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Item No. _____

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Mar. # 261 BROWN & PLATT

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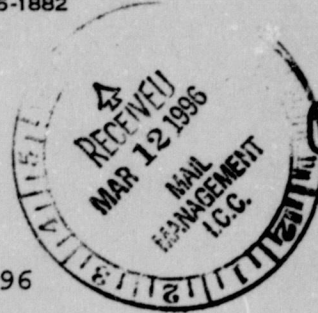
CHICAGO
DALLAS
HOUSTON
LONDON
LOS ANGELES
NEW YORK
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARETTE, NADER, OROJAS
Public Record

ERIKA C. JONES
202-778-0642

1000 PENNSYLVANIA AVENUE, N.W.

D.C. 20006-1882

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



ORIGINAL

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 Carl R. Ice.

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

Page 55, line 4 through Page 59, line 13

Page 80, line 1 through Page 80, line 20

Page 112, line 4 through Page 112, line 22

Page 159, line 20 through Page 176, line 20

Page 287, line 9 through Page 292, line 25

Page 295, line 6 through Page 298, line 22

Page 367, line 24 through Page 370, line 18

Exhibit No. 1

Exhibit No. 2

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

Page 567, line 7 through Page 569, line 23 *

Exhibit No. 4 *

* Designated by The Texas Mexican Railway Company

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

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

Sincerely,

Erika Z. Jones ¹⁵⁰

Erika Z. Jones

cc: The Honorable Jerome Nelson
The Honorable Vernon Williams

STB

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3-12-96

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Item No. _____

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Mar. # 221

BEFORE THE
TRANSPORTATION BOARD

CR-19



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

CONSOLIDATED RAIL CORPORATION'S RESPONSES
TO BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY CORPORATION'S
FIRST SET OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS



Constance L. Abrams
Jonathan M. Broder
Anne E. Treadway
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2001 Market Street
Philadelphia, PA 19101

Daniel K. Mayers
A. Stephen Hut, Jr.
Joseph E. Killory, Jr.
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037

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

CONSOLIDATED RAIL CORPORATION'S RESPONSES
TO BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY CORPORATION'S
FIRST SET OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS

Consolidated Rail Corporation ("Conrail") hereby
responds to the first set of interrogatories and document
requests served on Conrail by Burlington Northern Railroad
Company and the Atchison, Topeka and Santa Fe Railway Company
(collectively "BNSF") on February 26, 1996, as modified by the
rulings of Judge Nelson at the March 8, 1996 Discovery
Conference, and the agreements reached by Conrail and BNSF at
that Discovery Conference.

GENERAL RESPONSE

Conrail makes the following general response to all of
the interrogatories and document requests:

1. Conrail is conducting a reasonable search for information and documents responsive to the discovery requests by searching files reasonably believed to contain responsive materials and inquiring of personnel reasonably believed to have responsive information. Subject to the general and specific objections set forth herein, all responsive, non-privileged documents located by that search will soon be made available for inspection and copying at Conrail's document depository, to be located at the offices of Wilmer, Cutler & Pickering in Washington, D.C. Copies of identified documents from the depository will be supplied upon payment of reproduction costs.

2. Provision of information or production of documents in response to these requests shall not be construed as a concession as to the relevance of that request, or of the subject matter underlying that request, to the issues in this proceeding, nor shall it be construed as a waiver of any objection set forth herein.

3. To the extent that Conrail is producing responsive documents that contain confidential information, any such production is subject to the limitations and restrictions set forth in the protective order that has been entered in this proceeding.

GENERAL OBJECTIONS

The general objections set forth below apply to all of the discovery requests.

1. Conrail objects to the production of, and is not producing, documents or information protected by the attorney-client privilege.

2. Conrail objects to the production of, and is not producing, documents or information protected by the work product doctrine.

3. Conrail objects to the production of, and is not producing, documents or information protected by the settlement privilege.

4. Conrail objects to the production of, and generally is not producing, public documents that are readily available such as documents on file at the Securities and Exchange Commission, filings in this proceeding, clippings from newspapers or other public media, or documents that are otherwise readily available to the party propounding the request.

5. Conrail objects to the production of, and is not producing, drafts of verified statements or studies.

6. Conrail objects to any request that would require the preparation of a special study.

7. Conrail objects to any request as to which responding would impose an undue burden including, but not limited to, any request seeking information from before January 1, 1993.

8. Conrail objects to the production of any documents or information unrelated to the issues to be addressed in Conrail's comments and related filings in this proceeding.

9. Conrail is responding to individual requests in accordance with the rulings by Judge Nelson at the March 8, 1996 Discovery Conference, and the agreement between Conrail and BNSF in light of those rulings. In the event that those rulings by Judge Nelson are appealed to the Surface Transportation Board by Applicants or any other party, these responses shall not be construed as a waiver of Conrail's right to argue that all of the discovery requests served on Conrail before the filing of its comments are premature and not consistent with the governing decisions of the Interstate Commerce Commission and the Discovery Guidelines.

