hurting area families at the market and in the workplace.

We therefore find that the merger is not in the public interest, and ask that it be disallowed by the Surface Transportation Board.

Sincerely,

Jan Johnson

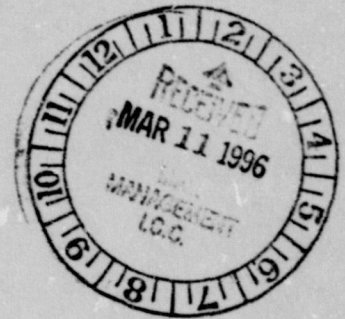
Your Signature

Title

*Ward II Councilwoman
Almsted Falls, Ohio
44138*

LETTER BASED ON LABOR ISSUES

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



FD 32760

Dear Secretary Williams:

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

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

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

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

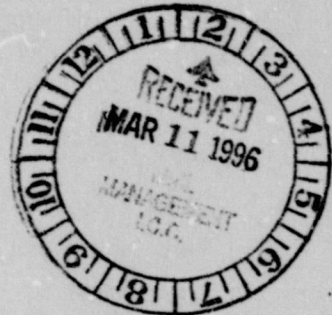
Thank you for your consideration.

Sincerely,

Jean Johnson
Edward J. Conyngham
Elmsted Falls, Ohio
th:labor.cr
44138

LETTER SUPPORTING CONRAIL

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



FD 32760

Dear Secretary Williams:

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

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

Finally, I am concerned that railroad "mega mergers" cost hardworking citizens jobs -- as they have in other industries. Conrail is a major Ohio employer, and their success is in the public interest here.

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

Thank you for your consideration.

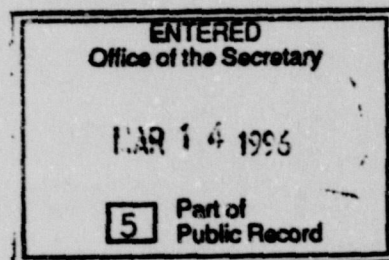
Sincerely,

Sean Johnson

Your signature

Title

Ward I Councilwoman
Olmeto Falls, Ohio
H4138



EXTRUPO.CR

**ADVISE OF ALL
PROCEEDINGS**

STB

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3-11-96

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Item No. _____

Page Count 2

Mar.

#185

PROCEEDINGS

STATE OF OHIO

OFFICE OF THE GOVERNOR

COLUMBUS 43266-0601

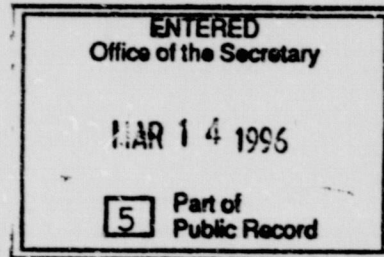
March 1, 1996



GEORGE V. VOINOVICH
GOVERNOR

Vernon A. Williams
Secretary
Interstate Commerce Commission
12th Street 2nd Constitution Avenue
Washington, DC 20423

Re: Finance Docket 32760



Dear Secretary Williams:

The State of Ohio respectfully requests that the Interstate Commerce Commission (ICC) consider two areas of concern and interest in the proceedings involving the Union Pacific Railroad (UP) merger with the Southern Pacific Railroad (SP):

- 1) The possible detrimental impact of the merger on rail competition; and
- 2) the potential of mitigating loss of rail competition by enabling Conrail to purchase select SP lines in Texas, Arkansas, and Louisiana.

1) Possible Detrimental Impact on Rail Competition

Ohio is not a stranger to the issue of large railroad mergers. Ohio took a very active role in the mid 1980's in the proposed sale of Conrail to Norfolk Southern when we led the effort to keep Conrail a separate railroad. One of the main reasons we took this position was to maintain a rail system in Ohio where three Class I carriers had a strong presence.

Though neither the UP or SP directly serves Ohio, the fate of their merger proposal is important to us. According to ICC waybill samples, over 1.3 million tons of freight per year are shipped by rail between Ohio and the west coast. Similarly, over 3.3 million tons of rail freight travel to and from Ohio and the states of Texas, Louisiana, and Arkansas annually.

Ohio has led the nation in recent years in the number of new and expanding manufacturing businesses. This growth, as well as the continuing success of Ohio's traditional manufacturing base in industries such as steel and automotive, largely depends on reaching global markets in the most cost effective way possible.

Ohio has serious concerns that the UP-SP merger will reduce our ability to get the best rail rates possible to reach western ports (and thus the Pacific Rim), gateways into Mexico, and other western

points. Whereas a year ago there were four major western railroads, the ICC approval of the proposed UP-SP merger would leave only two. Ohio has serious reservations about limiting rail competition at a time when our industries must survive in the intensely competitive global market.

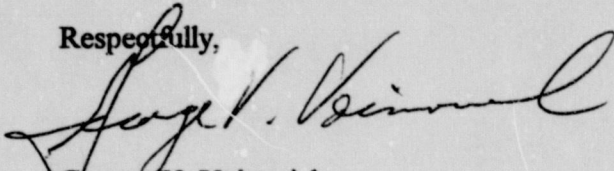
2) Conrail Purchase of SP Lines

The Conrail proposal to purchase the eastern portion of the Southern Pacific Railroad in the states of Texas, Arkansas, and Louisiana clearly benefits Ohio industries. Conrail is the largest railroad in Ohio. The next two largest Ohio railroads, CSX Transportation and Norfolk Southern, both have good, direct access to the south which Conrail presently lacks. If Conrail were to purchase the SP lines in question, Ohio would have three major railroads instead of two with direct access to southern markets improving Conrail's ability to compete with other Class I railroads. But more importantly, it would mean that the large number of Ohio manufacturers who are served by Conrail would get better rail rates to southern and Mexican markets because of the single line service Conrail could provide to key gateways.

Ohio would not be the only state to benefit from the Conrail proposal. The other 13 states Conrail serves as well as other Conrail served areas such as Washington, D.C. and Quebec would benefit in the same way Ohio would. Further, Conrail's expansion would benefit Arkansas, Texas, and Louisiana. Shippers there would gain tremendously from excellent single line service to Ohio, New York, Pennsylvania and much of the northeast. It now requires at least two railroads for these shippers to reach Northern markets.

Thank you for your consideration of Ohio's view point. If you have any questions regarding these two areas of concern, please contact Tom O'Leary, Executive Director of the Ohio Rail Development Commission at (614) 644-0313

Respectfully,



George V. Voinovich
Governor

GVV/lj

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32760

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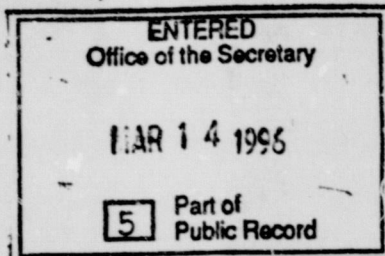
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Mar. 11 #169 **ayton** Department of Planning

41720

March 4, 1996



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

RE: Finance Docket 32760

Dear Secretary Williams:

The City of Dayton is extremely concerned about the competitive aspects on area businesses which would result from the proposed acquisition of the Southern Pacific (SP) by the Union Pacific (UP). While we are familiar with the proposed agreement between UP and the Burlington Northern-Santa Fe (BNSF), intended to remedy those effects, we are not convinced that this arrangement will produce effective competition for rail traffic originating or terminating in the Mid-South region of the United States. This is of concern to my organization.

We also have reviewed Conrail's proposal to acquire the SP lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana in connection with the merger. We find this proposal far more effective in addressing the above stated concerns. The conrail proposal calls for ownership of the lines whereas the UP-BNSF agreement mainly involves trackage rights. We believe that trackage rights provide only limited benefits and limited guarantees which can be easily lost if railroads disagree over whose traffic has priority and who is in charge of operations of the line. Further, we believe an owning railroad is in a far better position than a renter to encourage economic development activities on its lines.

The City of Dayton favors Conrail's proposal because we believe it would provide efficient service for rail customers in our area for movement of goods and raw materials to and from the Texas Gulf. Conrail's proposed one-line service to these markets would be the fastest; most direct and involved the fewest car handlings.

We are also concerned about the recent railroad merger trend in this country. This trend seems to be leading toward a few giant railroads. Clearly, mega-railroads will further limit competition and reduce productivity.

