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CHARLES A. SPITULNIK  
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March 29, 1996

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Room 1324  
12th Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

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

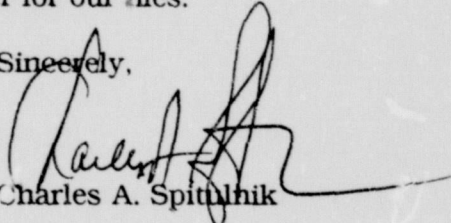
Dear Sir:

Enclosed for filing in the above-captioned docket are the original and twenty copies of the Statement of Position and Testimony of Canadian National Railway Company in Support of the Primary Application (CN-3) in the above-referenced matter. Also enclosed is a 3.5-inch diskette containing the text of this pleading in Word Perfect 5.1 format.

Because of time constraints, the Verified Statement of Gerald K. Davies, attached to the Statement of Position at Exhibit 1, contains a facsimile copy of Mr. Davies' signature. We will file the original signature page with the Board as soon as we receive it from Mr. Davies, which we expect to be on April 1, 1996.

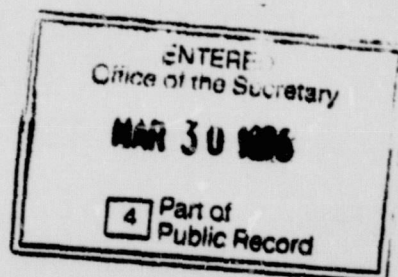
I would appreciate it if you would date-stamp the enclosed extra copy of the pleading and return it by our messenger for our files.

Sincerely,

  
Charles A. Spitulnik

Enclosure

cc: All Parties of Record





BEFORE THE  
SURFACE TRANSPORTATION BOARD  
Washington, D.C.



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

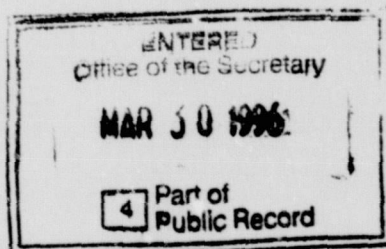
**STATEMENT OF POSITION AND TESTIMONY OF  
CANADIAN NATIONAL RAILWAY COMPANY IN SUPPORT OF  
THE PRIMARY APPLICATION**

Robert P. vom Eigen  
Charles A. Spitulnik  
Alicia M. Serfaty  
Jamie Palter Rennert

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(202) 835-8000

Attorneys for Canadian National  
Railway Company

March 29, 1996



BEFORE THE  
SURFACE TRANSPORTATION BOARD  
Washington, D.C.



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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

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**STATEMENT OF POSITION AND TESTIMONY OF  
CANADIAN NATIONAL RAILWAY COMPANY IN SUPPORT OF  
THE PRIMARY APPLICATION**

Canadian National Railway Company ("CN"), by its attorneys, submits this Statement of Position and Testimony in Support of the Primary Application for approval of the proposed merger between Union Pacific Corporation, Union Pacific Railroad Company, Missouri Pacific Railroad Company (the "UP") and Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corporation and The Denver & Rio Grande Western Railroad Company (the "SP") (collectively referred to as the "Applicants"), filed in this docket on November 30, 1995.

CN believes the proposed merger possesses significant public interest benefits that would not occur but for its approval. CN's position is described in

the Verified Statement of Mr. Gerald K. Davies, CN's Senior Vice-President of Marketing, attached at Exhibit 1. Mr. Davies describes CN's relationship with the Applicants, including CN's traffic flow and interchange points with the Applicants, as well as the principal markets that CN serves. Mr. Davies discusses the importance of north-south trade between Canada and the United States and the shortcomings of the current rail system in serving this trans-border trade.

Mr. Davies further explains the benefits of the proposed merger to CN and its customers. These benefits include access by Canadian shippers to California and other Western United States markets by virtue of the agreement that the Applicants reached with the Burlington Northern Railroad Company/The Atchison, Topeka and Santa Fe Railway Company ("BNSF") and the opportunity for railroads to increase the rail share of traffic over motor carrier traffic for commodities moving from Canada to the Western United States and beyond.

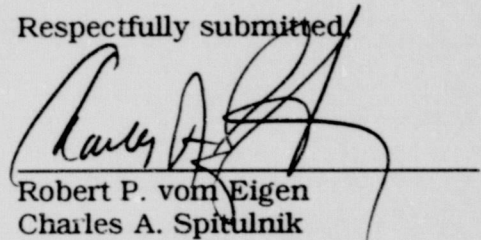
By submitting this Statement of Position and Testimony, CN does not represent that it has conducted a comprehensive analysis of each and every competitive impact of the proposed merger. Rather, CN sees general and overarching benefits flowing from the proposed transaction, and thus supports the Applicants in their efforts to obtain the approval of the Surface Transportation Board (the "Board").

In contrast to its view of the benefits arising from the proposed merger, CN is troubled by conditions of the proposed merger that certain parties have



presented to the Board. CN anticipates that the March 29, 1996 submissions filed with the Board will further explain the conditions that other parties are seeking in this transaction. Therefore, CN reserves its right to comment in a later submission to the Board on the conditions sought in any responsive applications and/or comments filed on March 29, 1996.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert P. vom Eigen", is written over a horizontal line.

Robert P. vom Eigen  
Charles A. Spitulnik  
Alicia M. Serfaty  
Jamie Palter Rennert

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March 29, 1996

**EXHIBIT 1**



***Verified Statement of***

***Gerald K. Davies***

My name is Gerald K. Davies. I am Senior Vice-President of Marketing for Canadian National Railway Company (CN), a position that I have held since 1993. Before joining CN, I was Vice-President of Marketing for Burlington Northern Railroad Company (BN), where I had also held senior positions in the Operations and Finance Departments. Prior to my service at BN, I was Vice-President, Marketing Services for CSX Transportation. I began my career in the early seventies as a rail industry economist with the U.S. Department of Transportation and as Assistant to the President of the United States Railway Association.

I hold a Bachelor of Science degree in Economics from Utah State University and a Doctorate in Transportation Economics from Washington State University. I am a member of the Board of Directors of the National Freight Transportation Association, a member of the Western Economic Association, the National Industrial Transportation League and am Vice-Chairman of the Railway Association of Canada. I was also recently appointed as Chairman of the Customer Service Committee of the Association of American Railroads.

In my current position as Senior Vice-President, Marketing, my responsibilities include:

1. **Revenue** - Responsibility for maintaining and enhancing CN's revenues through strategies based on customer focus, market development and competitive intelligence.
2. **Customer Service** - Development and management of an effective customer service organization.
3. **Strategy** - As an officer of the company, responsible for developing effective commercial strategies which enhance share-holder value.
4. **Interline relationships** - Responsible for developing strategies for enhancing CN's interface with other railroads and other transportation modes, and for maintaining effective relationships with these partners.

#### **Purpose of this Testimony**

The purpose of this testimony is to submit CN's statement of support for Union Pacific's (UP) application for control and merger of the Southern Pacific (SP) railroad, and to present the rationale for this position.

## **Background Information - CN**

The Canadian National Railway Company is a widely-held, publicly traded company. Based on 1995 operating revenues of \$4.1 billion (Canadian funds), CN is the largest railroad in Canada and the seventh largest railroad in North America. CN operates approximately 18,000 route miles across Canada and in the United States. Approximately 38 percent of CN's revenues are derived from traffic moving within the United States (7 percent), or across the Canada - U.S. border (31 percent).

## **CN - UP Relationship**

Based on 1995 operating revenues, one-third of CN's total revenues are derived from traffic interchanged with other railroads. The Union Pacific Railroad, including the former Chicago & North Western Transportation Company, is CN's second most important interline connector. In 1995, 15 percent of CN's interline revenues, and 5 percent of CN's total revenues, were earned on traffic handled in conjunction with the Union Pacific.