10. Conrail objects to the extent that any request calls for the disclosure of highly confidential information, such as information subject to disclosure restrictions imposed in other proceedings or by contractual obligation to third parties, and that is of insufficient relevance to warrant production even under a protective order.

**SPECIFIC RESPONSES AND ADDITIONAL OBJECTIONS
TO INDIVIDUAL INTERROGATORIES AND DOCUMENT REQUESTS**

1. Identify each occasion from January 1, 1990, to the present on which Conrail has abandoned, sold, or otherwise discontinued or decreased service on a rail line and thereafter continued to provide rail service between the same general

geographic origins and destinations through trackage or haulage rights.

RESPONSE: Conrail objects to this request on the grounds that it is not relevant to the subject matter of this proceeding, it is vague, ambiguous, unintelligible, and it seeks information from before January 1993. To the extent that the meaning of the request can be ascertained, it is unduly burdensome.

Subject to and without waiving these objections, Conrail responds to Request No. 1 as follows:

Conrail has undertaken numerous abandonments. In most such cases, track is removed, and there are no successor operations by any railroad on the abandoned line. It is impossible for Conrail to determine what BNSF means by provision of "rail service between the same general geographic origins and destinations" and therefore impossible to determine whether trackage or haulage rights have been provided in such circumstances in the case of abandoned track. Even if it were possible, such a determination could not be accomplished without undue burden and undertaking a special study.

With respect to "decreased service on a rail line" there are thousands of such instances every year due to, among other things, reductions in available shipper business. It is impossible, without undue burden and a special study, to determine whether and what trackage or haulage rights may exist over lines where there has been such "decreased service."

In an attempt to respond to this request, Conrail has identified instances in which it has either abandoned service on a rail line or sold a portion of a rail line, and has subsequently provided rail service between the same geographic points through trackage or haulage rights. Those instances are as follows:

Conrail filed to abandon the portions of its Fort Wayne line between Tolleston and Valparaiso, Indiana, and between Valparaiso and Warsaw, Indiana, and sold those portions to Norfolk & Western pursuant to OFAs. Conrail also sold the portion of its Fort Wayne line between Warsaw and Fort Wayne, Indiana, to Norfolk & Western. On September 30, 1995, Conrail obtained overhead trackage rights over each of these segments, and additional local trackage rights to serve customers at Warsaw.

Conrail sold certain lines in the Akron, Ohio area on July 24, 1994, and entered into a haulage agreement with Wheeling & Lake Erie Railroad, to handle, between Cleveland or Canton and Akron, traffic routed to Akron via Conrail, until tariffs and routing could be changed. This agreement was for 30 days, and was extended for an additional 30 days.

Conrail sold a line in East Alton to the Gateway Eastern in January 1994, and retained overhead trackage rights between "Willows" and "Q Tower" at East St. Louis, Illinois to reach existing rights of Conrail.

Conrail sold its Oasis Branch in Cincinnati to Cincinnati Terminal Railroad on June 23, 1994, and retained overhead trackage rights at Sharonville, Ohio to reach existing rights of Conrail.

Conrail sold its Geneva Cluster, near Geneva, New York, on July 21, 1995, to Finger Lakes Railroad, and entered into an agreement with Finger Lakes to provide haulage for the interchange of Conrail cars with Ontario Central.

Conrail sold one mile of track at Carey, Ohio to Carey Short Line on February 26, 1993. The Carey Short Line granted trackage rights to Conrail, CSX and Wheeling & Lake Erie to allow all three carriers to serve the customer.

Conrail sold a portion of its Jamesville Industrial Track and Lake Industrial Track at Syracuse, New York to the Onondaga County Industrial Development Authority on April 1, 1993, and retained local and overhead trackage rights.

With respect to these instances of abandonments or line sales in which Conrail retained the right to provide service through trackage or haulage rights over such lines, Conrail will, in accordance with 49 C.F.R. § 1114.26(b), produce the relevant trackage or haulage rights agreements, from which BNSF can determine the information it seeks.

2. As to each occasion identified in your response to Interrogatory No. 1, identify the rail line involved; describe the abandonment, sale, or other discontinuance or decrease of service that occurred, and identify the person (if any) to whom the rail line was sold or otherwise transferred; the rail line(s) over which Conrail continued to provide rail service between the

same general geographic origins and destinations through trackage or haulage rights; and any and all agreements or contracts pursuant to which such service was provided.

RESPONSE: Conrail objects to this request on the same grounds as the related request set forth in Request No. 1. The request is not relevant to the subject matter of this proceeding, vague and ambiguous, and seeks information from before January 1993. To the extent that the meaning of the request can be ascertained, it is unduly burdensome and would require a special study, as explained in response to Request No. 1 above.

Subject to and without waiving these objections, Conrail will, in accordance with 49 C.F.C. § 1114.26(b), provide the trackage and haulage rights agreements identified for production in response to Request No. 1, from which agreements BNSF can determine the information it seeks.

3. Produce a copy of all agreements or contracts identified in your response to Interrogatory No. 2.

RESPONSE: See Objections and Responses to Request Nos. 1 and 2.

