STB FD 32760 1-25-96 I 61075

Item No. _____

Page Count 11

JAN 350

41075

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEUR
KELVIN J. DOWD
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS*
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III
PATRICIA E. DIETRICH

*ADMITTED IN ILLINOIS ONLY

202 347-7170

JAN 29 1996

January 25, 1996

Via Hand Delivery

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

Re: Finance Docket No. 32760, Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company -- Control and Merger -- Southern Pacific Rail Corporation, Southern Pacific Transportation Company, et al.

Gentlemen:

Enclosed for filing in the above-referenced proceeding are the original and 20 copies of Entergy Services, Inc., Arkansas Power & Light Company and Gulf States Utilities Company's First Set of Interrogatories and Document Production Requests to Applicants (ESI-2).

Also enclosed is a WordPerfect 5.1 diskette containing the aforementioned filing.

Sincerely yours,

Christopher A. Mills

CAM:mfw
Enclosure

cc: The Honorable Jerome Nelson
Restricted Service List

ORIGINAL

ESI-2

BEFORE THE
SURFACE TRANSPORTATION BOARD

UNION PACIFIC CORPORATION, UNION PACIFIC RAILROAD COMPANY, AND MISSOURI PACIFIC RAILROAD COMPANY -- CONTROL AND MERGER -- SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC TRANSPORTATION COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY COMPANY, SPCSL CORP., AND THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY	Finance Docket No. 32760

ENTERGY SERVICES, INC., ARKANSAS POWER & LIGHT COMPANY AND GULF STATES UTILITY COMPANY'S FIRST SET OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS TO APPLICANTS

ENTERGY SERVICES, INC.
ARKANSAS POWER & LIGHT COMPANY
GULF STATES UTILITIES COMPANY

By: C. Michael Loftus
Christopher A. Mills
1224 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 347-7170

Wayne Anderson
General Attorney-Regulatory
Entergy Services, Inc.
Mail Unit L-ENT-26E
639 Loyola Avenue
New Orleans, LA 70113

Their Attorneys

Dated: January 23, 1996

ENTERGY SERVICES, INC., ARKANSAS POWER & LIGHT COMPANY AND GULF STATES UTILITIES COMPANY'S FIRST SET OF INTERROGATORIES AND DOCUMENT PRODUCTION REQUESTS TO APPLICANTS

Entergy Services, Inc., Arkansas Power & Light Company ("AP&L") and Gulf States Utilities Company ("GSU") (collectively "Entergy") hereby submit these, their First Set of Interrogatories and Document Requests to Applicants. Entergy requests responses to these interrogatories and document production requests within 15 days after service thereof as provided in the Discovery Guidelines adopted by Judge Nelson in his decision served December 7, 1995.

DEFINITIONS AND INSTRUCTIONS

A.

Definitions

1. "Applicant" or "Applicants" means one or more of the parties to the Railroad Merger Application in Finance Docket No. 32760 filed at the Interstate Commerce Commission ("ICC") on November 30, 1995.

2. "BN" means Burlington Northern Railroad Company.

3. "BNSF" means BN and SF, collectively.

4. "Communication" means the transmittal by whatever means of information of any kind.

5. "Document" means the term "document" as that term is used in Fed. R. Civ. P. 34(a) in Applicants' current or prior possession, custody or control. "Document" as used herein also

encompasses electronic mail and physical things such as computer disks in Applicants' current or prior possession, custody or control.

6. "Identify," when used with reference to a document, means to either produce such document or to state its date, type of document (e.g., letter, memorandum, chart, etc., or other means of identifying it), its title or heading, the author's (authors') full name(s), its recipient(s), general subject matter contents, number of pages and the document's present location and custodian and in the case of contracts filed with the Interstate Commerce Commission or Surface Transportation Board, the contract number. If such document was, but is no longer in Applicants' possession, custody or control, state what disposition was made of it.

7. "Identify," when used with reference to a communication other than a document, means to state the nature of the communication (e.g., meeting, telephone call, etc.), the time, date and place the communication occurred, and the participants' full names, business addresses and job titles.

8. "Identify," when used with reference to an individual, means to state the full name, business address(es) and job title(s) of such individual during the period covered by these interrogatories and document production requests.

9. "KCS" means the Kansas City Southern Railway Company.

10. "Nelson Station" means GSU's Roy S. Nelson Generating Station near Mossville, LA.

11. "PRB" means the Powder River Basin.

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

13. "Settlement Agreement" means the agreement between BNSF and UP/SP dated September 25, 1995, including all supplements and amendments thereto.

14. "SF" means The Atchison, Topeka and Santa Fe Railway Company.

15. "SGR" means Southern Gulf Railway Company.

16. "SP" means Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, and the Denver and Rio Grande Western Railroad Company.

17. "UP" means the Union Pacific Railroad Company, the former Chicago and North Western Railway Company, Missouri Pacific Railroad Company, and the former Western Railroad Properties Incorporated.

18. "White Bluff Station" means the White Bluff Steam Electric Station near Redfield, AR.

B.