CN has direct physical connections with the Union Pacific at Chicago, Illinois and Superior, Wisconsin. The principal commodities interchanged at Chicago include automotive and industrial products from eastern Canada and the state of



Michigan. Principal commodities interchanged at Superior include forest products, industrial products and potash from western Canada.

### **CN - SP Relationship**

In the past, CN's relationship with the Southern Pacific Railroad has been on a much smaller scale than that with the UP. In 1995, approximately 4 percent of CN's interline freight revenues were earned in conjunction with the Southern Pacific. CN connects with the Southern Pacific at Chicago. Principal commodities interchanged with SP are industrial products, forest products and finished vehicles from eastern Canada, and forest products from western Canada.

### **Rationale for CN's Support of the Proposed Merger**

The Canadian National Railway Company supports the proposed merger of the Union Pacific and the Southern Pacific, on the basis that it will enhance north-south trade flows, increase rail competition in certain corridors and improve the efficiency of rail transportation, for the benefit of both shippers and railroads. The basis for this position is described in detail below.

## **Increased North-South Trade**

As a result of a number of factors, including favorable exchange rates and liberalized trade regulations, the past decade has seen a dramatic increase in the flow of trade between Canada and the United States. Since the signing of the 1989 Canada-U.S. Free Trade Agreement, the value of goods traded between these two countries has increased by \$88 billion (U.S. funds), or 57 per cent (1994 over 1988).

This trend has had a positive impact on CN. In 1988, transborder (Canada to U.S. and U.S. to Canada) traffic represented 24 percent of CN's total revenues, but by 1995 cross-border movements had increased to 31 percent of our revenue base.

CN believes that this trend will continue. Many of CN's major customers now view North America as a single economic entity, and select plant location based on proximity to raw materials and lowest cost of production, without regard to national boundaries. This fundamental shift will cause transborder trade flows to increase over time.

Effective trade requires an efficient transportation system, and the merger of the Southern Pacific and the Union Pacific will enhance the efficiency of the North American rail system. This improvement will result from the reduction in the



number of interchanges required to traverse key trade routes, such as that between western Canada and the U.S. Pacific Northwest and California (the "I-5" Corridor), and from the absorption of the SP into the more efficient (and profitable) UP system.

These arguments are explained in more detail, below.

### **Truck - Rail Share in the I-5 Corridor**

According to Statistics Canada's import / export data, truck is by far the dominant mode of transportation between Canada and the United States. In 1995, truckers enjoyed 59 percent of the freight revenues earned on movements from Canada to the United States, and 82 percent of the revenues received for the reverse direction (from the U.S. to Canada).

While much of this traffic moved over shorter distances which are often best suited to truck transportation, a significant volume traveled distances of 1,000 miles or more. Based on 1994 data, the trucking industry enjoys 73 percent of the freight transportation revenue earned on traffic moved between the Canadian provinces of Alberta and British Columbia and the state of California. The dominance of trucking is particularly marked in the northbound direction, where truckers earn 80 percent of the freight revenues.

## **Weaknesses in the Current Rail System**

Historically speaking, one of the factors which has contributed to the dominance of truck over rail on the Pacific coast has been the lack of high-quality rail service which is competitive with trucking on both price and service.

The weaknesses in the current system include: (i) a greater emphasis on east-west routes; (ii) the reliance on a single railroad, Burlington Northern Santa Fe (BNSF), for transborder rail traffic moving across the Canada-U.S. border on the Pacific coast; and (iii) the absence of competitive single-carrier routes for north-south flows.

### **i. Emphasis on East-West Routes**

The North American rail system was built to reflect the trade patterns which prevailed at the time of construction. As goods tended to flow east-west, most railways are designed on an east-west grid. It has been CN's experience that the traditional focus of the Southern Pacific has been on its long-haul east-west routes, to the detriment of the north-south I-5 corridor. To illustrate, a customer served by CN in northern Alberta wished to ship woodpulp to an SP-served point in California, a distance of 2,270 miles. The load-to-load (from origin to destination and return) car cycles for this movement varied widely, occasionally reaching as high as 45 days. While several railroads were involved in handling

this traffic, the greatest variability in the transit performance occurred on the Southern Pacific system.

## ii. Reliance on a Single Carrier

In western Canada, CN's rail network tends to serve a more northerly market than that of our principal rail competitor, CP Rail System (CPRS). Thus while CN reaches into many of Canada's richest resource areas, our lines do not access as many transborder rail interchanges as do CPRS's lines. For traffic moving between western Canada and points in the western United States, CN's sole direct physical connection is with the BNSF. CN interchanges traffic directly with BNSF at Vancouver and New Westminster, British Columbia, and indirectly at Huntingdon, British Columbia/Sumas, Washington via the Southern Railway of British Columbia. Today, north-south traffic moving to or from UP and SP must be interlined via BNSF. BNSF has not demonstrated an interest in developing or promoting service between stations on CN in western Canada, and points in California and other western states on the I-5 Corridor. In order to circumvent this obstacle, the Union Pacific currently operates a rail barge from Vancouver to Seattle, Washington. The principal commodity carried on this barge is lumber originating on the British Columbia Railway Company, destined for UP-served points in the western U.S.



### iii. UP/SP and BNSF Networks

Rail traffic moving in the north-south direction on the west coast can involve as many as four railroads between origin and destination. For example, woodpulp originating in Alberta destined for SP served points in California may be handled by CN, BN, UP and SP. Each physical interchange between these railroads presents the risk of service delay.

In reality, traffic is typically routed CN-BN-SP because the route is shorter and involves fewer carriers. While BNSF handles the Vancouver to Portland, Oregon segment, neither it nor UP can offer a single-line service south of Portland.

Integration of the UP and SP systems, and the UP/SP-BNSF Agreement, however, will enable both UP/SP and BNSF to compete for north-south traffic on similar terms. BNSF will receive a single-system route between Vancouver and California points; UP/SP, by virtue of the agreement, will gain a joint line route with service commitments, and can be a credible competitor to BNSF.

## **I-5 Corridor and UP/SP-BNSF Agreement**

As part of its settlement<sup>1</sup> with BNSF to preserve competitive access at all "2-to-1" points, UP/SP also negotiated the exchange of various rights on a business "quid pro quo" basis. From CN's perspective, the most significant of these rights involves the "I-5" Corridor. UP/SP granted BNSF the right to purchase UP/SP's line between Bieber and Keddie, California. This sale, combined with existing BNSF lines, and trackage rights to be received from UP/SP, will create a single-line route between Vancouver and southern California, while filling a major gap in BNSF's network. In exchange for the ability to offer single-line routing for traffic that currently moves via joint BNSF-SP routes, BNSF agreed to a proportional rate agreement that will enable UP/SP to compete for the same traffic and preserve options for Pacific Northwest and transborder traffic.

The Agreement will permit UP/SP to compete and to make rates, for all traffic moving between Canadian interchanges in Vancouver, and points in Arizona, California, Colorado, New Mexico, Nevada, Oregon, Texas (west of Monahans and Sanderson), Utah, and connections to Mexico at El Paso, and to the west. The traffic covered includes all commodities (carload, intermodal and bulk)

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<sup>i</sup> The UP/SP-BNSF Agreement, and Supplemental Agreement thereto, are contained in Volume 1 of the Applicant's Railroad Merger Application, dated 30 November, 1995, pp. 318-359 inclusive. (Finance Docket No. 32760)



flowing northbound or southbound, and all cars loaded or made empty on BNSF lines in the covered territory (including reloads) and cars received in interchange.

Shippers, and their customers, will reap the benefits of the proportional rate agreement in several ways. Firstly, by allowing UP/SP to negotiate rates and services directly with shippers and Canadian carriers for transborder traffic, the agreement will stimulate rate competition between UP/SP and BNSF for the portion of the move south of Vancouver. The introduction of a second rail option may well lead to expanded and/or new market opportunities for west coast shippers.