For all of the reasons above, the City of Dayton is actively opposing the UP-SP merger unless it is conditioned upon acceptance of Conrail's proposal.

Sincerely,

Elizabeth Blume
Elizabeth Blume
Director of Planning

**ADVISE OF ALL
PROCEEDINGS**

STB

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32760

3-11-96

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61719

Item No. _____

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Mar. 11 # 170

61719



**CEDAR CITY/
IRON COUNTY
ECONOMIC
DEVELOPMENT**

110 N. Main St.
P.O. Box 249
Cedar City, Utah 84720
(801) 586-2770
FAX (801) 586-4362

March 6, 1996

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



Dear Secretary Williams:

FD 32760

As Director of the Cedar City/Iron County Economic Development Department in Cedar City, Utah, I am writing to strongly urge support and prompt approval for the proposed merger between Union Pacific Railroad Company and Southern Pacific Transportation Company.

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

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

In summary, the proposed UP/SP merger will improve rail services within the State of Utah. Competition will be strengthened with entry of BN/SF to serve Utah points now jointly served by UP and SP. Future concerns regarding SP service, finances and capital constraints will be overcome, and SP customers will have the assurance of long-term, top-quality service from a financially strong railroad. I urge your approval of the proposed merger.

Sincerely,

Brent E. Drew

Brent E. Drew, Director

ENTERED	
Office of the Secretary	
MAR 14 1996	
5	Part of Public Record

ADVISE OF ACT
PROCEEDINGS

STB

FD

• 32760

3-11-96

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• 61714

Item No. _____

Page Count 1

Mar. 11 #175

61714



To The Surface Transportation Board
Derail The UP/SP Merger!
FD 32760

Dear Surface Transportation Board;

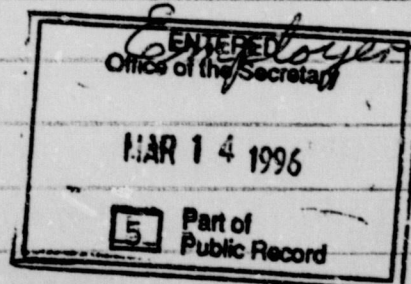
Washington must put the brakes on the Union Pacific and Southern Pacific railroad merger or the whole western half of the U.S. will be held captive to railroad monopolies.

Unless you step in and take a stand my job (and hard-won pay and benefits) could be wiped out. And the future of thousands of communities and reasonable prices for consumers and shippers are at stake. At the very best, you must on Congress - the ICC successor agency - to give it a fair hearing. We deserve to be heard. This merger is bad for America. It should be rejected.

Name: Paul J. Hess

Address: 716 Meyers Dr.

Malden MO. 63863



Southern Pacific
**ADVISE OF ALL
PROCEEDINGS**

STB

FD

32760

3-11-96

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61713

Item No. _____

Page Count 1
Mar. 11 # 176

DISTRICT OFFICE:

3232 RIDGE ROAD
LANSING, ILLINOIS 60438
708/895-4400
708/895-9424 FAX



BILL W. BALTHIS
STATE REPRESENTATIVE - 79TH DISTRICT

February 27, 1996

CHAIR:

CITIES & VILLAGES
SALES TAX REVENUE
SUBCOMMITTEE

VICE CHAIR:

REVENUE

MEMBER:

AGING
FINANCIAL INSTITUTIONS
JCAR / JOINT COMMITTEE
ON ADMINISTRATIVE RULES

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

Dear Secretary Williams: FD 32760

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



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

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

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

Thank you for your attention.

Sincerely,

Bill W. Balthis
State Representative
79th District

BWB:clc

cc: Gene Hoffman



**ADVISE OF ALL
PROCEEDINGS**

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3-11-96

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Item No. _____

Page Count 3

Mar. 11 #194

EPIC

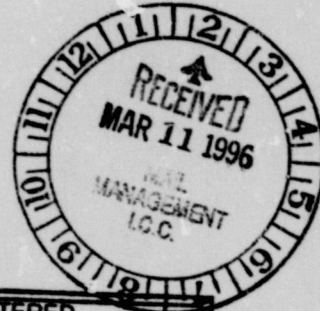
ENVIRONMENTAL PROTECTION & IMPROVEMENT COMPANY

305 PALMER ROAD
DENVER, NEW JERSEY 07834
(201) 361-3300
FAX (201) 328-1091

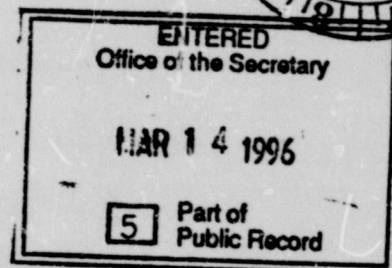


13080 EIGHTH STREET
TYLER, TEXAS 75708
(903) 877-2377
FAX (903) 877-2688

March 4, 1996



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



Dear Mr. Williams, *FO 32760*

EPIC has been engaged in the business of shipping waste by rail for the last five years. During that period of time we have shipped over 800,000 tons of various solid waste and hazardous waste types. Our system is unique but simple.

EPIC uses high capacity container cars to move its products. Our cars ("Ultra Cars") were specifically designed to carry 132 tons per car while maintaining a length of 89 feet to comply with length standards for freight shipment. Our cars are designed for "humping" and require no special handling. Our service record during the last five years has been outstanding.

Since most of our traffic has moved to Texas from New Jersey, Conrail and Southern Pacific Railroad have been our main carriers, although Chicago Northwest Railroad has moved over 150,000 tons of our product. They have provided us with reasonable rates which originally prompted us to purchase \$18 Million worth of equipment. With prices to Texas of approximately \$3,000 per car, we were able to conduct a viable business.

We are very concerned about the proposed merger between Union Pacific and Southern Pacific Railroads which will drive up the cost of moving any type of waste past the Mississippi River. On a recent project, we received a reasonable price from Conrail to move material to Chicago of \$1,900 per car. However, Union Pacific's price to go from Chicago to Utah was

**ADVISE OF ALL
PROCEEDINGS**

The Honorable Vernon Williams
March 4, 1996
Page 2

\$4,500 per car. It appears that UP's policy is to drive the costs out of sight when they are in a non-competitive situation. This will only get worse if the merger between Union Pacific and Southern Pacific is allowed.

The ultimate result of what appears to be an attempt by Union Pacific to monopolize westward flow of rail traffic will be loss of business for EPIC and other private waste remediation firms. Companies will simply not ship waste westward. Technological developments using microbic and thermal destruction are currently being developed to combat high westward transportation prices. Additionally, other alternatives such as on-site remediation and alternate landfill sites are rapidly developing as well. It is clearly in the best interest of the railroad industry's future to provide reasonable pricing and service so that we can all pursue this business.

In addition to anti-competitive pricing, service is surely to suffer dramatically as well. For example, we still have two cars that Union Pacific mistakenly sent to Colorado which remain there despite our numerous requests for their return.

Since April 24, 1995 when Union Pacific took control of the Chicago & Northwestern Railway, EPIC has transported 381 carloads of sludge to its Pekin, Illinois Intermodal Yard via Union Pacific Railroad. Prior to that time, our average turn-around time was 15 days. Using the Union Pacific Railroad, our average turn-around time ballooned to 75 days. Therefore, Union Pacific has cost us \$1,714,500 in lost rental revenue.

We understand that there are situations beyond the reasonable control of the railroads that cause delays, however, this is not one of them. Delays were caused by negligence on the part of Union Pacific Railroad.

There is very little competition now, and there will be no competition if this railroad merger is permitted. The taxpayer will once again be the innocent victim because desperately needed projects will not be performed or will be done so at a greatly increased price.

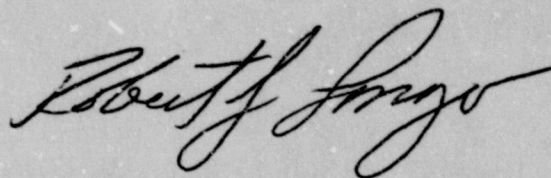
We respectfully request that you investigate the merger between Union Pacific and Southern Pacific Railroads. We stand ready to assist you in any way possible and to provide you with any additional information required.

The Honorable Vernon Williams
March 4, 1996
Page 3

Please contact me or Jay Waxenbaum at 201-361-3300 to discuss
the above.