4. State the compensation or rate paid by Conrail under the terms of each of the following trackage rights agreements, and state as to each such agreement the amount of such compensation or rate in terms of mills per gross ton mile and the method and assumptions used to convert the rate stated in the agreement to mills per gross ton mile:

- (a) Amtrak -- Northeast Corridor; Springfield, MA to New Haven, CT; Philadelphia, PA to Harrisburg, PA; Kalamazoo, MI to Furnessville, IN

- (b) Metro North -- Poughkeepsie, NY to NYC; White Plains, NY to NYC
- (c) NS (N&W) -- Richmond, IN to New Castle and Muncie, IN
- (d) B&M -- Worcester, MA to Ayer, MA
- (e) CSXT -- Benning, MD to Baltimore, MD
- (f) CSXT -- Hobson Jct., OH to Kanauga, OH
- (g) NS (N&W) -- Bloomington, IL to East Peoria, IL
- (h) CP -- Terre Haute, IN to Bee Hunter, IN
- (i) CSXT -- Toledo, OH to Carlton, MI

RESPONSE: Conrail objects to this request on the grounds that it is not relevant to the subject matter of this proceeding.

Subject to and without waiving its objections, Conrail will produce portions of each of the trackage rights agreements identified sufficient to disclose the rate being paid. See 49 C.F.R. § 1114.26(b). Where, as in virtually all cases, the rate is not set out in mills per gross ton mile, a special study -- which BNSF can accomplish as well as Conrail -- would be required to state the rate on such basis.

5. State the compensation or rate received by Conrail under the terms of each of the following trackage rights agreements, and state as to each such agreement the amount of such compensation or rate in terms of mills per gross ton mile and the method and assumptions used to convert the rate stated in the agreement to mills per gross ton mile:

- (a) CP (D&H) -- Buffalo, NY to Binghamton, NY
- (b) NYSW -- Binghamton, NY to Warwick, NY

- (c) Amtrak, VRE, CP and CSXT -- Arlington, VA to Washington, DC
- (d) GTW -- Cincinnati, OH to Spring, OH
- (e) CP (D&H) -- Sunbury, PA to Harrisburg, PA
- (f) CP (D&H) -- Harrisburg, PA to Potomac Yard, VA
- (g) CP (D&H) -- Allentown, PA to Oak Island, NJ
- (h) CP (D&H) -- Allentown, PA to Philadelphia, PA
- (i) CP (D&H) -- Scranton, PA to Allentown, PA

RESPONSE: Conrail objects to this request on the grounds that it is not relevant to the subject matter of this proceeding.

Subject to and without waiving its objections, Conrail will produce portions of each of the trackage rights agreements identified sufficient to disclose the rate being paid. Where, as in virtually all cases, the rate is not set out in mills per gross ton mile, a special study -- which BNSF can accomplish as well as Conrail -- is required to state the rate on such basis.

With regard to the trackage rights agreement materials produced in response to sub-part (a), Conrail notes that the payment rates under that agreement currently are the subject of a confidential arbitration proceeding in which petitions for clarification are pending. Accordingly, the rate specified in the materials being produced no longer prevails; that stated rate is lower than the rate that ultimately will be paid, but the precise rate to be paid is not now known. With regard to the tracking rights agreement materials produced in response to sub-

part (c), Conrail notes that the current rate, effective January 1, 1996, was fixed by the recent decision of the Surface Transportation Board in Finance Docket No. 32467.

6. Has Conrail at any time in or after August 1995 discussed (in a meeting, in person, or by telephone) any of the following subjects with any representative of the United States Department of Justice, the United States Department of Transportation, or any other federal or state agency; the Proposed Transaction; the BN/Santa Fe Agreement; or railroad competition in the Western United States? If so, each such meeting or discussion, provide the following:

- (a) The federal or state agency involved;
- (b) The date of the meeting or discussion;
- (c) The participants on behalf of Conrail and the federal or state agency in the meeting or discussion;
- (d) A description of the subject matter of the meeting or discussion;
- (e) All documents provided by Conrail to the federal or state agency at or during the meeting or discussion;
- (f) All other documents sent or provided to or received from the federal or state agency relating to the meeting or discussion; and
- (g) All other documents relating in any way to the meeting or discussion.

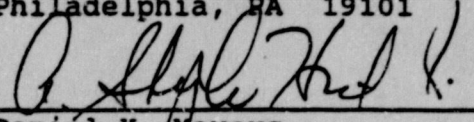
RESPONSE: Pursuant to the rulings of Judge Nelson at the March 8, 1996 Discovery Conference and the agreement reached between Conrail and BNSF at that Conference, no response is required at this time.

7. For each interrogatory and document request (or part thereof), identify by name, address, position and responsibilities each person who assisted or participated in

preparing or supplying any of the information or documents given in response to such interrogatory or document request (or part thereof).

RESPONSE: Counsel.