Secondly, the agreement facilitates service options that are not currently possible, given BNSF's priorities. The conveyance of property to BNSF will give it a single-line route to California, and the creation of a UP/SP joint line route will, in effect, introduce two viable service options where there were none before. While the traffic will continue to move in interline service with BNSF between Vancouver and Portland, UP/SP will be guaranteed the same level of service that BNSF offers to its own customers. BNSF will cooperate with UP/SP to establish traffic blocks to provide an efficient, competitive service for the traffic covered by the agreement. Where market conditions and traffic volumes warrant, CN and UP/SP will be able to offer shippers through train service, on a coordinated basis, between southern California and western Canada (for

example). As a competitive alternative, CN could offer similar services in conjunction with BNSF.

By opening up the I-5 route to two strong carriers that can offer competitive services, there will be intense competition for all north-south traffic, including the very substantial volume of traffic now moving by truck.

The UP/SP-BNSF agreement also gives UP/SP the right to provide equipment, and establish strategically located car distribution points in BNSF territory. This will ensure an adequate, readily available supply of appropriate equipment.

### **Summary & Conclusion**

The foregoing statement has described how trade between Canada and the United States has increased, and has explained the economic factors that will contribute to the continuation of this trend. Effective trade requires an efficient transportation system. However, north-south traffic flows are currently hampered by the network structure of the railways which participate in such flows, and by the dominance of BNSF in transborder rail movements.

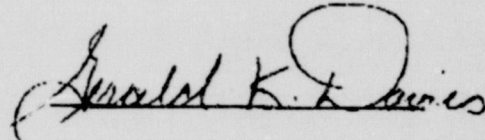
As this testimony has described, Canadian National Railway Company believes that the merger of the Union Pacific and the Southern Pacific railroads will help to overcome some of these weaknesses, and will create a stronger, more

efficient system, for the benefit of the rail industry, rail shippers, and the North American economy as a whole. Because this transaction offers these public interest benefits, CN respectfully submits that the Surface Transportation Board should approve the control and merger application of the Union Pacific and the Southern Pacific.



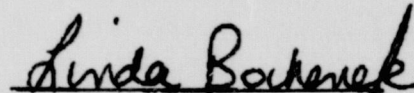
## VERIFICATION

Gerald K. Davies, being first duly sworn, deposes and says that he is Senior Vice-President, Marketing, and has read the foregoing document, knows the contents thereof, and that the same is true and correct to the best of his knowledge.



Gerald K. Davies

Subscribed and sworn to me by Gerald K. Davies this 28th day of March, 1996.  
*in Montreal, Quebec*



LINDA BOCHENEK  
Commissioner for Oaths  
Commissaire à l'Assermentation  
District - Montreal  
Expires July 26, 1996  
No. 126 530,

**CERTIFICATE OF SERVICE**

I hereby certify that on March 29, 1996, a copy of the foregoing Statement of Position and Testimony of Canadian National Railway Company in Support of the Primary Application (CN-3) was served by first-class U.S. mail, postage prepaid upon all parties of record in this proceeding.

I further certify that two copies of the aforementioned pleading were served by Federal Express, unless otherwise indicated, upon the following:

Erika Z. Jones (By Hand)  
Adrian L. Steel, Jr.  
Roy T. Englert, Jr.  
Kathryn A. Kusske  
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Missouri Pacific Railroad Company  
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Jeffery R. Moreland  
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Cannon Y. Harvey  
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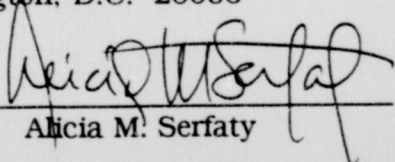
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I also certify that three copies of the aforementioned pleading were served by hand upon the following:

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J. Michael Hemmer  
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Mar. #208  
Part of Public Record



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

CERTIFICATE OF SERVICE OF LIST OF NUMBERED PLEADINGS  
IN ACCORDANCE WITH DECISION NO. 17

This will certify that, in accordance with Decision No. 17, served March 7, 1996, Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and DRGW have served the attached list of numbered pleadings filed by them to date in the above-captioned matter on the additional persons designated as parties of record pursuant to Decision No. 17, and have indicated that they will provide copies of any such pleadings to any party that requests them.



Arvid E. Roach II  
ARVID E. ROACH II  
J. MICHAEL HEMMER  
MICHAEL L. ROSENTHAL  
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Washington, D.C. 20044-7566  
(202) 662-5388

Attorneys for Applicants

March 12, 1996

APPLICANTS' NUMBERED FILINGS

UP/SP-1	August 4, 1995	Notice of Intent to File Railroad Control Application
UP/SP-2	August 4, 1995	Petition for Protective Order
UP/SP-3	August 4, 1995	Petition for Waiver or Clarification of Railroad Consolidation Procedures, and Related Relief
UP/SP-4	August 4, 1995	Petition to Establish Procedural Schedule
UP/SP-5	August 11, 1995	Modification of Notice of Intent to File Railroad Control Application
UP/SP-6	August 18, 1995	Applicants' Reply to KCS' Comments on Proposed Procedural Schedule and Discovery Guidelines
UP/SP-7	August 18, 1995	Applicants' Reply to KCS' Opposition to Proposed Protective Order
UP/SP-8	August 22, 1995	Supplement to Petition for Waiver or Clarification of Railroad Consolidation Procedures, and Related Relief
UP/SP-9	August 29, 1995	Applicants' Reply to STRICT's Opposition to Petition for Waiver or Clarification
UP/SP-10	August 29, 1995	Applicants' Reply to STRICT's Opposition to Petition to Establish Procedural Schedule
UP/SP-11	August 30, 1995	Applicants' Reply to TCU/UTU's Petition to Clarify Information Required Pursuant to 49 C.F.R. 1180.6(a)(2)(v)
UP/SP-12	September 7, 1995	Applicants' Reply to STRICT's Motion to Reject Impermissible Pleadings



UP/SP-13	September 27, 1995	Applicants' Reply to Petitions to Reconsider or Modify Protective Order
UP/SP-14	September 28, 1995	Applicants' Reply to Comments on Proposed Schedule
UP/SP-15	October 4, 1995	Applicants' Reply to IBT's Petition to Reopen
UP/SP-16	October 4, 1995	Applicants' Reply to Additional Comments by the Department of Justice on Proposed Schedule
UP/SP-17	October 24, 1995	Applicants' Reply to IBT's Petition for Leave to File Response
UP/SP-18	NOT USED	
UP/SP-19	NOT USED	
UP/SP-20	NOT USED	
UP/SP-21	NOT USED	
UP/SP-22	November 30, 1995	Railroad Merger Application, Volume 1: Supporting Information, Summary of Benefits, Exhibits 1, 8, 10-12 and 16-19, Statements of Applicants' Principal Officers, and other Supporting Statements
UP/SP-23	November 30, 1995	Railroad Merger Application, Volume 2: Statements Concerning Market Impacts, Competition, and Shipper Benefits (Exhibit 12)
UP/SP-24	November 30, 1995	Railroad Merger Application, Volume 3: Operating Plan (Exhibit 13), Labor Impact Exhibit, Density Charts (Exhibit 14), and Supporting Statements