Very truly yours,

EPIC

A handwritten signature in cursive script, reading "Robert J. Longo".

Robert J. Longo
President

RJL:jkb

cc: J. Florio, Esq., Florio & Perrucci
K. Dwyer, Esq., Vinson & Elkins

STB

FD

32760

3-11-26

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61709

FD 32760

Dear Sir,



The up/SP merger is far more anti-competitive than the Santa Fe-Southern Pacific merger rejected in 1988. I am urging you to stop the decimation of our jobs, so greedy owners can get rich. The merger is bad for our Country. It should be rejected.

Respectfully
Mary P. Valvini



Item No. 61709

Page Count 1
Mar. 11 # 197

ADVISE OF ALL
PROCEEDINGS

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32760

3-11-96

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Item No. _____

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Mar 11 #198

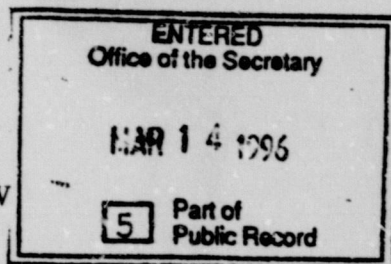
TOMMY G. THOMPSON

861708



March 3, 1996

Vernon Williams, Secretary
Surface Transportation Board
12th & Constitution Avenue, NW
Washington, D.C. 20423



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

Dear Secretary Williams:

On behalf of the State of Wisconsin, I am writing to express my support for the proposed merger of the Union Pacific and Southern Pacific railroads.

The proposed UP/SP merger will create a real competitive contest of equals for Wisconsin automotive, intermodal and carload traffic to the West, rather than one in which Burlington Northern/Santa Fe is dominant.

Furthermore, the merger will improve service for the automotive companies with new dedicated trains between their plants and distribution ramps. For example, trains from Chicago to Southern California will save up to two days in transit, from 119 hours to 67 hours.

Between Oakland and Chicago, mileage savings and operating efficiencies will allow UP/SP to offer a new third-morning intermodal service, which neither UP nor SP can offer today. Between Los Angeles and Chicago, route specialization, plus linking SP's excellent Los Angeles Basin intermodal terminals with UP's excellent Chicago area terminals will greatly improve service.

The Union Pacific is new to Wisconsin by virtue of their recent merger with the Chicago & North Western, but has been generating support among Wisconsin customers and companies with a significant presence in Wisconsin, like General Motors. It is my pleasure to join these Wisconsin entities and hundreds of other shippers, governors, state and local officials, chambers of commerce and shortline railroads in supporting the UP/SP merger.

Thank you for your consideration of the proposed merger of the Union Pacific and Southern Pacific railroads.

Sincerely,

Tommy G. Thompson
TOMMY G. THOMPSON

Governor
TGT/wce

g:\winword\work\upsp.merg

**ADVISE OF ALL
PROCEEDINGS**

STB

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32760

3-8-96

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Item No. _____

Page Count 15

Mar 8 #156

UP/SP-166

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

APPLICANTS' RESPONSES TO ILLINOIS POWER COMPANY'S
FIRST SET OF INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS

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

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

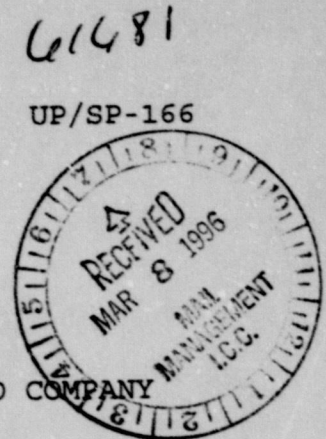
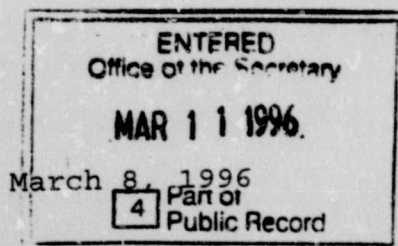
Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
The Denver and Rio Grande
Western Railroad Company

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

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

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

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



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESPONSES TO ILLINOIS POWER COMPANY'S
FIRST SET OF INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby respond to the discovery
requests served by Illinois Power Company on February 22,
1996.^{1/}

GENERAL RESPONSES

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

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

^{1/} In these responses Applicants use acronyms as they have
defined them in the application. However, for purposes of
interpreting the requests, Applicants will attempt to observe
Illinois Power's definitions where they differ from
Applicants'.

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

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

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

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

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

^{2/}(...continued)
privilege (General Objection No. 1) or the work product doctrine (General Objection No. 2) are not being produced.

GENERAL OBJECTIONS

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

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

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

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

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

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

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

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

8. Applicants object to the definitions of "information," "relating," and "related to" as unduly vague.

9. Applicants object to Instructions Nos. 22 and 23 and the definition of "identify" to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

10. Applicants object to Instructions Nos. 22 and 23 and the definition of "identify" as unduly burdensome and overbroad.

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"For each interrogatory, state the full name, address and business title of the person or persons providing information relating to that Interrogatory."

Response

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

Names and titles of individuals who have assisted in providing information relating to these interrogatories will be produced.

Interrogatory No. 2

"Identify all of the individuals at UP and SP who have had any responsibilities relating to bidding for the transportation of coal to the Wood River Station and Havana Station in the last ten years, and describe the nature of such responsibilities for each such individual."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Responsive information will be provided.

Interrogatory No. 3

"Identify all potential rail routings on UP/SP, after the consummation of the merger, from the (a) West Elk Mine, (b) Sanborn Creek/Bear #3 Mine, and (c) Skyline Mine to the Cahokia Marine Terminal located near Sauget, Illinois; and specify the mileage and average transit times of each routing. Specify the route(s) most likely to be utilized under the Applicants' operating plan."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

All three coal movements would be routed via Grand Junction, Denver, Salina, Topeka and Kansas City. An alternative route would be available in emergencies via Cheyenne and North Platte, but this route is too circuitous to be used on a regular basis. Mileage from Skyline to Valley Junction via the direct route is 1,399.7 miles. Mileage from Arco to Valley Junction is 1,281.4 miles.

Interrogatory No. 4

"Identify all potential rail routings on SP, prior to the consummation of the merger, from the (a) West Elk Mine, (b) Sanborn Creek/Bear #3 Mine, and (c) Skyline Mine to the Cahokia Marine Terminal located near Sauget, Illinois; and specify the mileage and average transit times for each routing. Indicate which route(s) have been used most frequently over the last five years."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

SP could route all three coal movements via either Denver or Tennessee Pass to Pueblo, then east via Herington, Topeka and Kansas City. The Tennessee Pass route is the more frequently used route. SP has no other alternative routes. Mileage from Arco to Sauget, Illinois, via Denver is 1,371 miles, and via Pueblo is 1,304 miles. Mileage from Somerset to Sauget, Illinois, via Denver is 1,370 miles, and via Pueblo is 1,303 miles. Mileage from Skyline to Sauget, Illinois, via Denver is 1,490 miles, and via Pueblo is 1,423 miles. Historical average transit times for these movements will be provided.

Interrogatory No. 5

"Identify all coal mines in Colorado, Utah and Wyoming either directly served by UP or served indirectly through truck/rail or rail/rail connections that can meet the coal specifications (as set forth in the Definitions and Instructions section of these Interrogatories) for Illinois Power's (a) Wood River Station and/or (b) Havana Station."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Responsive information will be provided.

Interrogatory No. 6

"Identify all potential rail routings, truck/rail routings, or rail/rail routings from the mines identified in your answer to Interrogatory No. 5 to the Cahokia Marine Terminal located near Sauget, Illinois, and specify the mileage and average transit times for the rail segment of each route."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Responsive information will be provided.

Interrogatory No. 7

"Do the Applicants contend that post-merger, there will be competition restraining transportation rates on high-BTU, low sulfur coal (or on coal meeting the specifications for the Wood River Station or Havana Station) being transported to Wood River Station and Havana Station. If so, identify the coal mine origins and the transporters that will provide the competition, and describe in detail the facts and

circumstances upon which you rely in support of your position."

Response

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

Yes. Competition will be provided by mine origins located in Utah, Colorado, Eastern District 8 (KY, WV and VA), and the Illinois Basin, with transportation provided by carriers including Utah Railway-BN/Santa Fe, UP/SP, IC, NS, C&IM, and CSX. Barge carriers such as Canal, ACBL, Ohio River, Mid South and Ingram will also provide competitive deliveries to Illinois Power plants. In addition, Illinois Power has the ability to purchase power generated by other facilities.