INSTRUCTIONS

1. In the following interrogatories and document production requests, all uses of the conjunctive include the

disjunctive and vice versa. Words in the singular include the plural and vice versa. References to railroads, shippers or other companies include officers, directors, employees, and agents thereof, except where the context clearly requires otherwise.

2. To the extent that Applicants consider any of the following interrogatories or document production requests objectionable, respond to each part thereof as is not objectionable in your view, and separately identify that part of the interrogatory request that you find objectionable and state the grounds for each such objection.

3. If Applicants object to any interrogatory or document production request on grounds of privilege, identify which privilege is claimed.

4. If Counsel for Applicants want clarification concerning any interrogatory or document production request set forth, Counsel for Applicants is instructed to contact Counsel for Entergy (either in writing or telephonically) concerning such requests reasonably in advance of the due date referenced above.

5. Unless otherwise specified, these interrogatories cover the period from January 1, 1991 to date, and these document production requests cover all documents fitting one or more of the categories listed below, and created or modified on or after January 1, 1991.

6. These interrogatories and document production requests are continuing in nature, and Applicants' responses

should be supplemented whenever additional responsive information or documents come into Applicants' possession or control.

INTERROGATORIES

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

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

(a) The number of locomotive units customarily used for each loaded and empty movement.

(b) The type of locomotives customarily used and their gross weight.

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

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

5. Identify all studies, analyses, reports, correspondence, memoranda, electronic mail or other documents prepared

for or in the possession or control of Applicants relating to your response to Interrogatory No. 4.

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

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

(a) The number of locomotive units expected to be used for each loaded and empty movement.

(b) The type of locomotives expected to be used and their gross weight.

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

to participate in the movement of PRB coal by any of the potential pre-merger routings to the Nelson Station following consummation of the proposed merger.

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

10. Identify the individual(s) at (a) UP and (b) SP who now have, or during the period covered by these interrogatories did have, responsibilities related to the Entergy account(s) with specific reference to the movement of coal to the White Bluff and/or Nelson Stations, and describe the nature of such responsibilities for each such individual.

11. Identify the individual(s) at (a) UP and (b) SP who now have, or during the period from January 1, 1995 to date did have, any responsibilities relating to the bidding for the movement of PRB coal to the Nelson Station, and describe the nature of such responsibilities for each such individual.

DOCUMENT PRODUCTION REQUESTS

1. Produce all documents identified in response to Interrogatory No. 5.

2. Produce all documents identified in response to Interrogatory No. 9.

3. Produce all documents in the custody of Applicants that relate to divisions of revenue as between (a) UP and SP and (b) UP and SP in conjunction with the bidding for the movement of

PRB coal to the Nelson Station during the period from January 1, 1995 to date.

4. Produce all documents in the custody of Applicants that relate to any constraint(s) on the rates UP can charge for the movement of SPRB coal to the White Bluff Station.

Respectfully submitted,

ENTERGY SERVICES, INC.
ARKANSAS POWER & LIGHT COMPANY
GULF STATES UTILITIES COMPANY

By: C. Michael Loftus
Christopher A. Mills
Slover & Loftus
1224 Seventeenth Street, N.W.
Washington, D.C. 20036

Wayne Anderson
General Attorney-Regulatory
Entergy Services, Inc.
Mail Unit L-ENT-26E
639 Loyola Avenue
New Orleans, LA 70113

Their Attorneys

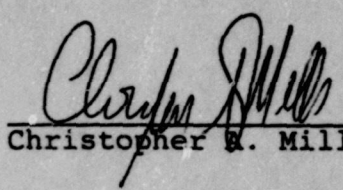
Dated: January 25, 1996

CERTIFICATE OF SERVICE

I hereby certify that, on this 25th day of January, 1996, I caused a copy of the foregoing First Set of Interrogatories and Document Production Requests to be served by facsimile on the individuals listed below, and by first-class United States mail, postage prepaid, on all other persons on the Restricted Service List in this proceeding.

Arvid E. Roach II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036



Christopher D. Mills

STB FD 32760 1-22-96 I 61045

Item No. _____

Page Count 13

61045

JAN 321

KELLEY, DRYE, LAMB, GREENE & MACRAE
L.L.P.
A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

NEW YORK
WASHINGTON
ALBANY
BOSTON
DENVER
HARRISBURG
HARTFORD
JACKSONVILLE

1875 CONNECTICUT AVENUE, N.W.
WASHINGTON, DC 20009-5728
(202) 986-8000
TELEX: 440274 FACSIMILE: (202) 986-8102

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

LOS ANGELES
NEWARK
PITTSBURGH
SALT LAKE CITY
SAN FRANCISCO

BRUSSELS
LONDON
MOSCOW

January 22, 1996

BY HAND

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

Attn.: Case Control Branch

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

Dear Mr. Williams:

Enclosed are the original and 20 copies of the "Motion of Western Shippers' Coalition For Enlargement of the Procedural Schedule" for filing in the above-referenced proceeding.

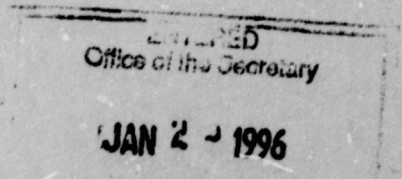
Also enclosed are three additional copies for date stamping and return via our messenger.