UP/SP-25	November 30, 1995	Railroad Merger Application, Volume 4, Parts 1-5: Statements of Shippers, Public Officials, and Others in Support of Application
UP/SP-26	November 30, 1995	Railroad Merger Application Volume 5: Related Applications, Petitions for Exemption, and Notices of Exemption
UP/SP-27	November 30, 1995	Railroad Merger Application, Volume 6: Environmental Report (Exhibit 4), <ul style="list-style-type: none"><li>• Part 1 - Overview,</li><li>Part 2 - Rail Line Segments, and</li><li>Part 3 - Rail Yards and Intermodal and Automotive Facilities</li><li>• Part 4 - Abandonments</li><li>• Part 5 - Construction</li><li>• Part 6 - Appendix</li></ul>
UP/SP-28	November 30, 1995	Railroad Merger Application, Volume 7: Exhibits 2, 6, 7, 9, 20 and 21
UP/SP-29	December 1, 1995	Applicants' Reply to Scott Manatt's Petition to Reopen Procedural Schedule and Protective Order
UP/SP-30	December 8, 1995	Applicants' Objections to KCS' Discovery Requests
UP/SP-31	December 14, 1995	Applicants' Objections to the Society of the Plastic Industry, Inc.'s First Set of Interrogatories and Data Requests
UP/SP-32	December 15, 1995	Applicants' Responses to DOJ's Initial Discovery Requests



UP/SP-33	December 15, 1995	Applicants' Responses to KCS' First Interrogatories
UP/SP-34	December 15, 1995	UP Applicants' Responses to KCS' First Requests for Admission
UP/SP-35	December 15, 1995	SP Applicants' Responses to KCS' First Requests for Admissions
UP/SP-36	December 22, 1995	Supplement to Application
UP/SP-37	December 22, 1995	Applicants' Responses to the Society of the Plastics Industry, Inc.'s, First Set of Interrogatories and Data Requests
UP/SP-38	December 22, 1995	Applicants' Responses to the Texas Mexican Railway Company's First Interrogatories and First Request for Production of Documents
UP/SP-39	December 22, 1995	Applicants' Objections to the Western Coal Traffic League's First Set of Interrogatories and Document Production Requests
UP/SP-40	January 2, 1996	Applicants' Objections to the First Interrogatories and First Request for Production of Documents from Sierra Pacific Power Company and Idaho Pacific Power Company
UP/SP-41	January 2, 1996	Applicants' Objections to Consolidated Rail Corporation's First Request for the Production of Documents and First Set of Interrogatories
UP/SP-42	January 3, 1996	Applicants' Objections to the International Paper Company's First Interrogatories and Request for Documents



UP/SP-43	January 3, 1996	Applicants' Responses to Tex Mex's First Interrogatories and First Request for Production of Documents
UP/SP-44	January 3, 1996	Applicants' Responses to WCTL's First Set of Interrogatories and Document Production Requests
UP/SP-45	January 4, 1996	Applicants' Objections to Southern California Regional Rail Authority's First Set of Interrogatories
UP/SP-46	January 5, 1996	Applicants' Objections to TCU's First Set of Interrogatories
UP/SP-47	January 9, 1996	Applicants' Objections to IAM's First Set of Interrogatories
UP/SP-48	January 9, 1996	Applicants' Objections to RLEA's and UTU's First Set of Interrogatories
UP/SP-49	January 9, 1996	Applicants' Responses to Conrail's First Requests for Production of Documents and First Set of Interrogatories
UP/SP-50	January 9, 1996	Applicants' Responses to Sierra Pacific's First Interrogatories and First Request for Production of Documents
UP/SP-51	January 11, 1996	Applicants' Responses to International Paper's First Interrogatories and Requests for Documents
UP/SP-52	January 13, 1996	Applicants' Supplemental Responses to KCS' First Interrogatories
UP/SP-53	January 12, 1996	Applicants' Objections to KCS' Second Discovery Requests

UP/SP-54	January 15, 1996	Applicants' objections to STRICT's First Set of Interrogatories and Document Requests
UP/SP-55	January 15, 1995	Applicants Responses to TCU's First Set of Interrogatories
UP/SP-56	January 15, 1996	Applicants' Responses to SCR&A's First Set of Interrogatories
UP/SP-57	January 16, 1996	Applicants' Submission in Response to the Commission's Decision in No. 9, Served December 27, 1995
UP/SP-58	January 19, 1996	Applicants' Responses to IAM's First Set of Interrogatories
UP/SP-59	January 22, 1996	Applicants' Responses to RLEA/UTU's First Set of Interrogatories
UP/SP-60	January 22, 1996	Applicants' Responses to STRICT's First Set of Interrogatories and Document Requests
UP/SP-61	January 22, 1996	Applicants' Responses to KCS' Second Interrogatories
UP/SP-62	January 22, 1996	Applicants' Objections to the Teamsters' First Set of Interrogatories and Requests for Production of Documents
UP/SP-63	January 24, 1996	Further Errata to Application
UP/SP-64	January 23, 1996	Applicants' Objection to Kennecott's First Set of Interrogatories and Requests for Production of Documents
UP/SP-65	January 25, 1996	Reply to WSC Motion for Enlargement
UP/SP-66	January 25, 1996	Reply to Comments of KCS and Tex Mex on WSC Motion for Enlargement



UP/SP-67	January 29, 1996	Applicants' Supplemental Responses to RLEA/UTU's First Set of Interrogatories
UP/SP-68	January 29, 1996	Applicants' Responses to the Teamsters' First Set of Interrogatories and Requests for Production of Documents
UP/SP-69	January 31, 1996	Applicants' Responses to Kennecott's First Set of Discovery Requests
UP/SP-70	January 31, 1996	Applicants' Objections to KCS' Third and Fourth Discovery Requests
UP/SP-71	February 1, 1996	Applicants' Objections to the First Set of Interrogatories and Requests for Production of Documents from Entergy, Arkansas Power, and Gulf States
UP/SP-72	February 2, 1996	Applicants' Objections to Dow Chemical's First Set of Interrogatories and Requests for Production of Documents
UP/SP-73	February 2, 1996	Applicants' Objections to Western Resources' First Set of Interrogatories and Requests for Production of Documents
UP/SP-74	February 2, 1996	Applicants' Submission of Settlement Agreements with Utah Railway and Illinois Central
UP/SP-75	February 6, 1996	Additional Errata to Peterson Statement
UP/SP-76	February 7, 1996	Applicants' Objections to Arizona Electric Power's First Set of Interrogatories and Requests for Production of Documents
UP/SP-77	February 8, 1996	Applicants' Responses to KCS' Fourth Discovery Requests



UP/SP-78	February 9, 1996	Applicants' Objections to Consolidated Rail Corporation's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-79	February 9, 1996	Applicants' Objections to Wisconsin Power's and Wisconsin Public Service's First Set of Interrogatories and Requests for Production of Documents
UP/SP-80	February 9, 1996	Applicants' Objections to the Texas Mexican Railway's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-81	February 9, 1996	Applicants Objections to Western Coal Traffic League's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-82	February 9, 1996	Applicants' Responses to KCS' Third Discovery Requests
UP/SP-83	February 9, 1996	Applicants' Responses to the First Set of Interrogatories and Requests for Production of Documents from Entergy, Arkansas Power, and Gulf States
UP/SP-84	February 12, 1996	Applicants' Responses to Western Resources' First Set of Interrogatories and Requests for Production of Documents
UP/SP-85	February 12, 1996	Applicants' Responses to Dow Chemical's First Set of Interrogatories and Requests for Production of Documents
UP/SP-86	February 14, 1996	Applicants' Objections to Conrail's Third Request for Production of Documents

UP/SP-87	February 15, 1996	Applicants' Responses to Arizona Electric Power's First Set of Interrogatories and Requests for Production of Documents
UP/SP-88	February 16, 1996	Applicants' Objections to RLEA and UTU's Second Set of Interrogatories and First Document Requests
UP/SP-89	February 20, 1996	Applicants Objections to WSC's First Set of Discovery Requests
UP/SP-90	February 20, 1996	Applicants' Responses to Tex Mex's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-91	February 20, 1996	Applicants' Responses to Wisconsin Power's and Wisconsin Public Service's First Set of Interrogatories and Requests for Production of Documents
UP/SP-92	February 20, 1996	Applicants' Responses to Western Coal Traffic League's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-93	February 20, 1996	Applicants' Responses to Conrail's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-94	February 21, 1996	Request for Modification of Decision No. 15
UP/SP-95	February 22, 1996	Additional Errata
UP/SP-96	February 22, 1996	Applicants' Response to Conrail's Third Request for Production of Documents
UP/SP-97	February 25, 1996	Certificate of Service of List of Numbered Pleadings in Accordance with Decision No. 16