Interrogatory No. 8

"Specify whether BNSF will be able to serve the (a) West Elk Mine, (b) Sanborn Creek/Bear #3 mine, and/or the (c) Skyline Mine under the BNSF Settlement Agreement. If so, explain how BNSF will access these mines."

Response

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

BN/Santa Fe will not have direct access to any of these mines. BN/Santa Fe could gain access to Skyline through establishment of a transload at Provo, Utah, or creation of a

transload on the Utah Railway and subsequent interchange with the Utah Railway.

Interrogatory No. 9

"For each of the three years following consummation of the merger, specify the projected annual coal tonnage that will be carried by BNSF over the trackage rights in the Central Corridor. Explain how these projections were derived and identify any work papers that support these projections."

Response

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

Applicants have not made such projections. The traffic study described in Mr. Peterson's verified statement, which was based on 1994 traffic data, shows BN/Santa Fe moving 3,318 carloads over the Central Corridor in a normal year. Pertinent workpapers bear Document Nos. HC01-005675 and 77.

Interrogatory No. 10

"For western coal moving in unit trains to electric utilities in the Midwest and the South, specify the average and the current range for tariff rates and contract rates in mills per net ton-mile on (a) UP and (b) SP."

Response

Applicants object to this interrogatory as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence.

Interrogatory No. 11

Identify all the truck coal loading and unloading facilities served by (a) SP and (b) UP in Colorado, Utah and Southern Wyoming during the last three years."

Response

Applicants object to this interrogatory as unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence. Without waiving this objection, and subject to the General Objections stated above, Applicants respond as follows:

Responsive information will be provided.

Document Request No. 1

"Produce all documents relied upon by the Applicants in responding to each Interrogatory."

Response

See the responses to the above interrogatories.

Document Request No. 2

"Produce all documents including proposals, studies, analyses, reports, correspondence, memoranda, electronic mail or other documents prepared from January 1, 1991 to date and relating to service options and rates for transportation of coal from UP origins or SP origins to (a) Havana Station, (b) Wood River Station, and (c) Cahokia Marine terminal."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 3

"Produce all documents, studies, analyses, reports, correspondence and memoranda that provide analysis of the coal mines on UP and SP that could serve (a) Wood River Station and (b) Havana Station."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests not reasonably calculated to lead to the discovery of admissible evidence.

Document Request No. 4

"Produce all work papers identified in your answer to Interrogatory No. 9."

Response

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

The workpapers identified in the response to Interrogatory No. 9 are in Applicants' document depository.

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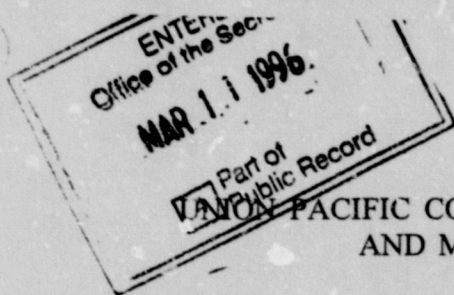
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BEFORE THE
TRANSPORTATION BOARD

61688

BN/SF-47



Finance Docket No. 32760



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

RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO TEXAS UTILITIES ELECTRIC COMPANY'S FIRST SET OF INTERROGATORIES
AND DOCUMENT PRODUCTION REQUESTS TO BN/SANTA FE

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

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

and

The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

Erika Z. Jones
Adrian L. Steel, Jr.
Roy T. Englert, Jr.
Kathryn A. Kusske

Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

March 8, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



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

-- CONTROL AND MERGER --

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

RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO TEXAS UTILITIES ELECTRIC COMPANY'S FIRST SET OF INTERROGATORIES
AND DOCUMENT PRODUCTION REQUESTS TO BN/SANTA FE

Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively "BN/Santa Fe") answer and object as follows to Texas Utilities Electric Company's ("TU Electric") "First Set of Interrogatories and Document Production Requests." These responses and objections are being served pursuant to the Discovery Guidelines Order entered by the Administrative Law Judge in this proceeding on December 5, 1995 ("Discovery Guidelines").

Subject to the objections set forth below, BN/Santa Fe will produce non-privileged documents responsive to TU Electric's First Set of Interrogatories and Document

Production Requests. If necessary, BN/Santa Fe is prepared to meet with counsel for TU Electric at a mutually convenient time and place to discuss informally resolving these objections.

Consistent with prior practice, BN/Santa Fe has not secured verifications for the interrogatory responses herein, but is willing to discuss with counsel for TU Electric any particular response in this regard.

GENERAL OBJECTIONS

BN/Santa Fe objects to TU Electric's First Set of Interrogatories and Document Production Requests on the following grounds:

1. **Privilege.** BN/Santa Fe objects to TU Electric's First Set of Interrogatories and Document Production Requests to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or any other legal privilege.
2. **Relevance/Burden.** BN/Santa Fe objects to TU Electric's First Set of Interrogatories and Document Production Requests to the extent that they seek information or documents that are not directly relevant to this proceeding and to the extent that a response would impose an unreasonable burden on BN/Santa Fe.
3. **Settlement Negotiations.** BN/Santa Fe objects to TU Electric's First Set of Interrogatories and Document Production Requests to the extent that they seek information or documents prepared in connection with, or related to, the negotiations leading to the Agreement entered into on September 25, 1995, by BN/Santa Fe with Union Pacific and Southern Pacific, as supplemented on November 18, 1995.

4. Scope. BN/Santa Fe objects to TU Electric's First Set of Interrogatories and Document Production Requests to the extent that they attempt to impose any obligation on BN/Santa Fe beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

5. Definitions. BN/Santa Fe makes the following objections to TU Electric's definitions:

4. "Document" means the term "document" as that term is used in Fed. R. Civ. P. 34(a) in BN/Santa Fe's current or prior possession, custody or control. "Document" as used herein also encompasses physical things such as computer disks in BN/Santa Fe's current or prior possession, custody or control.

BN/Santa Fe objects to the definition of "Document" as overly broad and unduly burdensome to the extent that it calls for the production of materials and documents that are as readily, or more readily, available to TU Electric as to BN/Santa Fe.

8. "Relating to" means making a statement about, discussing, describing, referring to, reflecting, explaining, analyzing, or in any way pertaining in whole or in part, to a subject.

BN/Santa Fe objects to the definition of "Relating to" in that it requires subjective judgment to determine what is requested and, further, that it potentially calls for the production of documents that are not directly relevant to this proceeding. Notwithstanding this objection, BN/Santa Fe will, for the purposes of responding to TU Electric's interrogatories, construe "Relating to" to mean "make reference to" or "mention".

RESPONSES AND OBJECTIONS TO INTERROGATORIES

1. Does the BN/Santa Fe have the right to transport TU Electric coal trains over KCS' line from Dallas to Shreveport?

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 1 to the extent that it is vague and calls for a legal conclusion.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that it does not have the right to transport coal trains over KCS's line from Dallas to Shreveport under the Agreement dated April 5, 1995, between BN, Santa Fe and KCS.

2. If the answer to Interrogatory No. 1 is in the affirmative, identify the documents setting forth the involved rights.

Response: See Response to Interrogatory No. 1.

3. If the answer to Interrogatory No. 1 is in the affirmative, describe the rights involved.

Response: See Response to Interrogatory No. 1.

4. Does BN/Santa Fe have the right under the Settlement Agreement to transfer TU Electric coal trains at Shreveport for transportation by BN via Tenaha to TU Electric's Martin Lake plant?

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 4 to the extent that it calls for a legal conclusion and requires BN/Santa Fe to interpret a legal document that is as readily available to TU Electric as to BN/Santa Fe.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that it does not have the right under the Settlement Agreement to transfer TU Electric coal trains at Shreveport for transportation by BN via Tenaha to TU Electric's Martin Lake plant.

5. Does KCS have the right under the Settlement Agreement to interchange TU Electric coal trains at Shreveport for transportation by BN/Santa Fe via Tenaha to TU Electric's Martin Lake generating station?

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 5 to the extent that it calls for a legal conclusion and requires BN/Santa Fe to interpret a legal document that is as readily available to TU Electric as to BN/Santa Fe.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that, as a non-party to the Settlement Agreement, KCS has no rights thereunder.