Very truly yours,

Michael F. McBride/da

Michael F. McBride

Attorney for Western Shippers' Coalition

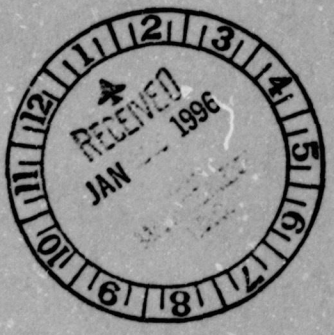


Enclosure

cc: Service List

EXPEDITED CONSIDERATION AND HANDLING REQUIRED

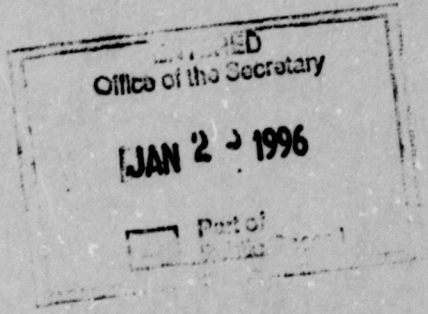
UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

MOTION OF WESTERN SHIPPERS' COALITION FOR ENLARGEMENT OF THE PROCEDURAL SCHEDULE



Michael F. McBride
Linda K. Breggin
Daniel Aronowitz
LeBoeuf, Lamb, Greene
& MacRae, L.L.P.
1875 Connecticut Avenue, N.W.
Suite 1200
Washington, D.C. 20009-5728
(202) 986-8000

Ronald L. Rencher
LeBoeuf, Lamb, Greene
& MacRae, L.L.P.
136 S. Main Street
Suite 1000
Salt Lake City, Utah 84101
(801) 355-6900

Attorneys for Western
Shippers' Coalition

January 22, 1996

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

MOTION OF WESTERN SHIPPERS' COALITION FOR ENLARGEMENT OF THE PROCEDURAL SCHEDULE

The Western Shippers' Coalition ("WSC")[1] hereby moves for a 60-day extension of the January 29, 1996 date for filing notices of inconsistent or responsive applications, and a corresponding enlargement of the remainder of the procedural schedule. The grounds for this Motion are as follows:

1. On November 30, 1995, Union Pacific Corporation, Union Pacific Railroad Company ("UP"), and Missouri Pacific Railroad Company filed with the Interstate Commerce Commission ("ICC") (now the Surface Transportation Board, or "Board") an over 8,000 page Application for the control and merger with Southern Pacific Rail Corporation, Southern Pacific Transportation Company ("SP"), St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western

---

[1] The members of WSC are listed in Attachment A. WSC may join with, or support, the filing of an inconsistent or responsive Application if it cannot resolve its differences with UP/SP. Thus, WSC, although composed of shippers, may be required to give notice of an inconsistent or responsive Application.

Railroad Company ("D&RGW") ("Applicants"). This is a proceeding of momentous importance because much of the present competitive circumstances in the Western United States may be irrevocably altered if the Application is granted. Many parties other than Applicants may seek a different outcome than that sought by Applicants so as to preserve adequate competition for railroad transportation services in the West. Applicants had no time limit on the filing of their Applications, but the other parties are now severely constrained by the current procedural schedule.

2. On October 19, 1995, in anticipation of the Application (but without knowing its length or complexity), the ICC issued a procedural schedule for this proceeding. (The procedural schedule was slightly modified thereafter.) The ICC established, inter alia, the following deadlines for this proceeding: (1) January 16, 1996 for notices of intent to participate; (2) January 29 for descriptions of anticipated inconsistent and responsive applications and petitions for waiver or clarifications; and (3) March 29 for inconsistent and responsive applications, and all comments, protests, requests for conditions and any other opposition evidence and arguments. Later deadlines were also set for briefs, oral argument, a Board voting conference, and issuance of the Board's decision.

3. WSC timely filed its Notice of Intent to Participate in this proceeding on January 12, 1996, by facsimile and overnight courier.

4. The Application requests authority to merge two Class I railroads whose service territories overlap in many locations. Indeed, the Applicants have acknowledged a substantial number of circumstances in which the merger would eliminate competition now occurring between (a) UP and (b) either SP or the D&RGW. Accordingly, Applicants entered into an agreement with the Burlington Northern Santa Fe Railroad Company ("BNSantaFe") for substantial trackage rights over Applicants' systems. Among the areas in which BNSantaFe would receive trackage rights is Colorado and Utah, including much of D&RGW's lines in those States as well as Nevada.

5. The agreement with BNSantaFe purports to preserve effective competition in the West, but many shippers, including members of WSC, dispute this contention. These disagreements will likely form the basis for comments on, and proposals for modifications to, the proposed transaction from various shippers and other carriers affected by the proposed merger. For example, initial analysis of Applicants' agreement with BNSantaFe by certain shippers indicates that the Application understates the transaction's detrimental impact on existing competition because the Applicants are using an overly narrow definition of the circumstances in which the number of competitors is reduced from two carriers to one. Moreover, the Applicants intend to reroute certain traffic now traveling over the D&RGW lines and to defer non-essential maintenance on these same lines for five years. These disclosures raise substantial questions whether BNSantaFe

will have a sufficient traffic base or incentive to make effective use of its newly acquired trackage rights. Finally, the cost to BNSantaFe of such trackage rights is, in the judgment of many shippers, too expensive to present effective competition to Applicants.