UP/SP-98	February 26, 1996	Applicants' Objections to IBT's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-99	February 26, 1996	Applicants' Objections to Conrail's Fourth Request for Production of Documents
UP/SP-100	February 26, 1996	Applicants' Objections to the Teamsters' First Set of Interrogatories and Requests for Production of Documents to Pacific Motor Transport and Applicants
UP/SP-101	February 26, 1996	Applicants' Objections to the Teamsters' First Set of Interrogatories and Requests for Production of Documents to Overnite Transportation and Applicants
UP/SP-102	February 26, 1996	Applicants' Responses to RLEA's and UTU's Second Set of Interrogatories and First Request for Production of Documents
UP/SP-103	February 26, 1996	Applicants' Restated Response to Strict's First Set of Interrogatories and Document Requests
UP/SP-104	February 26, 1996	Applicants' First Set of Interrogatories and Document Requests to Agri Producers, Inc.
UP/SP-105	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Arizona Electric Power Cooperative, Inc.
UP/SP-106	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Brownsville and Rio Grande International Railroad



UP/SP-107	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Cen-Tex Rail Link, Ltd./South Orient Railroad Company, Ltd.
UP/SP-108	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to the Chemical Manufacturers Association
UP/SP-109	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to The Coalition for Competitive Rail Competition
UP/SP-110	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Consolidated Rail Corporation
UP/SP-111	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to the United States Department of Justice
UP/SP-112	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Dow Chemical Company
UP/SP-113	February 26, 1996	Applicants' First Set of Interrogatories and Document Requests to EADS Consumers Supply Co.
UP/SP-114	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Entergy Services, Inc., Arkansas Power & Light Company and Gulf States Utilities Company

UP/SP-115	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Illinois Power Company
UP/SP-116	February 26, 1996	Applicants' First Set of Discovery Requests to Illinois Transit Assembly Corporation
UP/SP-117	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to International Paper Company
UP/SP-118	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Kansas City Southern Railway Company
UP/SP-119	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Kennecott Utah Copper Corporation and Kennecott Energy Company
UP/SP-120	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Gateway Western Railway Company
UP/SP-121	February 26, 1996	Applicants' First Set of Interrogatories and Document Requests to LSBC Holdings, Inc.
UP/SP-122	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Montana Rail Link, Inc.
UP/SP-123	February 26, 1996	Applicants' First Requests for Discovery to Mountain/Plain Communities & Shippers Coalition



UP/SP-124	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to the National Industrial Transportation League
UP/SP-125	February 26, 1995	Applicants' First Set of Interrogatories and Requests for Production of Documents to Sierra Pacific Power Company and Idaho Power Company
UP/SP-126	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to the Society of the Plastics Industry, Inc.
UP/SP-127	February 26, 1996	Applicants' First Set of Discovery Requests to Springfield Plastics, Inc., and Brandt Consolidated, Inc.
UP/SP-128	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Texas Mexican Railway Company
UP/SP-129	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Texas Utilities Electric Company
UP/SP-130	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to TRL, Inc.
UP/SP-131	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Union Carbide Corporation



UP/SP-132	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to the Western Coal Traffic League
UP/SP-133	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Western Resources, Inc.
UP/SP-134	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to the Western Shippers' Coalition
UP/SP-135	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Wisconsin Electric Power Company
UP/SP-136	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Wisconsin Power & Light Company and Wisconsin Public Service
UP/SP-137	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Wisconsin Central Ltd., Wisconsin Central Transportation Corporation, and Fox Valley & Western Ltd.
UP/SP-138	February 26, 1996	Applicants' First Set of Interrogatories and Requests for Production of Documents to Coastal Corporation
UP/SP-139	February 27, 1996	Applicants' Responses to Western Shippers' Coalition's First Set of Interrogatories and First Set of Requests for Production of Documents

UP/SP-140	February 27, 1996	Applicants' Objections to International Paper Company's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-141	February 27, 1996	Applicants' Objections to Brownsville and Rio Grande's First Set of Interrogatories and Requests for Production of Documents
UP/SP-142	February 28, 1996	Applicants' Objections to KCS' Fifth and Sixth Discovery Requests
UP/SP-143	February 29, 1996	Applicants' Objections to Western Shippers' Coalition's Second Set of Interrogatories and Requests for Production of Documents and First Request for Admissions
UP/SP-144	February 29, 1996	Applicants' Objections to Illinois Power Company's First Set of Interrogatories and Requests for Production of Documents
UP/SP-145	March 1, 1996	Applicants' Objections to SPI's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-146	March 1, 1996	Applicants' Objections to Texas Utilities Electric Company's First Set of Interrogatories and Requests for Production of Documents
UP/SP-147	March 1, 1996	Applicants' Objections to Union Carbide Corporation's First Request for Admissions
UP/SP-148	March 4, 1996	Applicants' Objections to the Coastal Corporation's First Request to Applicants for Production of Documents



UP/SP-149	March 4, 1996	Applicants' Objections to Chemical Manufacturers Association's Interrogatories to Applicants and Requests for Production of Documents
UP/SP-150	March 4, 1996	Applicants' Objections to Railway Labor Executives' Association's and United Transportation Union's Third Set of Interrogatories to Applicants
UP/SP-151	March 4, 1996	Applicants' Objections to Brownsville and Rio Grande International's Second Set of Interrogatories and Informal Request for Production of Documents
UP/SP-152	March 4, 1996	Applicants' Objections to Capital Metropolitan Transportation Authority's First Set of Interrogatories and First Set of Requests for Production of Documents
UP/SP-153	March 4, 1996	Applicants' Objections to the Texas Mexican Railway Companies Third Interrogatories and Third Request for Production of Documents
UP/SP-154	March 4, 1996	Applicants' Objections to Consolidated Rail Corporation's First Request for Inspection of Applicants' Property
UP/SP-155	March 4, 1996	Applicants' Objections to Public Service Commission of Nevada's First Set of Interrogatories and First Set of Requests for Production of Documents



UP/SP-156	March 4, 1996	Applicants' Objections to Central Power & Light Company's First Set of Interrogatories and First Set of Requests for Production of Documents
UP/SP-157	March 4, 1996	Applicants' Response to Conrail's Fourth Request for Production of Documents
UP/SP-158	March 4, 1996	Applicants' Responses to IBT's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-159	March 4, 1996	Applicants' Responses to the Teamster's First Set of Interrogatories and Requests for Production of Documents to Pacific Motor Transport and Applicants
UP/SP-160	March 4, 1996	Applicants' Responses to the Teamsters' First Set of Interrogatories and Requests for Production of Documents to Overnite Transportation and Applicants
UP/SP-161	March 4, 1996	Applicants' Objections to IBT's Third Set of Interrogatories and Requests for Production of Documents
UP/SP-162	March 6, 1996	Applicants' Opposition to Golden Cat's "Motion to Consolidate the Record in Docket No. 41550 with the Record in the Instant Proceeding"
UP/SP-163	March 6, 1996	Applicants' Responses to BRGI's First Set of Interrogatories and Requests for Production of Documents