6. Identify all documents relating to BN and/or Santa Fe's potential to transport coal (other than lignite) to TU Electric's Martin Lake generating station.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 6 to the extent that it is vague, overly broad and unduly burdensome and would require an unreasonable search of BN/Santa Fe's files. BN/Santa Fe further objects to Interrogatory No. 6 on the grounds that it seeks information and documents that are not relevant or reasonably calculated to lead to the discovery of admissible evidence.

RESPONSES AND OBJECTIONS TO DOCUMENT PRODUCTION REQUESTS

1. Produce a copy of the agreement between BN, Santa Fe and KCS which is described at page 122 of the Interstate Commerce Commission Decision in Finance Docket No. 32549 (served August 23, 1995).^{1/}

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Production Request No. 1 to the extent that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that a copy of the described Agreement will be produced in accordance with the Discovery Guidelines.

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

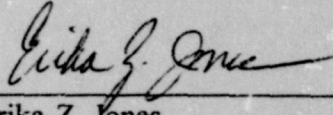
Response: See Response to Interrogatory No. 2.

3. Produce all documents identified in response to Interrogatory No. 6.

Response: See Response to Interrogatory No. 6.

^{1/} Finance Docket No. 32549, Burlington Northern In Burlington Northern Railroad Company -- Control and Merger Santa Fe Pacific Corporation and The Atchison, Topeka and Santa Fe Railway Company, Decision served August 23 1995.

Respectfully submitted,



Erika Z. Jones
Adrian L. Steel, Jr.
Roy T. Englert, Jr.
Kathryn A. Kusske

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

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

and

The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

March 8, 1996

CERTIFICATE OF SERVICE

I hereby certify that copies of Responses and Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Texas Utilities Electric Company's First Set of Interrogatories and Document Production Requests to BN/Santa Fe (BN/SF-47) have been served this 8th day of March, 1996, by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by fax and hand-delivery on counsel for Texas Utilities Electric Company.

Kelley E. O'Brien

Kelley E. O'Brien
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Suite 6500
Washington, D.C. 20006
(202) 778-0607

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OWN & PLATT

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NEW YORK
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARETTE, NADER Y ROJAS

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2000 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006-1882

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TELEX 892603
FACSIMILE
202-861-0473

KELLEY E. O'BRIEN
MEMBER OF THE VIRGINIA BAR
NOT ADMITTED IN THE
DISTRICT OF COLUMBIA
202-778-0607

March 8, 1996



VIA HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
12th Street & Constitution Ave., NW
Room 2215
Washington, DC 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty (20) copies of: (i) Responses and Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Illinois Power Company's First Set of Interrogatories and Document Production Requests to Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company (BN/SF-46); and (ii) Responses and Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Texas Utilities Electric Company's First Set of Interrogatories and Document Production Requests To BN/Santa Fe (BN/SF-47).

Also enclosed is 3.5-inch disk containing the text of BN/SF-46 and BN/SF-47 in Wordperfect 5.1 format. I would appreciate it if you would date-stamp the enclosed extra copy of the pleading and return them to the messenger for our files.

Sincerely,

Kelley E. O'Brien
Kelley E. O'Brien

Enclosures

BEFORE THE
SURFACE TRANSPORTATION BOARD

BN/SE-46



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

RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO ILLINOIS POWER COMPANY'S FIRST SET OF INTERROGATORIES AND
DOCUMENT PRODUCTION REQUESTS TO BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

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

Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-7954

and

The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

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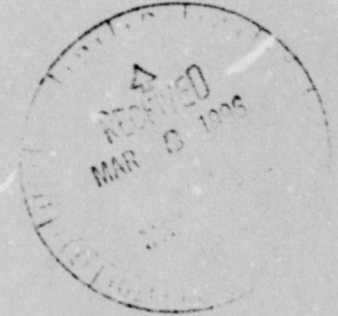
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

March 8, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



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

-- CONTROL AND MERGER --

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

RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO ILLINOIS POWER COMPANY'S FIRST SET OF INTERROGATORIES AND
DOCUMENT PRODUCTION REQUESTS TO BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively "BN/Santa Fe") answer and object as follows to Illinois Power Company's ("Illinois Power") "First Set of Interrogatories and Document Production Requests to Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company." These responses and objections are being served pursuant to the Discovery Guidelines Order entered by the Administrative Law Judge in this proceeding on December 5, 1995 ("Discovery Guidelines").

Subject to the objections set forth below, BN/Santa Fe will produce non-privileged documents responsive to Illinois Power's First Set of Interrogatories and Document Production Requests. If necessary, BN/Santa Fe is prepared to meet with counsel for Illinois Power at a mutually convenient time and place to discuss informally resolving these objections.

Consistent with prior practice, BN/Santa Fe has not secured verifications for the interrogatory responses herein, but is willing to discuss with counsel for Illinois Power any particular response in this regard.

GENERAL OBJECTIONS

BN/Santa Fe objects to Illinois Power's First Set of Interrogatories and Document Production Requests on the following grounds:

1. Privilege. BN/Santa Fe objects to Illinois Power's First Set of Interrogatories and Document Production Requests to the extent that they call for information or documents subject to the attorney work product doctrine, the attorney-client privilege or any other legal privilege.
2. Relevance/Burden. BN/Santa Fe objects to Illinois Power's First Set of Interrogatories and Document Production Requests to the extent that they seek information or documents that are not directly relevant to this proceeding and to the extent that a response would impose an unreasonable burden on BN/Santa Fe.
3. Settlement Negotiations. BN/Santa Fe objects to Illinois Power's First Set of Interrogatories and Document Production Requests to the extent that they seek information or documents prepared in connection with, or related to, the negotiations leading to the

Agreement entered into on September 25, 1995, by BN/Santa Fe with Union Pacific and Southern Pacific, as supplemented on November 18, 1995.

4. Scope. BN/Santa Fe objects to Illinois Power's First Set of Interrogatories and Document Production Requests to the extent that they attempt to impose any obligation on BN/Santa Fe beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

5. Definitions. BN/Santa Fe makes the following objections to Illinois Power's definitions:

16. "Document" or "documents" shall mean, unless otherwise indicated, any writings, transcriptions, pictures, drawings or diagrams of any nature, whether transcribed by hand or by mechanical, electronic, photographic or any other means, as well as recordings or other sound reproductions, whether or not now in existence, or written or oral statements or conversations by whatever means, including by way of illustration, but not by way of limitation, letters, correspondence, telegrams, personal telephone conversations, meetings or conferences, notes, recordings, contracts, agreements, drafts, work papers, labels, memoranda, inter-office conference, books, records, articles, studies, results of investigations, reviews, bulletins, minutes of meetings, resolutions, computer data, stenographers' notebooks, desk calendars, appointment books, and/or diaries or papers similar to any of the foregoing, however denominated, microfilm, work sheets and other written instruments of any kind and description.

BN/Santa Fe objects to the definition of "Document" as overly broad and unduly burdensome to the extent that it calls for the production of materials and documents that are as readily, or more readily, available to Illinois Power as to BN/Santa Fe. BN/Santa Fe further objects to the definition of "document" to the extent that it calls for the production of drafts.

21. The term "relating" means referring, evidencing, including, constituting, comprising, containing, setting forth, showing, disclosing, describing, explaining, summarizing, mentioning, or concerning, directly or indirectly.

BN/Santa Fe objects to the definition of "Relating" in that it requires subjective judgment to determine what is requested and, further, that it potentially calls for the production of documents that are not directly relevant to this proceeding. Notwithstanding this objection, BN/Santa Fe will, for the purposes of responding to Illinois Power's discovery, construe "Relating" to mean "make reference to" or "mention".

RESPONSES AND OBJECTIONS TO INTERROGATORIES

1. For each Interrogatory, state the full name, address and business title of the person or persons providing information relating to that Interrogatory.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe states that a list of individuals providing information responsive to Illinois Power's First Set of Interrogatories and Document Production Requests will be produced in accordance with the Discovery Guidelines.