6. As these problems indicate, substantial time is needed to evaluate accurately the impact of the merger and the agreement between Applicants and BNSantaFe. WSC is diligently attempting to improve the UP/BNSantaFe agreement through informal negotiations, but UP has not yet met with WSC for serious negotiations on such modifications.[2] WSC is therefore compelled to explore other alternatives, including discussions with other carriers, to preserve effective competition in the West. The outcome of these efforts will enable WSC to determine what position it will take with respect to this proposed merger. Unfortunately, despite diligent attempts, WSC has not been able to complete its goals in the short time period following the filing of the Application. The intervention of the holidays and scheduling difficulties of railroad executives have slowed the process.

7. Additional time is also needed to allow WSC and other shippers to evaluate the adverse impact on UP rail service following the August 1995 announcement of the merger and the issuance of the procedural schedule herein. Service on UP after

---

[2] UP and SP did make a presentation to WSC and some of its members in November 1995, but UP has not met with WSC since the filing of the Application.

consummation of its merger with the Chicago and NorthWestern Railroad in October has been extremely unsatisfactory. The problem was so severe that UP apologized by letter to many or all of its customers for its shortcomings. The possibility exists that these service problems may subside, which would reduce the need of some parties seeking better service from UP to participate in this proceeding. Nevertheless, until more time passes and UP has had an opportunity to demonstrate it has solved its service problems, shippers and other affected parties will not know what position they must take in this proceeding. The Board should not proceed expeditiously with this proceeding until UP provides substantial evidence that its service problems relating to a prior merger have been improved.

8. Other factors have limited the ability of WSC to make effective use of the time since the Application was filed. The UP/BNSantaFe agreement was not available for some time after it was executed, and the agreement itself was not filed until November 30, 1995. Applicants' filing coincided with a period of great uncertainty for the Board and those who participate in its proceedings. As the Board knows, the recent legislative process was extremely active, and the continued existence of the Interstate Commerce Commission and its statutory functions were in serious doubt until the very end of the process, when the President finally signed the legislation on December 29, 1995. Had he vetoed the bill, as he threatened to do, the Board would not yet exist. Thus, those who participate in ICC (and now

Board) proceedings could not know if this proceeding would have entered a regulatory "black hole" until December 29, 1995.

9. The prolonged uncertainty over the fate of the ICC has been extremely disruptive. The level of staffing for the new Board was unclear. Indeed, although fortunately averted, it appeared for a substantial time that most ICC employees would lose their positions on December 5. In any event, to date, those appointed to fill new positions with the Board are not publicly known. Presumably, all of these disruptions have adversely affected the staffing for this proceeding.

10. Shortly after the new legislation was signed into law, an historic snowstorm, followed by further snow, has greatly disrupted business in Washington, D.C. and other states in the Eastern United States. The adverse weather forced the federal government and many private business to close for several days, thereby affecting the Board's ability to do business and the ability of WSC's counsel to function on this matter. Meetings have been conducted, and travel has occurred, but the weather has been very disruptive.

11. Meanwhile, the 1994 Waybill Sample data, its associated cost fields, and the 1994 Uniform Railroad Costing System data only became available in December 1995 or more recently. Although the transportation economic consultant for WSC, G.W. Fauth and Associates, Inc., was informed by the ICC staff that it had obtained that data before anyone else, there has not yet been sufficient time to analyze the data and provide

analysis and advice to WSC and its members of the effect of that data on the claims of Applicants.

12. Applicants will likely argue that the procedural schedule should not be modified because they claim that the merger has substantial benefits. Indeed, Applicants claim those benefits are $750 million "in a normal year." Application, Vol. 1, p. 88. But it is important to note that purported benefits of the merger are not facts, but rather are mere allegations that must be tested by the Board upon a complete evidentiary record. Additional time for the parties to negotiate and complete the factual record will lead to a more comprehensive record from which the Board can evaluate the impact of the merger and make its final determination about its costs and benefits.

13. As described above, WSC intends to make effective use of the next several weeks by meeting with UP and other affected parties to attempt to reach a resolution that would not involve active litigation in this proceeding. Failing such agreement, however, WSC will seek satisfactory relief through other means, including in this proceeding.

14. Ultimate resolution of this proceeding can still be easily completed within the statutory deadlines even with a sixty day extension. Because the Application was filed on November 30, 1995, before the "ICC Termination Act of 1995" became effective on January 1, 1996, this proceeding is governed by the Interstate Commerce Act. See Section 204 of the ICC Termination Act of 1995. The statutory time limit for this

WSC is serving the Motion by facsimile on counsel for Applicants, and is providing telephonic notice to them as well.