UP/SP-164	March 6, 1996	Applicants' Responses to International Paper Company's Second Set of Interrogatories and Requests for Production of Documents
UP/SP-165	March 7, 1996	Applicants' Responses to KCS' Fifth and Sixth Discovery Requests
UP/SP-166	March 8, 1996	Applicants' Responses to Illinois Power Company's First Set of Interrogatories and Requests for Production of Documents
UP/SP-167	March 11, 1996	Applicants' Responses to Public Service Commission of Nevada's First Set of Interrogatories and First Set of Requests for Production of Documents
UP/SP-168	March 11, 1996	Applicants' Responses to Texas Utilities Electric Company's First Set of Interrogatories and Requests For Production of Documents
UP/SP-169	March 11, 1996	Applicants Responses to SPI's Second Set of Interrogatories and Data Requests to Applicants
UP/SP-170	March 11, 1996	Southern Pacific Applicants' Response to Union Carbide Corporation's First Request for Admissions
UP/SP-171	March 11, 1996	Applicants' Appeal from ALJ's Order Granting Dow's Request to Take Certain Depositions (Highly Confidential and Redacted Versions)



UP/SP-172 March 11, 1996

Applicants' Responses to  
Entergy's and WCTL's Appeal  
from ALJ's Order Denying  
Request to Take Certain  
Depositions (Highly  
Confidential and Redacted  
Versions)



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Item No. \_\_\_\_\_

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Feb II 386

DENVER AND RIO GRANDE WESTERN  
EMPLOYEES LABOR COMMITTEE  
2048 J ROAD  
FRUITA, COLORADO 81521



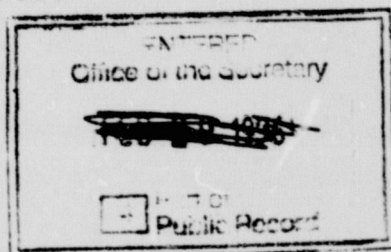
February 26, 1996

Office of the Secretary  
Case Control Branch  
Attn: Finance Docket No. 32760  
1201 Constitution Avenue, N.W.  
Washington, D.C. 20423

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

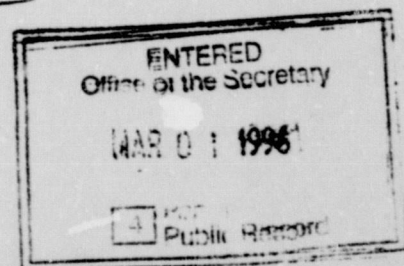
Dear Mr. Secretary,

The Denver and Rio Grande Western Employees Labor  
Committee wish to be included in Finance Docket No. 32760  
Decision number 15. Due to a misunderstanding, on our part,  
on the dates for filing, we inadvertently and unintentionally  
missed the filing due date. We ask that you set aside the  
fact of this late filing and allow our application to be  
considered.

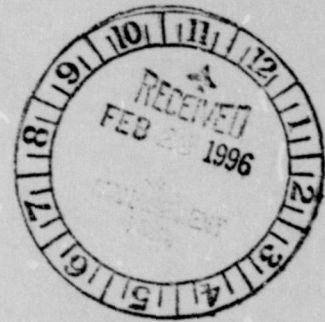


Sincerely yours,

Steve Tucker  
President



cf: Honorable Jerome Nelson  
Arvid E. Roach II, Esq  
Paul A. Cunningham, Esq



BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

FINANCE DOCKET NO. 32760

UNION PACIFIC CORPORATION ET AL -- CONTROL AND MERGER--  
SOUTHERN PACIFIC RAIL CORPORATION ET AL

---

CERTIFICATE OF SERVICE  
BY THE DENVER AND RIO GRANDE WESTERN  
EMPLOYEES LABOR COMMITTEE  
IN THIS FINANCE DOCKET PROCEEDING

DENVER AND RIO GRANDE WESTERN  
EMPLOYEES LABOR COMMITTEE  
2048 J ROAD  
FRUITA, COLORADO 81521

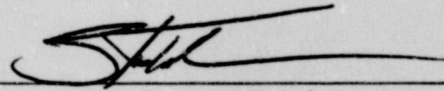
BY: STEVE TUCKER  
PRESIDENT

DATED: FEBRUARY 26, 1996



CERTIFICATE OF SERVICE

I hereby certify that on February 26, 1996, I caused to be served, by first class mail, postage prepaid, copies of the request for Party of Record in Finance Docket No. 32760 on all known parties of record in this proceedings. As required by Surface Transportation Board Decision Number 15.



Steve Tucker  
President

For: Denver and Rio Grande  
Western Employees  
Labor Committee  
2048 J Road  
Fruita, Co. 81521

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Item No. \_\_\_\_\_

Page Count 1  
Feb # 318



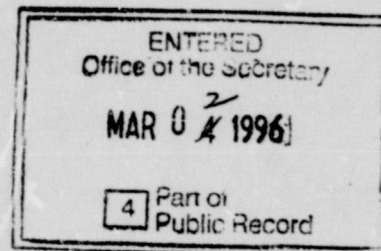
## CITY OF SUGAR LAND

OFFICE OF MAYOR  
LEE DUGGAN

February 22, 1996

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

RE: Finance Docket 32760



Dear Secretary Williams:

I am concerned about an application pending before you that seeks approval of a merger between the Union Pacific Railroad Company (UP) and Southern Pacific lines (SP). The merger of the two railroads will significantly reduce rail competition in Texas, negatively impacting Texas businesses and the State's economy.

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

Unfortunately, a trackage rights agreement does not in itself solve the problem. Owners of rail lines have incentives to invest in the track and to work with local communities to attract economic development. The owners have control over the frequency, reliability, and timeliness of the rail service they provide and the same can not be said about railroads that operate on someone else's tracks.

To ensure effective and efficient rail competition in Texas, we require another owning railroad and not a merger. The best solution for Texas communities, shippers, and economic development entities is an owning railroad that is willing to provide quality service and investment. Railroad workers would also benefit if the merger did not occur, as workers would be secure in their employment and not be threatened by displacement caused by the proposed merger.

I urge the Board to carefully review the proposed Union Pacific and Southern Pacific merger and to recommend an owning railroad to ensure adequate rail competition in Texas. Thank you for attention.

Sincerely,

Lee Duggan  
Mayor

**ADVANCE OF ALL  
PROCEEDINGS**

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Item No. \_\_\_\_\_

Page Count 2

Feb # 377

CAPIT.  
State Capitol - House Post Office  
Jefferson City, MO 65101-6806  
(314) 751-1042



DISTRICT ADDRESS  
Route 1, Box 12  
New Cambria, MO 63558  
(816) 226-5619

GARY WIGGINS

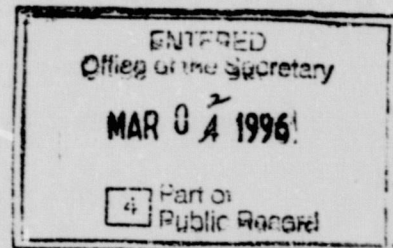
STATE REPRESENTATIVE  
DISTRICT 8



**ADVISE OF ALL  
PROCEEDINGS**

February 19, 1996

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



Dear Mr. Williams:

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

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

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

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

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

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

Sincerely,

*Gary Wiggins*

Gary Wiggins

GW:dh



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Page Count 1

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STATE OF ARKANSAS

*House of Representatives*

February 21, 1996

representative

**DAVID BEATTY**

P.O. Box 640

LEWISVILLE, AR 71845-0640

501-921-4218 Business

501-921-4219 Residence

DISTRICT 22

Part of Columbia County

Lafayette County

Part of Miller County

Part of Hempstead County

COMMITTEES

VICE CHAIRMAN

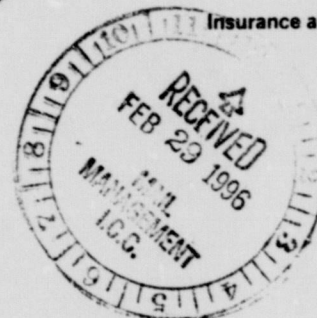
Joint Budget

MEMBER

Judiciary

Insurance and Commerce

Rules



Secretary

Surface Transportation Board

Department of Transportation

12th Street and Constitution Avenue

Washington, DC 20423

Re: Finance Docket 32760

Dear Mr. Secretary:

I am writing to express my opposition to the proposed merger between Union Pacific and Southern Pacific Railroads. The effect of this merger, if approved, will most likely leave Arkansas with but one major railroad and therefore little, if any, competition.