2. Identify all of the individuals at (a) BN and (b) SF who have had any responsibilities relating to bidding for the transportation of coal to the Wood River Station and Havana Station in the last ten years, and describe the nature of such responsibilities for each such individual.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 2 to the extent that it is vague, overly broad and unduly burdensome. BN/Santa Fe further objects to Interrogatory No. 2 to the extent that it requests information regarding events prior to January 1, 1993, as such information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that the following individuals at BN/Santa Fe have had responsibilities relating to the bidding for

the transportation of coal to the Wood River Station and Havana Station from January 1, 1993, to the present: Sami Shalah, Assistant Vice President -- Coal Marketing; Larry Lehrmann, Director -- Coal Marketing (former employee); Larry Meyne, Manager -- Coal Marketing; Ray Fink, Manager -- Coal Marketing (former employee); and Catharine Foote, Manager -- Coal Marketing (former employee).

3. For the time period from 1990 to the present, identify all coal mines in Colorado, Utah, New Mexico and Wyoming that have been directly served by BNSF or served indirectly through truck/rail or rail/rail connections and that can meet the coal specifications (as set forth in the Definitions and Instructions section of these Interrogatories) for Illinois Power's (a) Wood River Station and/or (b) Havana Station.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 3 to the extent that it is vague, overly broad and unduly burdensome. BN/Santa Fe further objects to Interrogatory No. 2 to the extent that it requests information regarding events prior to January 1, 1993, as such information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence and to the extent that it requests information that is not in the possession of BN/Santa Fe.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that documents containing information responsive to this Interrogatory will be produced in accordance with the Discovery Guidelines.

4. Identify all potential BNSF rail routings, truck/rail routings, or rail/rail routings from the mines identified in your answer to Interrogatory No. 3 to the (a) Cahokia Marine Terminal located near Sauget, Illinois, (b) Havana Station, and (c) Wood River Station; and specify the mileage and average transit times for the rail segment of each route.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 4 to the extent that it is vague, overly broad and unduly burdensome BN/Santa Fe further objects to Interrogatory No. 4 to the extent that it calls for speculation.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that documents containing information responsive to this Interrogatory will be produced in accordance with the Discovery Guidelines.

5. Identify all mines BNSF will be able to serve under the BNSF Settlement agreement either directly or through truck/rail or rail/rail connections with the Utah Railway. Explain how BNSF will access each of these mines.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 5 to the extent that it is vague, overly broad and unduly burdensome. BN/Santa Fe further objects to Interrogatory No.5 to the extent that it requires BN/Santa Fe to interpret a legal document that is as readily available to Illinois Power as to BN/Santa Fe.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that, assuming that BN/Santa Fe's Settlement Agreement and the Applicants' agreement with Utah Railway Company are approved as currently structured, the following origins in Utah for coal shipments may be opened for access:

- Andalex Resources, Inc.
- Cyprus Amax (both the current mine and a new mine origin that is under development)
- Genwal Coal
- Rail-truck loadout at CV Spur in Helper/Price, Utah area run by Savage Trucking

6. Identify all potential rail routings on BNSF from each mine, if any, specified in BNSF's response to Interrogatory No. 5, to the (a) Cahokia Marine Terminal located near Sauget, Illinois, (b) Havana Station, and (c) Wood River Station under the BNSF Settlement Agreement and specify the mileage and average transit times of each routing.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 6 to the extent that it is vague, overly broad, unduly burdensome and calls for speculation. BN/Santa Fe further objects to Interrogatory No. 6 to the extent that it requires BN/Santa Fe to interpret a legal document that is as readily available to Illinois Power as to BN/Santa Fe.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that documents containing information responsive to this Interrogatory will be produced in accordance with the Discovery Guidelines.

7. Identify all potential BNSF rail routings post merger, from its proposed junction with the Utah Railway under the Utah Railway settlement with UP to the (a) Cahokia Marine Terminal located near Sauget, Illinois, (b) Havana Station, and (c) Wood River Station, and specify the mileage and average transit times for the rail segment of each route.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 7 to the extent that it is vague, overly broad, unduly burdensome and calls for speculation.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that documents containing information responsive to this Interrogatory will be produced in accordance with the Discovery Guidelines.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that, as reported in its 1994 Annual Report, the revenues per revenue ton mile (in cents) for coal were \$1.18 for that year.

11. Identify any truck coal loading and unloading facilities now served by BNSF or that will be served under the BNSF Settlement Agreement in Colorado, Utah and Southern Wyoming.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 11 to the extent that it is vague, overly broad, unduly burdensome and calls for speculation.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that documents containing information responsive to this Interrogatory will be produced in accordance with the Discovery Guidelines.

RESPONSES AND OBJECTIONS TO DOCUMENT PRODUCTION REQUESTS

1. Produce all documents relied upon by the Applicants in responding to each Interrogatory.

Response: See Responses to Interrogatories.

2. Produce all documents, including proposals, studies, analyses, reports, correspondence, memoranda, electronic mail or other documents prepared from January 1, 1991 to date and relating to service options or rates for the transportation of coal to (a) Havana Station or (b) Wood River Station, or (c) the Cahokia Marine Terminal.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 2 to the extent that it is vague, overly broad, unduly burdensome and would require an unreasonable search of BN/Santa Fe's files. BN/Santa Fe further objects to Document Request No. 2 to the extent that it requests information generated prior to January 1, 1993, as such information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to any without waiving the foregoing objections, BN/Santa Fe states that responsive, non-privileged documents, if any, will be produced in accordance with the Discovery Guidelines.

3. Produce all documents, studies, analyses, reports, correspondence and memoranda other documents [sic] that provide analysis of the coal mines on BNSF, after the consummation of the merger, that could serve (a) Wood River Station and/or (b) Havana Station.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 3 to the extent that it is vague, overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

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March #127

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

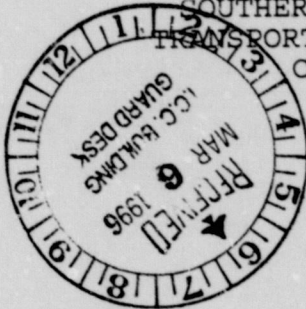
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UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY
AND MISSOURI PACIFIC RAILROAD COMPANY

-- CONTROL AND MERGER --

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



APPLICANTS' RESPONSES TO BRGI'S
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

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

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

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

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

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

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

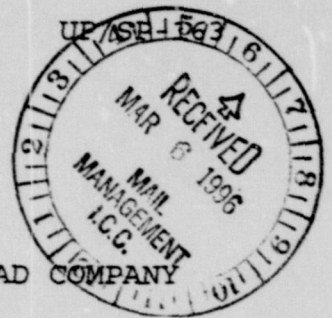
Attorneys for Union Pacific
Corporation, Union Pacific
Railroad Company and Missouri
Pacific Railroad Company

March 6, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESPONSES TO BRGI'S
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby respond to Brownsville and
Rio Grande International Railroad's First Set of
Interrogatories and Requests for Production of Documents
Directed to Applicants.

GENERAL RESPONSES

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

1. Applicants have conducted a reasonable search
for documents responsive to the interrogatories and document
requests. Except as objections are noted herein,^{1/} all
responsive documents have been or shortly will be made
available for inspection and copying in Applicants' document
depository, which is located at the offices of Covington &

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

Burling in Washington, D.C. Applicants will be pleased to assist BRGI to locate particular responsive documents to the extent that the index to the depository does not suffice for this purpose. Copies of documents will be supplied upon payment of duplicating costs (including, in the case of computer tapes, costs for programming, tapes and processing time).

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

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

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

GENERAL OBJECTIONS

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

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

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

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

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

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

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

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

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

8. Applicants object to the definitions of "relating to," "applicants," "SP" and "UP" as unduly vague.

9. Applicants object to Instructions Nos. 1, 3, 4, 5, 6, 7, 8, 9, 13, 15 and 17 and the definition of "provide" when used with reference to documents to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

10. Applicants object to Instructions Nos. 1, 3, 4, 5, 6, 7, 8, 9, 13 and 17 and the definition of "provide" when used with reference to documents as unduly burdensome.

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"Specify any changes Applicants plan, after consummation of the merger, to the frequency and number of train operations presently conducted to and from Brownsville, TX and the Port of Brownsville."

Response

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

As reflected in the Operating Plan, Application, Vol. 3, p. 381, Applicants currently plan a reduction from five to four in the number of daily trains operating to/from Brownsville. Applicants currently plan no other change in the frequency of such service, or in the frequency with which Applicants will serve the Port of Brownsville.