Constance L. Abrams
Jonathan M. Broder
Anne E. Treadway
CONSOLIDATED RAIL CORPORATION
2001 Market Street
Philadelphia, PA 19101



Daniel K. Mayers
A. Stephen Hut, Jr.
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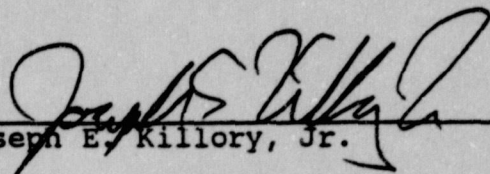
March 12, 1996

CERTIFICATE OF SERVICE

I certify that on this 12th day of March, 1996, a copy of the foregoing Consolidated Rail Corporation's Responses to Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company's First Set of Interrogatories and Requests for Production of Documents was served by hand delivery to:

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

and served by first-class mail, postage pre-paid, to all parties on the Restricted Service List.



Joseph E. Killory, Jr.

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Item No. _____

Page Count 7

Mar. # 226

EARY, WOOD & MASER, P.C.

YS AND COUNSELORS AT LAW

SUITE 750

30 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 WESTERN RESOURCES, INC.'S INITIAL RESPONSES TO APPLICANTS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS, designated WSTR-10. 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,

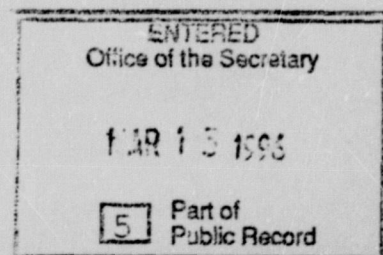
Thomas W. Wilcox

Thomas W. Wilcox
Attorney for Western Resources, Inc.

Enclosures

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

3770-130



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

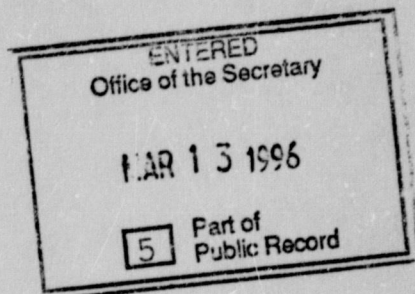
Finance Docket No. 32760

**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**

**WESTERN RESOURCES, INC.'S
INITIAL RESPONSES
TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**



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(202) 371-9500

Attorneys for Western Resources, Inc.

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**

**WESTERN RESOURCES, INC.'S
INITIAL RESPONSES
TO APPLICANTS'
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

Western Resources, Inc. ("Western") 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, Western 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 generally to be propounded now, and "Phase II" discovery appropriate for resubmission and reformulation in light of the filings on March 29.

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

Interrogatory No. 2

For each utility plant operated by Western Resources, separately for each year 1993 through 1995, identify the originating mines for all coal burned at the plant and, as to each such mine, state: (a) the tonnage of coal from that mine burned at the plant; (b) the average delivered price of coal from that mine; (c) the average minehead price of that coal; (d) the rail transportation routings (including origination and interchange points) for all coal shipped from that mine to the plant; and (e) any transportation routings or modes other than rail used in shipping coal to the plant.

Initial Response to Interrogatory No. 2

Western repeats the general and specific objections to this Interrogatory set forth in its March 4, 1996 Objections. Subject to those objections, Western is willing to discuss with Applicants means by which to narrow the scope of this interrogatory and ascertain the extent to which responsive information is already in the possession of Applicants or readily available from public sources.

Document Request No. 15

Produce all presentations, letters, memoranda, white papers or other documents sent or given by Western 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 presentations, 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 by Western on March 4, 1994, Western states it

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 Western are limited to the discovery that is required to be answered on March 12, 1996. These Initial Responses will be supplemented on April 1 for all interrogatories and document requests identified by the ALJ for response on that date.

has sent or given no presentations, solicitations, etc. to security analysts or other financial addressees relating to the UP/SP merger as sought in the Document Request.

Document Request No. 16

Produce all 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 relating to the UP/SP merger.

Initial Response to Document Request No. 16

In the discovery conference on March 8, the ALJ ruled that presentations, 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 by Western on March 4, 1996, Western states it has no notes or memoranda relating to any meetings with security analysts or other financial addressees relating to the UP/SP merger as sought in the Document Request.

Document Request No. 24

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

Initial Response to Document Request No. 24

In the discovery conference on March 8, the ALJ ruled that studies, reports, or analyses relating to collusion (as defined in the discovery conference) among competing railroads and the risk thereof is an appropriate Phase I question. Subject to the objections set forth by Western on March 4, Western states that it has no such studies, reports or analyses.

Document Request No. 25

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

Initial Response to Document Request No. 25

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 Western on March 4, Western states that it has no such studies, reports or analyses.

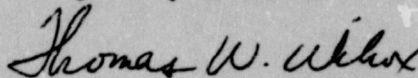
Document Request No. 28

Produce all filings made with state utility commissions or state regulatory agencies that discuss sources of fuel.

Initial Response to Document Request No. 28

This Document Request was not specifically ruled upon by the ALJ on March 8, 1996. Western believes this Document Request is clearly a Phase II request that should be propounded in more focused form after the submission of evidence on March 29, 1996. To the extent that there is disagreement on this point, Western repeats the objections set forth on March 4, 1996.