Respectfully submitted,

Michael F. McBride

Michael F. McBride
Linda K. Breggin
Daniel Aronowitz
LeBoeuf, Lamb, Greene
& MacRae, L.L.P.
1875 Connecticut Avenue, N.W.
Suite 1200
Washington, D.C. 20009-5728
(202) 986-8000

Ronald L. Rencher
LeBoeuf, Lamb, Greene
& MacRae L.L.P.
136 S. Main Street
Suite 1000
Salt Lake City, Utah 84101
(801) 355-6900

Attorneys for Western
Shippers' Coalition

DATED: January 22, 1996

ATTACHMENT A

WESTERN SHIPPERS' COALITION

COMPANY

ARCO Coal Company
AKZO Nobel Salt
Andalex Resources Inc.
Ash Grove Cement
Circle Four Farms
Coastal Coal
Colorado Mining Assoc.
Colorado Springs Utility
Continental Lime
Cyprus Amax Coal Co.
Eagle Picher
ECDC Laidlaw Environmental
Geneva Steel
Great Salt Lake Minerals
Intermountain Power Project
Interwest Mining
ECDC Laidlaw Environmental
Magma Copper
Metropolitan Stevedore Company
Moab Salt
Moroni Feed Co.
PacifiCorp
Kennecott Utah Copper
Savage
Sierra Pacific Power
Utah Mining Association
Western Coal Transportation Association
White Oak Mining

(Date 12/14/95)

EXPEDITED CONSIDERATION AND HANDLING REQUIRED

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

CERTIFICATE OF SERVICE

I hereby certify that I have served this 22nd day of January, 1996, a copy of the foregoing motion by facsimile to Arvid E. Roach, Esq. and Paul A. Cunningham, Esq. and on all other persons on the Board's most current service list in this proceeding by first-class mail, postage prepaid.

Michael F. McBride

Michael F. McBride

STB FD 32760 1-22-96 I 61039

41039

SHER & BLACKWELL

ATTORNEYS AT LAW

SUITE 612

2000 L STREET, N.W.

WASHINGTON, D.C. 20036

TELEPHONE (202) 463-2500

FACSIMILE (202) 463-4950/4840

WRITER'S DIRECT DIAL NO.

(202) 463-2510

SUITE 1100
555 MONTGOMERY STREET
SAN FRANCISCO, CA 94111
TELEPHONE (415) 788-9150
FACSIMILE (415) 788-9456

SUITE 510
15 EXCHANGE PLACE
JERSEY CITY, NJ 07302
TELEPHONE (201) 915-0100
FACSIMILE (201) 915-0393

January 12, 1996

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Room 2215
12th and Constitution Avenue, N.W.
Washington, D.C.

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

Dear Mr. Williams:

I enclose for filing on behalf of The International Brotherhood of Teamsters ("IBT") an original and twenty (20) copies of the IBT's First Set of Interrogatories and Requests for Production of Documents Directed to Applicants. This document is designated as IBT-5. Earlier pleadings previously filed (September 18, 1995, September 25, 1995, October 11, 1995, and December 14, 1995) but not numbered are hereby designated IBT 1-4 in chronological order.

I also enclose a disk containing the IBT's discovery requests in WordPerfect 5.1 format.

Thank you for your attention to this matter.

Sincerely,

John W. Butler

Enclosures
cc: Restricted Service List

11459.0072.01.00.01

Item No. _____

Page Count 27

JAN 31

IBT-5

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

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS' FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS DIRECTED TO APPLICANTS

Marc J. Fink
John W. Butler

SHER & BLACKWELL
2000 L Street, N.W.
Suite 612
Washington, DC 20036
(202) 463-2500

Attorneys for The
International Brotherhood of
Teamsters

January 12, 1996

The International Brotherhood of Teamsters and its international, national, and local affiliates, pursuant to 49 C.F.R. §1114.26 and the Order Adopting Discovery Guidelines served December 7, 1995, hereby serves its First Set of Interrogatories and Requests for Production of Documents upon the Applicants.

DEFINITIONS AND INSTRUCTIONS

1. As used herein, the terms listed below are defined as follows:

(a) "Applicants" means those entities identified in the first sentence of page 1 of UP/SP-22, all other entities under common control with those entities, and all officers, directors, principals, employees, and agents of any of them.

(b) "IBT" means The International Brotherhood of Teamsters, including all national, international, and local subdivisions and affiliates thereof.

(c) The term "document(s)" as used herein is synonymous with that term as it is used in Federal Rule of Civil Procedure 34(a), and includes without limitation all writings and other compilations of information made in any form or for any purpose, including without limitation computer disks, internal computer memory storage devices, computer back-up tapes or disks, electronic mail, photographs, photocopies, maps, pictures, books and every other method of physically or electronically recording information.

(d) "Identify," "identity" and "identification," when used to refer to any entity other than a natural person, mean to state its full name, the present or last known address of its principal office or place of doing business, and the type of entity (e.g., government agency, department, division, corporation, partnership, unincorporated association), and the person or persons who acted on behalf of such entity with respect to the subject matter of the discovery request.