Interrogatory No. 2

"Under the Settlement Agreements between Applicants and BNSF, will BNSF be accorded direct physical access to both Brownsville, TX and BRGI to institute competitive rail service in the event the merger is approved and consummated?"

Response

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

Yes.

Interrogatory No. 3

"If BNSF will not be accorded direct physical access to BRGI -- either via BNSF-exercised trackage rights or haulage rights -- as a result of the proposed merger, will Applicants impose a switching charge upon the movement of traffic to and from BRGI and BNSF? If such an additional charge will be imposed by the Applicants, how much will this charge be?"

Response

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

Not applicable.

Interrogatory No. 4

"If the response to interrogatory (2) above is in the affirmative, will such access be accomplished through a grant of trackage rights to BNSF?"

Response

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

Yes. Pursuant to the Settlement Agreement, ¶ 4, BN/Santa Fe would be granted trackage rights between Houston (Algoa) and Brownsville, with the option to have its traffic operated in UP/SP trains via haulage service. Under trackage rights, BN/Santa Fe would be entitled to operate over UP/SP trackage to access a direct connection with the Port of Brownsville and, pursuant to ¶ 4(c), would have the option of interchanging directly with BRGI or having UP/SP interchange with BRGI and pick up/deliver cars from/to BN/Santa Fe at a location to be determined, which Applicants anticipate would be the former UP Yard. Under haulage, Applicants anticipate that UP/SP would interchange with BRGI at the Port of Brownsville and handle BN/Santa Fe traffic in UP/SP trains between Brownsville and Houston (Algoa).

Interrogatory No. 5

"Specify the terms and conditions, including compensation and any limitations on service and access, which would be attached to a grant of trackage rights to BNSF between Houston (Algoa) and Brownsville."

Response

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

The only terms, conditions and limitations that have
been agreed upon are those set forth in the Settlement
Agreement. See Settlement Agreement, including ¶¶ 4, 9, 11.
Interrogatory No. 6

"(a) What form of access to Brownsville industries
will be accorded to BNSF?"

(b) What, if any, limitations would be placed on
such access to existing industries and to any new industries
locating in Brownsville in the future?"

Response

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

(a) Under the Settlement Agreement, ¶ 4(b),
BN/Santa Fe would have access -- either directly or via
reciprocal switching, at BN/Santa Fe's option (see id.,
¶ 4(c)) -- to all Brownsville industries currently served by
both UP and SP, either directly or via reciprocal switching.

(b) Under the Settlement Agreement, ¶ 4(c),
BN/Santa Fe would have access to new customers locating at
Brownsville, in the same form (i.e., direct or via reciprocal
switch) as BN/Santa Fe's access to existing industries.

Interrogatory No. 7

"What terminal facilities will be available to BNSF
for purposes of meeting local service requirements for traffic
moving to and from BRGI and the City of Brownsville, TX?"

Response

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

Applicants anticipate that BN/Santa Fe would use the
former UP Yard.

Interrogatory No. 8

"Have applicants offered to handle BNSF business to
and from Brownsville and BRGI on a haulage basis as an
alternative to direct access via trackage rights between
Houston (Algoa) and Brownsville?"

Response

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

In paragraph 4(f) of the Settlement Agreement,
Applicants have offered to handle BN/Santa Fe traffic to and
from Brownsville on a haulage basis in lieu of BN/Santa Fe's
conducting actual trackage rights operations. Such haulage
operations, however, would not be in lieu of the grant of
trackage rights, which BN/Santa Fe would possess and have the
option of exercising at any time.

Interrogatory No. 9

"Has BNSF manifested a commitment to provide
competitive service to and from Brownsville and the Port of
Brownsville by means of access through utilization of trackage
rights?"

Response

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

BN/Santa Fe has manifested its commitment to exercise the rights granted it to preserve service by two competing railroad companies for the Brownsville customers (including the Port) covered by the Settlement Agreement, initially on a haulage basis. See Settlement Agreement, ¶¶ 8(i), 16; BN/SF-1, Owen V.S., pp. 22-23; see also Ice Dep., pp. 183-85.

Interrogatory No. 10

"In lieu of undertaking to provide competitive service to and from Brownsville and the Port of Brownsville by means of trackage rights, has BNSF requested Applicants to facilitate provision of post-merger competitive service to and from Brownsville by handling BNSF business on a haulage basis from Houston? If so what are the terms and extent of such service including price and duration?"

Response

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

BN/Santa Fe has expressed its intention that BN/Santa Fe traffic to and from Brownsville initially be handled in UP/SP trains on a haulage basis, as provided in paragraph 4(f) of the Settlement Agreement. See BN/SF-1, Owen V.S., p. 23. The duration of such haulage operations would be at BN/Santa Fe's option, within the 99-year term of the trackage rights granted pursuant to the Settlement Agreement. See Settlement Agreement, ¶ 11. The price and other terms of such haulage operations have not yet been negotiated.

Interrogatory No. 11

"If BNSF or UP should determine not to commence or perpetuate operations consistent with trackage or haulage rights arrangements pursuant to which Brownsville and BRGI shippers would have access to BNSF service, will Applicants commit to extend similar rights from BRGI, whereby Brownsville shippers would be assured of competitive rail service alternatives via a connection with a class I railroad other than the Applicants?"

Response

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

Applicants believe that BN/Santa Fe will serve Brownsville and the Port of Brownsville effectively, as it has committed to do, see Response to Interrogatory No. 9, supra, and see no need to make a commitment as to any alternative form of service at this time.

Interrogatory No. 12

"(a) Have Applicants committed to accord BNSF direct access to the Mexican border crossing at Brownsville and the right to interchange traffic with the FNM at Brownsville (Matamoros, Mexico)?"

(b) Is such access contingent upon BNSF opting to accept trackage rights access to Brownsville and the Port of Brownsville?"

Response

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

(a) Yes. See Settlement Agreement, ¶ 4(b)(iii).

(b) No.

Interrogatory No. 13

"Will Applicants agree to accord BRGI direct access to the Mexican border crossing at Brownsville and the right to interchange traffic with FNM at Brownsville (Matamoros, Mexico) in order to assure Brownsville shipper and receivers traffic moving to and from Brownsville and to Port of Brownsville?"

Response

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

No, Applicants will not agree to provide such access unilaterally and without consideration. Applicants are prepared to discuss any mutually beneficial proposal BRGI wishes to make regarding such access.

Document Request No. 1

"Identify and provide copies of any traffic and/or market studies conducted to access [sic] the impact of this merger on Brownsville and the Port of Brownsville including diversion of traffic to other ports."

Response

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

No such study was conducted. The only traffic diversion study was that conducted by Mr. Peterson and presented in Volume 2 of the Application. The workpapers underlying this study have been in Applicants' document depository since November 1995.

Document Request No. 2

"Identify and provide copies of any documents which constitute and/or discuss terms [sic] duration and fee arrangements for trackage rights and/or haulage rights options proposed as between Applicants and BNSF regarding service to and from Brownsville and the Port of Brownsville."

Response

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

Other than the Settlement Agreement, as amended, which was filed with Volume 1 of the Application, and with BN/SF-1, there are no responsive documents.

Document Request No. 3

"Identify and provide copies of any documents which constitute and/or discuss direct access for BNSF to the Mexican border crossing at Brownsville and rights to interchange traffic border crossing at Brownsville and rights to interchange traffic with the FNM at Brownsville (Matamoros, Mexico)."

Response

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

Other than the Settlement Agreement, as amended, which was filed with Volume 1 of the Application, and with BN/SF-1, there are no responsive documents.

Document Request No. 4

"Identify and provide copies of any documents that constitute and/or discuss BNSF commitment to provide competitive rail service to and from Brownsville and the Port of Brownsville upon approval of appropriate trackage rights agreement(s), or execution of appropriate haulage rights arrangements."

Response

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

Other than the Settlement Agreement, as amended, which was filed with Volume 1 of the Application, and with BN/SF-1, and testimony of BN/Santa Fe witnesses in this proceeding -- see e.g., Owen V.S., pp. 22-23; Owen Dep., pp. 176-77; Ice Dep., pp. 183-85 -- there are no responsive documents.

Document Request No. 5

"Identify and provide copies of any documents that discuss trackage and/or haulage rights options through which BNSF would be able to provide competitive rail service to and from Brownsville and the Port of Brownsville."