Respectfully submitted,



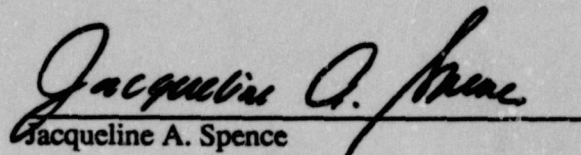
Nicholas J. DiMichael
Thomas W. Wilcox
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W., Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

Attorneys for Western Resources, Inc.

March 12, 1996

CERTIFICATE OF SERVICE

I hereby certify that a copy of WESTERN RESOURCES, INC.'S INITIAL RESPONSES 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.


Jacqueline A. Spence

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3-12-96

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Item No. _____ BEFORE THE
TRANSPORTATION BOARD

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Mar. # 244

ORIGINAL

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

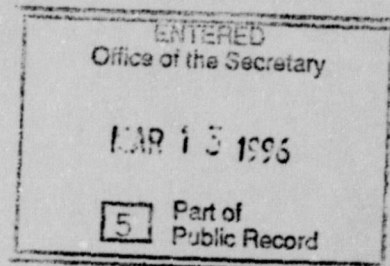
RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO BROWNSVILLE AND RIO GRANDE INTERNATIONAL'S SECOND SET OF
INTERROGATORIES AND INFORMAL REQUESTS FOR PRODUCTION OF
DOCUMENTS TO THE BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY ("BNSF")

Jeffrey R. Moreland
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and

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Railway Company
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Schaumburg, Illinois 60173
(708) 995-6887Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway 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

RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO BROWNSVILLE AND RIO GRANDE INTERNATIONAL'S SECOND SET OF
INTERROGATORIES AND INFORMAL REQUESTS FOR PRODUCTION OF
DOCUMENTS TO THE BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY ("BNSF")

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 Brownsville and Rio Grande International's ("BRGI") "Second Set of
Interrogatories and Informal Requests For Production of Documents." 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 BRGI's Second Set of Interrogatories and Informal Request For Production of Documents. If necessary, BN/Santa Fe is prepared to meet with counsel for BRGI 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 BRGI any particular response in this regard.

GENERAL OBJECTIONS

BN/Santa Fe objects to BRGI's Second Set of Interrogatories and Informal Request For Production of Documents on the following grounds:

1. Privilege. BN/Santa Fe objects to BRGI's Second of Interrogatories and Informal Request For Production of Documents 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 BRGI's Second Set of Interrogatories and Informal Request For Production of Documents 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 BRGI's Second Set of Interrogatories and Informal Request For Production of Documents 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 BRGI's Second Set of Interrogatories and Informal Request For Production of Documents 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 BRGI's definitions:

11. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including: intracompany communications; electronic mail; correspondence; telegrams; memoranda; contracts; instruments; studies; projections; forecasts; summaries, notes, or records of conversations or interviews; minutes, summaries, notes, or records of conferences or interviews; minutes, summaries, notes, or records of conferences or meetings; record or reports of negotiations; diaries; calendars; photographs; maps; tape recordings; computer tapes; computer disks; other computer storage devices; computer programs; computer printouts; models; statistical statements; graphs; charts; diagrams, plans; drawings; brochures; pamphlets; news articles; reports; advertisements; circulars; trade letters; press releases; invoices; receipts; financial statements; accounting records; and workpapers and worksheets. Further, the term "document" includes:

- (a) both basis records and summaries of such records (including computer runs);
- (b) both original versions and copies that differ in any respect from original versions, including notes; and

- (c) both documents in the possession, custody, or control of BNSF and documents in the possession, custody, or control of consultants or others who have assisted BNSF in connection with this proceeding.

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 BRGI as to BN/Santa Fe.

"Relating to" a subject means making a statement about, referring to, or discussing, the subject, including, as to actions, any decisions to take, not take, defer, or defer decision on the action.

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 BRGI's interrogatories, construe "Relating to" to mean "make reference to" or "mention".

23. "Studies, analyses, and reports" include studies, analyses, and reports in whatever form, including letters, memoranda, tabulations, and computer printouts of data selected from a database.

BN/Santa Fe objects to the definition of "Studies, analyses, and reports" in that it requires subjective judgment to determine what is requested and, further, it is overly broad and unduly burdensome. Notwithstanding this objection, BN/Santa Fe will, for the purposes of responding to BRGI's requests, construe "Studies, analyses, and reports" to mean analyses, studies or evaluations in whatever form.

RESPONSES AND OBJECTIONS TO INTERROGATORIES

9. Has BNSF prepared any operating or service plans (or service studies) concerning its potential access to Brownsville, TX? If so, please identify any

documentation prepared in connection with such operating or service plans or studies, and identify the individual or individuals who prepared such operating or service plan(s).

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 9 seeks information beyond that contained in BN/Santa Fe's Comments on the Primary Application (BN/SF-1), filed December 29, 1995, and in workpapers in BN/Santa Fe's document depository, BN/Santa Fe objects to Interrogatory No. 9 to the extent that it is vague and 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, other than as may be set forth in BN/SF-1, it has not identified any responsive documents.