(e) "Identify," "identity" and "identification," when used to refer to a natural person, mean to state the following:

(i) The person's full name and present or last known business address and business telephone number;

(ii) The person's present or last known title and employer or other business affiliation;

(f) "Person" means any natural person, government agency, department or division, firm, public or private corporation, partnership, proprietorship, joint venture, organization, group of natural persons, or other association separately identifiable, whether or not such association has a separate juristic existence in its own right.

(g) "Relating to," "relate to" and "concerning" mean supports, evidences, describes, discusses, mentions, refers to, contradicts and/or comprises.

2. When an interrogatory asks that a document be identified or described, it is the intention that the answer shall state the following information with respect to each such

document, unless the document is produced for inspection and copying:

(a) the title, heading, or caption of such document, if any, and a brief description of the contents of the document;

(b) the identifying number(s), letter(s), or combination thereof, if any, and the significance or meaning of such number(s), letter(s), or combination thereof;

(c) the inclusive dates of each such document;

(d) the general nature or description of such document (i.e., whether it is a letter, memorandum, minutes of a meeting, etc.), and the number of pages of which it consists;

(e) the identity of the person to whom such document was addressed and the identity of each person, other than such addressee, to whom such document or copy thereof, was sent or otherwise distributed; and

(f) the identity of the person who has custody of such document and each copy thereof.

The foregoing information shall be given in sufficient detail to enable a party or person to whom a subpoena is directed to identify fully the document to be produced, and to enable IBT to determine that such document when produced is in fact the document so described.

3. When an interrogatory asks that a meeting, conversation, consultation, or discussion be identified or described, it is the intention that the answer to such an

interrogatory shall state the following information with respect to each such meeting, conversation, consultation, or discussion:

(a) the date or dates when it occurred;

(b) the place it occurred;

(c) the persons who attended;

(d) what was said and by whom;

(e) what decisions were reached; and

(f) whether any notes, minutes, or other memoranda were made to record the proceeding or such meeting, conversation, consultation, or discussion and, if so, who has custody thereof.

4. When the masculine pronoun is employed in these definitions or in an interrogatory, it is the intention that the masculine pronoun also includes the feminine pronoun unless the context otherwise requires.

5. Should Applicants claim privilege for any documents about which information is requested by any of the following Interrogatories or Requests for Production, such documents shall be identified and described in the manner set forth above. In addition to supplying the above-noted information concerning such documents, you shall indicate that Applicants claim privilege therefor and shall specify in detail all the grounds on which the claim of privilege rests.

6. These Interrogatories and Requests for Production are continuing in nature and require you to file supplementary answers if you obtain further or different information after your initial answers and before a final decision in this proceeding,

including in such supplemental answers the date upon which and the manner in which such further or different information came to your attention.

7. Each answer is to be given separately and independently and no answer to a question shall be given by reference to another answer or solely by reference to an exhibit.

8. If any document which is requested to be described or produced in the Interrogatories or Requests for Production was but is no longer in your possession or subject to your custody or control, or was known to you, but is no longer in existence, state what disposition was made of it, identify who has it, or what became of it.

9. The IBT adopts the abbreviations set forth at pages xii-xiv of UP/SP-22 (Volume 1 of Application). Other abbreviations used herein are defined when first used.

10. The time period covered by these Interrogatories and Requests for Production shall commence five years prior to the date of their service unless otherwise explicitly stated or the context requires a different period.

INTERROGATORIES

1. Identify all studies or analyses of diversion of truck traffic to intermodal service conducted by Mr. Don P. Ainsworth, Reebie Associates, Mr. Paul O. Roberts, Transmode Consultants, or Science Applications International Corporation from January 1, 1980 to the present. With respect to each such study or analysis:

(a) Identify the subject matter and purpose of the analysis undertaken.

(b) Provide the dates of the analysis.

(c) Describe with specificity the conclusions, estimates, and results reached in such studies and analyses.

2. With respect to all truck diversion studies and analyses identified in Interrogatory No. 1, indicate whether any steps were taken following completion of such studies or analyses to determine whether the results of such studies or analyses were accurate as compared to actual subsequent events. Describe for each study or analysis for which follow-up steps were taken the results of such steps (e.g., whether the follow-up steps indicated that the original study or analysis over-estimated or under-estimated the projected level of diversion of truck traffic to intermodal carriage).

3. With respect to the section of Mr. Ainsworth's Verified Statement labelled "Premises" (Application at Vol. 1, 434-437), identify the source and basis (including documents, if any) of

what is the average profit level (for UP and SP, separately for each of the last three years) for intermodal cargoes, expressed as a percentage of both total and variable costs?

10. Identify and describe in detail all studies and analyses undertaken or commissioned by the Applicants to determine the effects on trucking companies of diversion of traffic from truck to rail/truck intermodal carriage.

11. With respect to all studies and analyses identified in response to Interrogatory No. 10, state the anticipated effects of diversion from truck to intermodal on the trucking industry as a whole and on all individual trucking companies identified in all such studies and analyses. Description of such effects shall include, without limitation:

(a) effects on profits of the trucking industry and individual trucking companies,

(b) effects on per unit costs as they apply to the trucking industry generally and as they apply to all individual trucking companies identified in such studies or analyses, and

(c) effects on trucking company employment levels on an industry-wide and individual company basis.