Response

Applicants object to this document request as unduly vague and unduly burdensome, and overbroad in that it includes requests for information that is neither relevant nor

reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, and subject to the General Objections stated above, Applicants respond as follows:

Other than the Settlement Agreement, as amended, which was filed with Volume 1 of the Application, and with BN/SF-1, and testimony of BN/Santa Fe witnesses in this proceeding -- see e.g., Owen V.S., pp. 22-23; Owen Dep., pp. 176-77; Ice Dep., pp. 183-85 -- there are no responsive documents.

Document Request No. 6

"Produce all written discovery responses provided by Applicants to any person in connection with the subject proceeding (whether such responses were provided formally or informally, and whether offered in the form of a pleading, a letter or otherwise), and copies of all documents provided by Applicants to any person in connection with this proceeding. This is a continuing request and is effective throughout the pendency of this proceeding."

Response

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

Applicants have forwarded to BRGI a list of pleadings they have filed and are willing to provide copies of any specific pleadings that BRGI requests. Further, counsel for BRGI is on Applicants' restricted service list and has

been receiving all discovery-related pleadings filed by Applicants.

Applicants have produced a vast quantity of documents in this proceeding, all of which are contained in a document depository open to all parties. Although Applicants are willing to provide BRGI, at BRGI's expense, with copies of all of the written discovery materials provided by Applicants, in view of the expense entailed in copying over 150,000 pages, we urge BRGI to consider narrowing its request after it has reviewed materials in the depository, including Applicants' index thereof.

Respectfully submitted,

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

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

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

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

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

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

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

March 6, 1996

CERTIFICATE OF SERVICE

I, Karen W. Kramer, certify that, on this 6th day of March, 1996, I caused a copy of the foregoing document to be served by hand on Keith G. O'Brien, counsel for the Brownsville and Rio Grande International Railroad, at Rea, Cross & Auchincloss, 1920 N Street, N.W., Suite 420, Washington, D.C. 20036, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

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

Karen W. Kramer
Karen W. Kramer

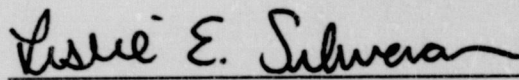
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing The Society of the Plastics Industry, Inc.'s Objections to the Applicants' First Set of Interrogatories and Data Requests was served this 4th day of March, 1996, by hand-delivery, on counsel for Applicants as follows:

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

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

and, by mail upon the remainder of the Restricted Service List.



Leslie E. Silverman

STB

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Item No. _____

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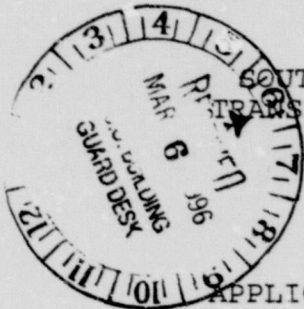
BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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



APPLICANTS' RESPONSES TO INTERNATIONAL PAPER COMPANY'S
SECOND SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

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

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

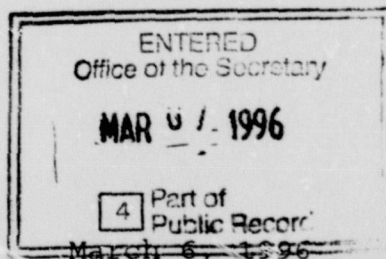
Attorneys for Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
The Denver and Rio Grande
Western Railroad Company

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

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

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

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



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' RESPONSES TO INTERNATIONAL PAPER COMPANY'S
SECOND SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW,
collectively, "Applicants," hereby respond to the discovery
requests served by International Paper Company on February 20,
1996.

GENERAL RESPONSES

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

1. Applicants have conducted a reasonable search
for documents responsive to the interrogatories and document
requests. Except as objections are noted herein,^{1/} all
responsive documents have been or shortly will be made
available for inspection and copying in Applicants' document
depository, which is located at the offices of Covington &

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

Burling in Washington, D.C. Applicants will be pleased to assist International Paper to locate particular responsive documents to the extent that the index to the depository does not suffice for this purpose. Copies of documents will be supplied upon payment of duplicating costs (including, in the case of computer tapes, costs for programming, tapes and processing time).

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

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

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

GENERAL OBJECTIONS

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

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

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

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

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

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

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

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

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

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

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

10. Applicants object to Instructions Nos. 1, 2, 4, 5, 6, 9 and 10 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

11. Applicants object to Instructions Nos. 1, 2, 4, 5, 6, 9 and 10 as unduly burdensome.

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

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

SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS

Interrogatory No. 1

"Provide the date of all meetings or conversations which, at his deposition in this proceeding, Bradley King testified he had with employees or agents of the BN following the execution of the Settlement Agreement. Identify all documents relating to those meetings or conversations, including but not limited to notes generated by Mr. King or any other participant."

Response

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

Mr. King referred to four meetings or conversations with BN/Santa Fe employees or with Neal Owen. According to Mr. King's secretary, the telephone conversation with Mike Roper and Neal Owen regarding an inspection trip took place on October 27, 1995. The meeting in Omaha with Mr. Roper and Mr. Owen took place on December 7, 1995. The telephone conversation with Mr. Owen regarding Moffatt Tunnel took place shortly after the December 7 meeting, but Applicants have been unable to identify the precise date. The meeting with Mr. Dealy took place on December 20, 1995. All documents relating to those meetings and conversations have been or will be produced.

Interrogatory No. 2

"Identify all employees of Applicants who attended a meeting with employees or agents of the BN on or about December 20, 1995 in Omaha concerning service to IP mills in Camden and Pine Bluff, Arkansas. Identify all documents which relate to that meeting, including but not limited to any notes of those who attended, and any subsequent memoranda or correspondence discussing the meeting or an operating plan for servicing those mills."

Response

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

Applicants are attempting to locate a copy of the
map provided by Mr. Rebensdorf to Mr. Ice and will produce it
if it is located.

Respectfully submitted,

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

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

Attorneys for Southern
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Southern Pacific Transportation
Company, St. Louis Southwestern
Railway Company, SPCSL Corp. and
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RICHARD J. RESSLER
Union Pacific Corporation
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Eighth and Eaton Avenues
Bethlehem, Pennsylvania 18018
(610) 861-3290

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

Arvid E. Roach II

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

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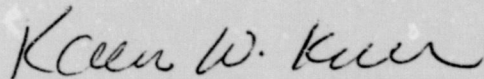
March 6, 1996

CERTIFICATE OF SERVICE

I, Karen W. Kramer, certify that, on this 6th day of March, 1996, I caused a copy of the foregoing document to be served by hand on Edward D. Greenberg, counsel for International Paper Company, at Galland, Kharasch, Morse & Garfinkle, P.C., 1054 31st Street, N.W., Second Floor, Washington, D.C. 20007, and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

Director of Operations
Antitrust Division
Suite 500
Department of Justice
Washington, D.C. 20530

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



Karen W. Kramer

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Item No. _____

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Mar. 11 # 174



COAL SALES

A Cyprus Amax Company

61715
Cyprus Amax Coal Sales Corporation
9100 East Mineral Circle
Post Office Box 3299
Englewood, Colorado 80112-3299
(303) 643-5131
Fax: (303) 643-5002

Betsy B. Monseu
Manager Logistics

March 1, 1996

Honorable Verron A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington, D.C. 20549



Re: Finance Docket No. 32760

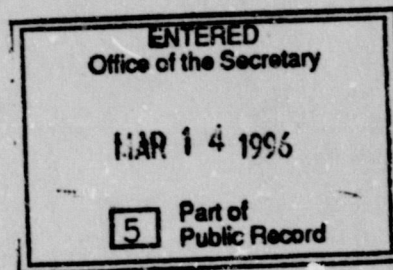
Dear Mr. Williams:

This letter is to advise that Cyprus Amax Coal Company, a party of record to the Union Pacific-Southern Pacific merger case, is receiving duplicate copies of materials distributed by the Surface Transportation Board in conjunction with Finance Docket No. 32760. In the future, copies of distributed materials should be sent to my attention only at the above address. (I believe that presently both my name as well as Mr. Richard Elston's name of Cyprus Amax appear on the service list; this is unnecessary.)

Thank you for your attention to this matter.

Regards,

Betsy B. Monseu



ADVISE OF ALL
PROCEEDINGS