10. Has BNSF undertaken or prepared any marketing, service, operating or economic assessments or studies of the Brownsville market? If so, please identify any documentation prepared as a result of such studies or assessments, and identify the individual or individuals who prepared the assessment(s) or studies.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 10 seeks information beyond that contained in BN/Santa Fe's Comments on the Primary Application (BN/SF-1), filed December 29, 1995, and in workpapers in BN/Santa Fe's document depository, BN/Santa Fe objects to Interrogatory No. 10 to the extent that it is vague and 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, other than as may be set forth in BN/SF-1, it has not identified any responsive documents.

11. BRGI understands that, if the proposed UP/SP merger is approved, BNSF intends to initiate rail service to the Brownsville area via a haulage rights agreement with the merged UP/SP system. If BRGI is correct, please provide in detail a full listing of

those considerations that have caused BNSF to opt to exercise haulage rights, rather than trackage rights, to serve Brownsville.

Response: Subject to and without waiving the General Objections stated above, in particular the burden, privilege, settlement negotiations, and scope objections, BN/Santa Fe objects to Interrogatory No. 11 to the extent that it is vague and 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 it determined to initiate rail service to the Brownsville area via a haulage rights agreement in view of the anticipated volume of traffic it would initially have available for transportation to and from Brownsville. In addition, BN/Santa Fe desires to provide seven day a week service to and from Brownsville via UP/SP haulage in each direction, which daily service it understands that SP presently does not now provide.

12. In connection with interrogatory number 11, above, does BNSF interpret its Settlement Agreement with the Applicants to enable BNSF to elect, at some later date, to convert its haulage rights service from Houston to Brownsville to trackage rights service? If so, please explain with particularity what circumstances must be met to cause BNSF to choose to initiate trackage rights service to Brownsville.

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. 12 to the extent that it is vague and neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 12 to the extent that it would require BN/Santa Fe to speculate as to the legal meaning of a document that is readily available to BRGI and that speaks for itself.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that it has the right under the Settlement Agreement to elect to convert its haulage rights service to

the Brownsville area to trackage rights service. Any such decision to do so would be based on the volume of traffic BN/Santa Fe would have available for transportation to and from the Brownsville area at the time.

13. BRGI understands that, for BNSF to initiate trackage rights service to Brownsville, it will probably have to undertake certain capital commitments. Please provide in detail the various expenses and operating costs that BNSF anticipates it would incur to provide direct service to Brownsville via trackage rights, and explain how these expenses and costs would exceed the expenses and costs associated with BNSF's service to Brownsville via haulage rights.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 13 seeks information beyond that contained in BN/Santa Fe's Comments on the Primary Application (BN/SF-1), filed December 29, 1995, and in workpapers in BN/Santa Fe's document depository, BN/Santa Fe objects to Interrogatory No. 13 to the extent that it is vague, that it calls for speculation and 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, because it intends to initiate service to Brownsville via haulage over UP/SP, it has not identified any responsive documents.

14. In determining whether, in the event the proposed UP/SP merger is approved, BNSF would opt to serve Brownsville via trackage rights or haulage rights, did BNSF review and assess the suitability and availability of rail facilities located in the Brownsville area when it considered the trackage rights option? If so, what facilities did BNSF consider, in the event that it should undertake trackage rights service to Brownsville?

Response: Subject to and without waiving the General Objections stated above, in particular the burden, settlement negotiations, and scope objections, BN/Santa Fe objects to

Interrogatory No. 14 to the extent that it is vague and 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, since it has determined to serve Brownsville initially via haulage over UP/SP because of the volume of traffic it anticipates will be available to it for transportation to and from Brownsville, it did not undertake a detailed review or analysis of the rail facilities in the Brownsville area.

15. Assuming BNSF elects to exercise trackage rights to Brownsville (either immediately following approval of the UP/SP merger or at some later date), what rail facilities (yards, interchange tracks, etc.) would BNSF utilize to accommodate its operations in the Brownsville area?

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. 15 to the extent that it is vague, that it calls for speculation and 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 it is unable to speculate as to what rail facilities it would utilize in the Brownsville area were it to elect to serve Brownsville via trackage rights.

16. BRGI is particularly interested in BNSF's proposed grain transportation service to and from the Port of Brownsville. Please explain in detail: (1) how BNSF will market grain service to Brownsville; (2) what rates it intends to charge for the movement of such traffic; (3) and under what terms and conditions BNSF will make available grain cars to customers seeking to ship to and from Brownsville.

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. 16 to

the extent that it is vague, that it calls for speculation and 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, other than as may be set forth in BN/SF-1, it has not identified any responsive documents.

17. Does BNSF intend to promote or develop intermodal service to and from the Brownsville area? If so, please identify and describe all of the studies and marketing research conducted on this topic, and describe how such service would be implemented following the merger of the UP and SP.