12. Describe with particularity the process by which the five traffic corridors identified in Appendix A to Mr. Ainsworth's Verified Statement were chosen. Such description shall identify, without limitation:

(a) All persons participating in the choice of the traffic corridors to be included in the studies

undertaken by Reebie Associates and Transmode Consultants.

(b) All traffic corridors considered but not included in the studies, including an explanation of why such corridors were excluded.

(c) The data reviewed and the selection criteria employed in choosing the traffic corridors.

13. For UP and SP separately, what was the total volume of intermodal traffic carried in 1994 between the market pairs identified in Appendix A to Mr. Ainsworth's Verified Statement?

14. For UP and SP separately, what was the total volume of intermodal traffic carried by UP and SP in 1994?

15. For 1994, what was the total volume of truck traffic that moved between the market pairs identified in Appendix A to Mr. Ainsworth's Verified Statement?

16. For 1994, what was the total volume of truck traffic that moved between points served by either UP or SP?

17. For each of the five traffic corridors identified in Appendix A to Mr. Ainsworth's Verified Statement, what is the magnitude of the traffic imbalances for each of UP and SP?

18. Identify and describe any databases other than the TRANSEARCH database that were considered by Reebie Associates.

19. Describe the criteria used to apply the three "factors" identified at Vol. 1, p. 437 of Mr. Ainsworth's Verified Statement with respect to choosing corridors for study. In particular, describe:

(a) The specific criteria used to determine whether the merger created a prospect for improved performance. I.e., (i) how much would a route have to be shortened to indicate a potential for improved intermodal service, (ii) what improved operations, and in what degree, would predict improved intermodal service, (iii) how much lower would costs have to be to indicate improved intermodal service, (iv) what improved terminal arrangements would indicate improved intermodal service, and (v) what other factors were analyzed, and how were they analyzed?

(b) What volume of existing truck traffic was deemed sufficient to make an attempt at diversion attractive? How was this figure derived?

(c) The specific criteria used to determine whether improved service and/or reduced costs from the merger would in fact result in diversion of truck traffic, and how such criteria were applied.

20. Identify all documents relating to marketing plans that include consideration of possible truck diversions.

21. Describe the analysis of "extended traffic lanes" referred to at Vol. 1, p. 440 of Mr. Ainsworth's Verified Statement. In particular:

(a) Identify all extended traffic lanes that were identified by Reebie Associates.

(b) Identify those extended traffic lanes included in the Reebie Associates study.

(c) Describe how the inclusion of extended traffic lanes in the Reebie Associates study affected the final diversion predictions.

22. For each of the five corridors and each of the individual market pairs included in Appendix A to Mr. Ainsworth's Verified Statement, state the truck diversion estimates obtained by the Reebie Associates study before those estimates were modified to arrive at the "Consensus" statement attached as Appendix A to Mr. Ainsworth's Verified Statement. Identify all documents relating to truck diversion estimates arrived at by the Reebie Associates study prior to modification of such estimates as reflected in the "Consensus" statement.

23. For each of the five corridors and each of the individual market pairs included in Appendix A to Mr. Ainsworth's Verified Statement, state the truck diversion estimates obtained by the Transmode Consultants study before those estimates were modified to arrive at the "Consensus" statement attached as Appendix A to Mr. Ainsworth's Verified Statement. Identify all documents relating to truck diversion estimates arrived at by the Transmode Consultants study prior to modification of such estimates as reflected in the "Consensus" statement.

24. For each traffic corridor identified in Appendix A to Mr. Ainsworth's Verified Statement, name each motor carrier that has been identified by any means (including but not limited to the Reebie Associates and Transmode Consultants studies) as being a significant competitor with rail/truck intermodal service.

25. Does the estimate of truck diversion in Appendix A to Mr. Ainsworth's Verified Statement include potential diversion of traffic between the Bay Area and Los Angeles? If not, why was that market pair excluded?

26. Describe how the increased revenues for UP/SP resulting from truck diversion stated in Mr. Ainsworth's Verified Statement for each traffic corridor were calculated.

27. With regard to the statement at Vol. 1, p.443 that "[w]e also considered several Eastern extended gathering areas for this [Midwest/Southwest] Corridor," identify the extended gathering areas considered and explain how that consideration affected the final study results.

28. With respect to the Midwest/Texas/Mexico Corridor, identify and describe any analysis undertaken and conclusions reached with respect to diversion of truck traffic originating or terminating in Mexico. Why are no Mexican market points identified in Appendix A to the Verified Statement of Mr. Ainsworth?

29. Describe the nature and results of any analysis or study undertaken of the effects of the North American Free Trade Agreement ("NAFTA") on (i) truck diversion and (ii) the competitive and operational positions of UP and SP, together and separately.

30. With reference to Mr. Ainsworth's verified Statement at Vol. 1, p. 446, identify the "eastern markets that could serve as extended gathering areas" for the Central Corridor. Describe the analysis used to consider the effects of these markets on truck

traffic diversion and state all conclusions reached with respect to potential truck diversion from such extended gathering areas. Identify all documents relating to consideration of such extended gathering areas.