I represent a legislative district in southwest Arkansas and believe that the better interest for eastern and southern Arkansas would be served by the proposal submitted by Conrail to purchase a portion of the Southern Pacific tracks and therefore establish a competing railroad entity within the state.

I would appreciate your consideration of my request in this letter and that you not approve the Union Pacific/Southern Pacific application unless it is conditioned upon an agreement whereby Conrail is allowed to make an outright purchase of a portion of the Southern Pacific railroad tracks.

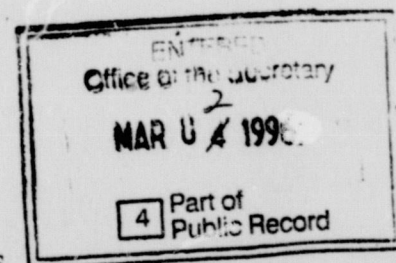
Thank you.

**ADVISE OF ALL  
PROCEEDINGS**

Sincerely,

David Beatty

STATE REPRESENTATIVE  
District 22



DLB/mu

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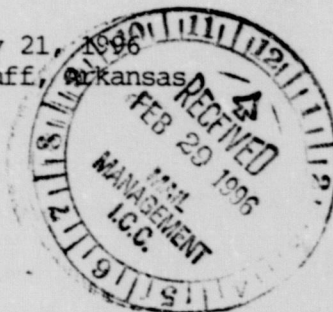
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File # 325

ALL

# PROCEEDINGS

February 21, 1996  
Pine Bluff, Arkansas



Office of the Secretary  
Surface Transportation Board  
12th Street and Constitution Avenue, NW  
Washington, D. C. 20423

Dear Sir:

This summer a very important decision will be made by the Surface Transportation Board regarding the mega-merger between the Union Pacific and Southern Pacific railroads. It is with strong conviction that I recommend that your Board comes to the correct decision and denies this merger. It is not good for shippers, rail competition, communities or employees and will create one of the largest monopolistic corporations in modern times in America.

It is far more anti-competitive than the failed Santa Fe-Southern Pacific merger rejected in 1988. This merger is bad for our country. It should be rejected.

Having worked for Southern Pacific for almost 25 years, I am well aware of the greed of these rail bosses. If the merger is approved, the combined UP/SP will control 90% of rail traffic to Mexico and \$3 billion in Texas Petro-chemical traffic. Already, the merger application predicts there will be a net loss of 3,390 agreement and non-agreement jobs and a transfer of 2,952 workers.

These job losses mean fewer people paying into the retirement fund, as well as more people on unemployment insurance, thus straining both systems.

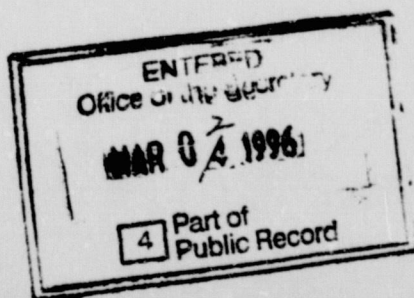
I encourage your Board to reject this merger proposal unanimously.

Vote, "NO".

Respectfully,

*Tommy L. Cash*

Tommy L. Cash  
6907 White Oak Cove  
Pine Bluff, AR 71602



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Feb # 374

# City of Salem

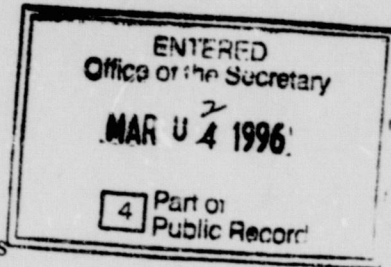
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*The Spirit and Space of Southern Illinois*

101 South Broadway, Salem, Illinois 62881

Phone 618/548-2222, Fax 618/548-5330

Office of the Mayor  
**Leonard E. Ferguson**



February 12, 1996

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

RE: Finance Docket 32760 - Union Pacific/Southern Pacific Merger

Dear Mr. Williams:

As Mayor of the City of Salem I want to formally convey my support for the referenced merger between Union Pacific and Southern Pacific Railroads. Union Pacific Railroad has been an outstanding corporate citizen of Salem, Illinois for many years. UP's presence in Salem has provided many job opportunities for the citizens of my community as well as the private investment UP has made at its local facility.

It is my understanding that the proposed merger will result in a significant increase in operations and employment at the Union Pacific Rail Yard in Salem. Based upon the prospect of increased private investment by UP and an increase in the local employment level, I believe the proposed merger will have a positive impact on Salem and the surrounding area, and I therefore support it wholeheartedly.

Sincerely,

CITY OF SALEM, ILLINOIS

*Leonard E. Ferguson*  
Leonard E. Ferguson  
Mayor

cc: Ralph Johnnie, County Board Chairman  
Marion County Courthouse  
Salem, Illinois

**ADVICE OF ALL  
PROCEEDINGS**



February 12, 1996.

Union Pacific/Southern Pacific Merger - Finance Docket 32760

Page 2

cc:

Mr. Thomas Zapler  
Special Representative  
Union Pacific Railroad  
165 N. Canal, 8-N  
Chicago, Illinois 60606

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# VIEW OF ALL

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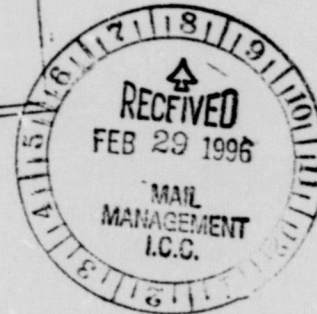
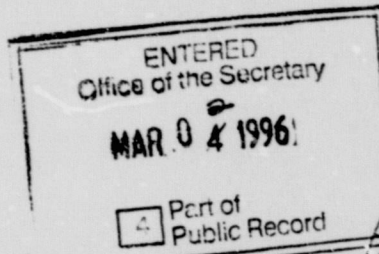
## PROCEEDINGS

The Item No. \_\_\_\_\_  
 Page Count 2  
Feb 23 1996

Rich: \_\_\_\_\_  
 Norma R. Croasdale, City Clerk

Charles L. Davis, Treasurer  
 Jack Johnston, Attorney

February 25, 1996



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

**RE: Finance Docket 32760**

Dear Secretary Williams:

I am extremely concerned about the competitive aspects on area businesses which would result from the proposed acquisition of the Southern Pacific by the Union Pacific. While I am familiar with the proposed agreement between Union Pacific and the Burlington Northern-Santa Fe, intended to remedy those effects, I am 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 the City of Vandalia.

I also have reviewed Conrail's proposal to acquire the Southern Pacific lines running from Chicago and St. Louis to Arkansas, Texas and Louisiana in connection with the merger. I find this proposal far more effective in addressing the above stated concerns. The Conrail proposal calls for ownership of the lines whereas the Union Pacific-Burlington Northern-Santa Fe agreement mainly involves trackage rights. I 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, I believe an owning railroad is in a far better position than a renter to encourage economic development activities on its lines.

Another reason I favor Conrail's proposal is that 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 involve the fewest car handlings for Vandalia area rail customers. Conrail's direct service to these markets should also add another plus for central Illinois when it comes to our economic development efforts.

Illinois' Oldest Capitol



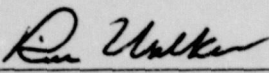
Page Two

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

For the above reasons, the City of Vandalia opposes the Union Pacific-Southern Pacific merger unless it is conditioned upon acceptance of Conrail's proposal.