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. 17 to the extent that it is vague, that it calls for speculation and 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, as reflected in BN/SF-1, it intends to compete for and provide service for all types of traffic over all rail lines to which it would obtain access under the Settlement Agreement, including intermodal traffic to and from the Brownsville area. BN/Santa Fe further states that, other than as may be set forth in BN/SF-1, it has not identified any responsive documents.

18. Does BNSF contend that it should not be made a party to the 1982 Memorandum of Understanding? If so, please explain the grounds for your position.

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. 18

to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 18 to the extent that it calls for a legal conclusion.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that it has not determined if it will or should seek to become a party to the described June 1982 Agreement.

19. Has BNSF undertaken any studies which, in whole or in part, concern the rail service it plans to provide to the various ports it will serve along the Gulf of Mexico, following the proposed merger? If so, please identify any documentation prepared in connection with such studies, including any proposed or existing marketing plans or operating strategies resulting therefrom, and identify the individual or individuals who prepared such studies and related documents.

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. 19 to the extent that it is vague, that it calls for speculation and 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, other than as may be set forth in BN/SF-1, it has not identified any responsive documents.

20. BRGI understands that BNSF will be accorded access to the Mexican rail system at Brownsville (Matamoros, Mexico), in the event that the subject merger is approved. Following the merger, will BNSF be entitled to provide switching services to BRGI in order to move cars from the Port of Brownsville to the interchange with the Mexican rail system? If not, please describe those restrictions that would prohibit BNSF from providing such switching and interchange service.

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. 20

to the extent that it is vague, that it calls for speculation and that it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. BN/Santa Fe further objects to Interrogatory No. 20 to the extent that it calls for a legal conclusion.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that it believes that it will be able under the Settlement Agreement to provide switching services to BRGI to move cars from the Port of Brownsville to the interchange with the Mexican rail system.

RESPONSES AND OBJECTIONS TO
REQUEST FOR PRODUCTION OF DOCUMENTS

6. Produce all documents identified in response to any of the foregoing interrogatories, and provide all documents relied upon in responding to the foregoing interrogatories.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Document Request No. 6 to the extent that it is overly broad and burdensome.

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

Respectfully submitted,

Erika Z. Jones /als

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

Erika Z. Jones
Adrian L. Steel, Jr.
Roy T. Englert, Jr.
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and

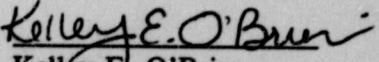
The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

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

March 12, 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 Brownsville and Rio Grande International's Second Set of Interrogatories and Informal Requests For Production of Documents to the Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company ("BNSF") (BN/SF-50) have been served this 12th 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 hand-delivery on counsel for Brownsville and Rio Grande International.


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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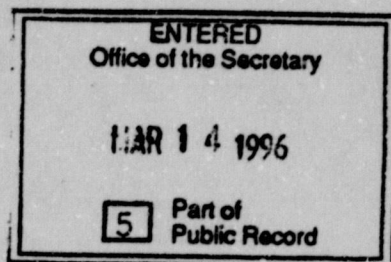
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61752

Mark W. Stricker
President

*South Suburban
Mayors and Managers
Association*

Beth Ruyle
Executive Director



February 27, 1996

Mr. Vernon Williams
Secretary
Surface Transportation Board
12th Street and Constitution Avenue, NW
Washington, D.C. 29423

RE: Finance Docket 32760 - Union Pacific/Southern Pacific

Dear Mr. Williams:

At our February 15, 1996 meeting, the South Suburban Mayors and Managers Association adopted a resolution supporting the merger of the Union Pacific Railroad and the Southern Pacific Railway. Except for the fact that we are contemplating the use of the UP/CSX line as a commuter route, we would not have commented on the merger plans of a private company.

Thank you for the opportunity to submit the resolution. If you have any questions, please do not hesitate to contact Janice Morrissy or me at 708-206-1155.

Sincerely,

Beth Ruyle
Executive Director

Enclosure

ADVISE OF ALL
PROCEEDINGS

RESOLUTION # 6 -96



**SUPPORTING THE MERGER OF THE UNION PACIFIC RAILROAD
AND SOUTHERN PACIFIC RAILWAY**

WHEREAS, the South Suburban Mayors and Managers Association represents thirty-seven municipalities in Cook and Will Counties in the Chicago Southland; and

WHEREAS, the Metropolitan Planning Organization (MPO) for Northeastern Illinois has designated South Suburban Mayors and Managers Association the Regional Council for Cook and Will Counties in the Chicago Southland; and

WHEREAS, the Association has appointed a Transportation Committee to review, evaluate and make recommendations regarding transportation issues in the subregion; and

WHEREAS, the Chicagoland area and the Midwest hold a unique position as the rail and transportation hub of the nation; and

WHEREAS, the South Suburban Mayors and Managers Association would like to see the Chicagoland area and the Midwest continue as transportation leaders with continued economic growth and more efficient transportation service; and

WHEREAS, the proposed merger of Union Pacific and Southern Pacific will provide significant service improvements for Midwest shippers and receivers, as a result of combining the financial resources and management abilities of Union Pacific with the route system of Southern Pacific; and

WHEREAS, the proposed merger will create shorter, more direct single-line routes to and from the Chicagoland area and the Midwest, and a system with faster schedules, more frequent and reliable service, and improved equipment supply; and

WHEREAS, the improved service resulting from the merger will help the Midwest to retain its position as the nation's leading rail gateway; and

WHEREAS, the South Suburban Mayors and Managers Association would not be commenting on the merger plans of a private company, except for the fact that we are contemplating the use of the UP/CSX line as a commuter route; and

WHEREAS, the South Suburban Mayors and Managers Association has been guaranteed that the merger will not negatively impact the implementation of the UP/CSX commuter rail line.

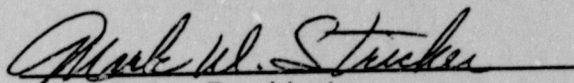
NOW THEREFORE, BE IT RESOLVED, that the South Suburban Mayors and Managers Association supports, the proposed merger of the Union Pacific Railroad and the Southern Pacific Railway; and

BE IT FURTHER RESOLVED, that the South Suburban Mayors and Managers Association's support is contingent upon a favorable review of the merger by the MPO; and

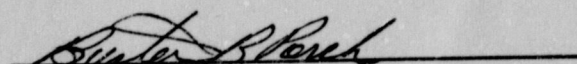
BE IT FURTHER RESOLVED, that the South Suburban Mayors and Managers Association urges the Surface Transportation Board to act promptly and favorably to approve the proposed merger of the Union Pacific Railroad and the Southern Pacific Railway; and

BE IT FINALLY RESOLVED, that the South Suburban Mayors and Managers Association will forward to the Chairperson of the Surface Transportation Board a letter of support for the Union Pacific/Southern Pacific merger accompanied by a copy of the Resolution.

PASSED AND APPROVED BY THE SOUTH SUBURBAN MAYORS AND MANAGERS ASSOCIATION THIS 15th DAY OF February, 1996.


President

ATTEST:


Secretary

STB FD 32760

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STATE OF TEXAS
HOUSE OF REPRESENTATIVES

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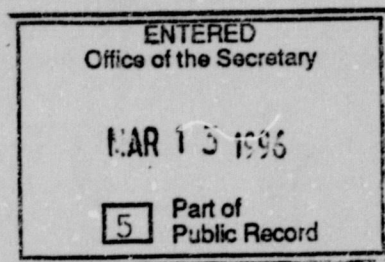


DIANA DÁVILA

March 1, 1996



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



RE: Finance Docket 32760

Dear Secretary Williams:

On behalf of Texas citizens, I urge you to take careful and deliberate consideration of the proposal by Union Pacific Corporation (UP) to purchase Southern Pacific Rail Corporation (SP) for \$3.8 billion. This proposed merger would create the single largest railroad in North America and would have a significant economic impact on our State's economy.

Already a dangerously concentrated industry, the proposed merger would place the entire West under the dominance of one railroad giant with a weak tracking rights agreement. Consolidation of UP and SP into the largest freight rail system in the country poses a grave threat to various regions of Texas and our vital petrochemical industry. Texas alone would be hard-hit by this proposed mega-merger. The national effects would be unprecedented and overly monopolistic.

I ask you to oppose the proposed merger and allow for open and fair competition created by another owning railroad. To do so would benefit the continuation of fair rail competition, service quality and accessibility, economic development initiatives, and international trade. An alternative solution that includes fair competition is the best answer for Texas.

CAPITOL OFFICE:
CAPITOL EXTENSION, ROOM E1.406
P.O. Box 2910
AUSTIN, TEXAS 78768-2910
(512) 463-0732
(512) 463-5896 FAX

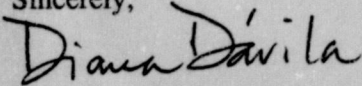


DISTRICT 145
6633 GULF FREEWAY
P.O. Box 231423
HOUSTON, TEXAS 77223-1423
(713) 926-8777
FAX (713) 926-8984

COMMITTEES: HUMAN SERVICES, URBAN AFFAIRS, LOCAL AND CONSENT CALENDARS

Again, thank you for your careful attention to this matter. Texans much like myself throughout this State share a deep concern for the welfare of a competitive rail system and seek your support. If I may provide additional information or be of assistance with this or another matter, please do not hesitate to contact me at my district office.

Sincerely,

A handwritten signature in dark ink, reading "Diana Dávila". The signature is fluid and cursive, with the first name "Diana" and the last name "Dávila" clearly distinguishable.

Diana Dávila
State Representative

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

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• 61747

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Mar: # 219

61747

City of Willowick

30435 LAKE SHORE BOULEVARD

WILLOWICK, OHIO 44095

LORRAINE M. FENDE
Mayor / Safety Director

Phone: 216/585-3700
Fax: 216/585-3220

March 4, 1996

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



Dear Secretary Williams:

FD 32760

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

My reasoning is straightforward. First, our industrial companies, 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,

Lorraine M. Fende

Lorraine M. Fende
Mayor