Sincerely,

**THE CITY OF VANDALIA**

By:   
Rich Walker, Mayor

RW:nl

cc: Mike Scime  
31 East Georgia Street  
Indianapolis, IN 46204

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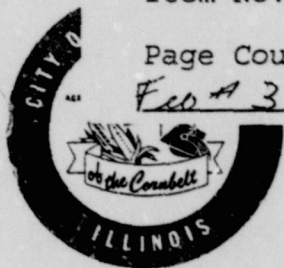
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Item No. \_\_\_\_\_

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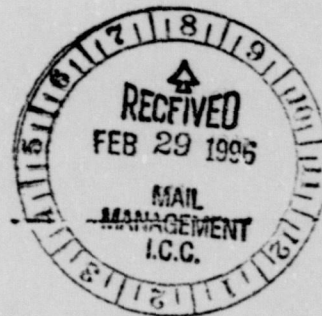
Feb # 322

BLOOMINGTON



JESSE R. SMART  
MAYOR

February 21, 1996



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

Re: Finance Docket 32760-Union Pacific/Southern Pacific

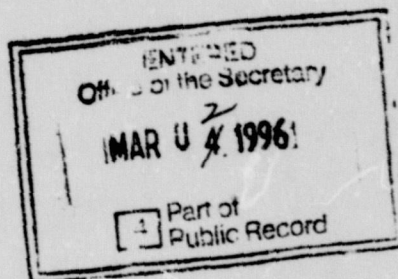
Dear Mr. Williams,

I am Jesse Smart, the Mayor of the City of Bloomington, Illinois. The simple purpose of this letter is to advise you that I do support the Union Pacific and Southern Pacific Railroad merger. It is our opinion that this merger would greatly improve service for carload traffic moving between California, Chicago, and East St. Louis-St. Louis. We need the improved service and trust that you will concur.

Thanks for your attention.

Sincerely,

*Jesse R. Smart*  
Jesse R. Smart  
Mayor



**ADVISE OF ALL  
PROCEEDINGS**



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Item No. \_\_\_\_\_

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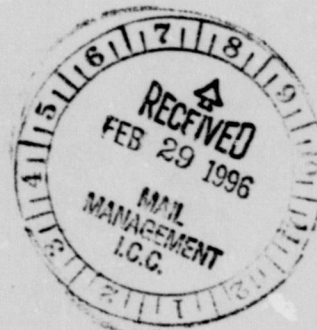
**Scott R. Nein**  
State Senator  
4th District

**Ohio Senate**  
Senate Building  
Columbus, Ohio 43215  
614/466-8072  
1-800-282-0253  
Fax: 614/466-7662

**Committees:**  
State & Local Government  
Vice Chair  
Education & Retirement  
Energy, Natural Resources &  
Environment  
Highways & Transportation

FD 32760

February 23, 1996



The Honorable Vernon A. Williams, Secretary  
Service Transportation Board  
U.S. Department of Transportation  
12th Street & Constitution Avenue  
Washington, DC 20423

Dear Secretary Williams:

I have recently learned of the Union Pacific/Southern Pacific Railroad acquisition case currently pending before the Service Transportation Board. The outcome of this case could have a significant impact on the economic growth of Ohio.

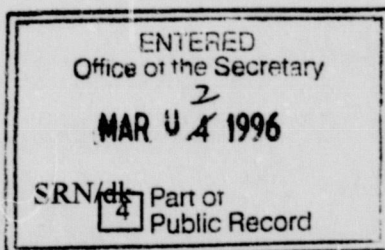
Conrail's acquisition of some of Southern Pacific Railroad's eastern lines would benefit Ohio by providing direct rail connection to the Southwest markets. It would also allow Ohio to take full advantage of the NAFTA agreements, through connections to Mexico and Canada. Ohio's automobile manufacturing industry would benefit from the new routes, as well as shippers who do business in these markets.

The contributions by Conrail to Ohio's economy are well documented. Conrail's proposal would enhance competition and increase its service potential, benefiting the entire country. Conrail should be given the opportunity to expand its availability to other market areas.

Please give favorable consideration to the Conrail alternative to the Union Pacific/Southern Pacific merger.

Sincerely,

Scott R. Nein  
State Senator, 4th District



ADVISE OF ALL  
PROCEEDINGS

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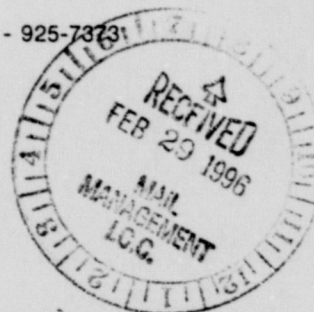
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File # 370

HENNEPIN

**BANK**

HENNEPIN, ILLINOIS 61327 / PH. 815 - 925-7373

FD 32760



February 23, 1996

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

Dear Secretary Williams:

Our local business organization, the Hennepin Business Association, recently learned of the proposed merger between the Union Pacific and Southern Pacific railroads. This merger raises some competitive concerns here in Illinois. We would like to endorse an alternative proposal which would involve the purchase of the eastern portion of the Southern Pacific railroad by Conrail.

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

If Conrail acquired the SP-East, the expanded system would offer many Illinois businesses single-line freight service to the southern gulf states. Conrail's proposal would reduce the number of car changes required to ship goods to the South, thereby reducing transportation costs to Illinois businesses and allowing them to become more competitive in new markets.

More importantly, should the Union Pacific's proposal be accepted in its entirety, we believe that rail competition would be severely impaired. Should the Union Pacific acquire the SP-East, we fear that one of the rail lines between Chicago and St. Louis would be shut down. Union Pacific's past corporate actions with previous acquisitions would seem to support this assumption. Competition would be reduced, and local communities may suffer from the loss of jobs.

ENTERED  
Office of the Secretary

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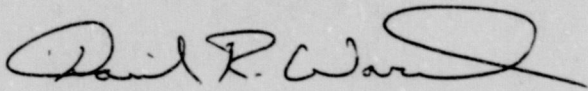
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ADVISE OF ALL  
PROCEEDINGS

We seriously encourage your thoughtful consideration of the Union Pacific - Southern Pacific merger, and the possible negative impact that would have on central Illinois business concerns. A strong, healthy economy is only possible through effective competition that allows free market forces to interact.

Thank you for your consideration in this matter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "David R. Ward". The signature is fluid and cursive, with a large, sweeping "D" and "W".

HENNEPIN BUSINESS ASSOCIATION  
• David R. Ward  
President

cc: David M. LeVan  
Conrail  
Philadelphia, PA

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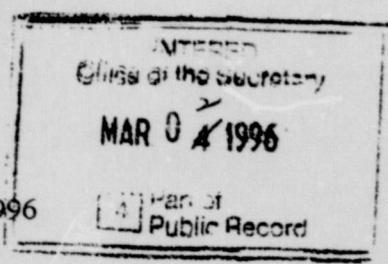
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Item No. \_\_\_\_\_

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February 21, 1996



ADVISE OF ALL  
PROCEEDINGS

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

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

Dear Mr. Williams:

Our company is a major user of domestic and international rail transportation to move our products. The Laredo/Nuevo Laredo gateway is one of the primary routes for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

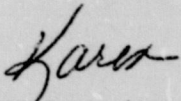
Our company depends on competition to keep prices down and to spur improvements in products and services. For many years Union Pacific and Southern Pacific have competed for traffic via Laredo, resulting in substantial cost savings and a number of service innovations. TexMex has been Southern Pacific's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

We have supported the UP/SP merger but fear that our competitive alternatives, if not eliminated, will be seriously reduced via the Laredo gateway. We understand that some trackage rights were given to the Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition in this corridor. TexMex has indicated a willingness to operate over trackage rights from Corpus Christi to Houston, Texas (or purchase trackage where possible) and to connect with the Kansas City Southern Railroad and other rail carriers at Houston. Trackage rights operating in such a way as to allow TexMex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus, I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights to TexMex allowing service to Houston.

I feel it is very important to protect economical access to international trade routes and should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Sincerely,

A handwritten signature in dark ink, appearing to read "K. Anderson", is written over the typed name.

K. L. Anderson  
Transportation Manager