31. Describe the assumptions, analysis, and data inputs used to arrive at the conclusion stated at Vol. 1, p. 448 of Mr. Ainsworth's Verified Statement that intermodal service must be competitive within a half day in order to divert truck traffic. Identify all documents relating to this analysis and conclusion. Define "half day."

32. With reference to Vol. 1, p. 451 of Mr. Ainsworth's Verified Statement, why were cost levels calculated only from truckload motor carriers?

33. Describe all analysis done and conclusions reached regarding the effect on the Reebie Associates study of using only truckload carrier costs in the diversion calculations.

34. Which motor carriers' costs were used to calculate truck carrier costs in the Reebie Associates study? How was this cost information obtained?

35. With reference to the discussion of rail margins in the first paragraph of Vol. 1, p. 457 of Mr. Ainsworth's Verified Statement, explain how assuming a lower price/cost relationship would improve projected rail profitability on diverted cargo.

36. With reference to the first modification identified at Vol. 1, p. 457 of Mr. Ainsworth's Verified Statement, describe the magnitude and nature of the differences in truck diversion

analysis results obtained by substituting BN/Santa Fe's costs for the Dallas-Bay Area and Bay Area-Dallas lanes.

37. With reference to the second modification identified at Vol. 1, p. 457 of Mr. Ainsworth's Verified Statement, state how many units of diverted cargo are represented by the 60% share allocated to the BN/Santa Fe for the following lanes: Los Angeles to and from Memphis, and Los Angeles to and from Atlanta.

38. Describe in detail the analysis and data inputs on which the 15% and 20% intermodal market share gain caps identified at Vol. 1, p. 458 (Modification 2) of Mr. Ainsworth's Verified Statement were based.

39. Identify all market pairs (separately in each direction), whether or not included in the final Reebie Associates or Transmode Consultants studies, for which initial calculations indicated UP/SP intermodal market gains from truck diversions in excess of 15%.

40. With respect to those market pairs identified in the response to Interrogatory No. 39 for which initial calculations indicated increases in market share in excess of 15%, state for each such market pair (separately for each direction) the percentage increase in intermodal market share and the actual number of truck units diverted as indicated by unmodified calculations. Identify all documents relating to those market pairs for which initial (unmodified) calculations indicated an intermodal market share increase in excess of 15%.

41. With reference to Vol. 1, p. 458-459 of Mr. Ainsworth's Verified Statement (Modification 4), state at what level of

John Will Ongman
Pepper, Hamilton & Scheetz
1300 Nineteenth St., N.W.
Washington, DC 20036

Alicia M. Serfaty
Hopkins & Sutter
888 Sixteenth Street, N.W.
Washington, DC 20006

Ed Greenberg
Charles White
Galland, Kharasch, Morse
& Garfinkle
1054 31st Street, N.W.
Washington, DC 20007

Thomas W. Wilcox
Frederic L. Wood
Donelan, Cleary, Wood &
Maser, P.C.
1100 New York Ave., N.W.
Suite 750
Washington, Dc 20005-3939

Honorable Jerome Nelson
Administrative Law Judge
FERC
825 North Capitol Street, N.E.
Washington, DC 20426

Paul A. Cunningham **(By Hand)**
James J. Guinivan
Harkins Cunningham
1300 19th Street, N.W.
Suite 600
Washington, D.C. 20036

Larry R. Pruden
Transportation Communications
International Union
3 Research Place
Rockville, MD 20850

Kevin M. Sheys
Oppenheimer Wolff & Donnelly
1020 Nineteenth St., N.W.
Suite 400
Washington, DC 20036-6105

Debra L. Willen
Guerrieri, Edmond & Clayman,
P.C.
1331 F Street, N.W.
Washington, DC 20004

S. William Livingston, Jr.
Arvid E. Roach, II **(By Hand)**
Covington & Burling
1201 Pennsylvania Ave., N.W.
P.O. Box 7566
Washington, DC 20044-7566

Geroge W. Mayo, Jr. **(By Hand)**
Eric A. Von Salzen
Hogan & Hartson L.L.P.
555 Thirteenth Street, N.W.
Washington, DC 20004-1109

(c) Describe how the inclusion of extended traffic lanes in the Reebie Associates study affected the final diversion predictions.

22. For each of the five corridors and each of the individual market pairs included in Appendix A to Mr. Ainsworth's Verified Statement, state the truck diversion estimates obtained by the Reebie Associates study before those estimates were modified to arrive at the "Consensus" statement attached as Appendix A to Mr. Ainsworth's Verified Statement. Identify all documents relating to truck diversion estimates arrived at by the Reebie Associates study prior to modification of such estimates as reflected in the "Consensus" statement.

23. For each of the five corridors and each of the individual market pairs included in Appendix A to Mr. Ainsworth's Verified Statement, state the truck diversion estimates obtained by the Transmode Consultants study before those estimates were modified to arrive at the "Consensus" statement attached as Appendix A to Mr. Ainsworth's Verified Statement. Identify all documents relating to truck diversion estimates arrived at by the Transmode Consultants study prior to modification of such estimates as reflected in the "Consensus" statement.

24. For each traffic corridor identified in Appendix A to Mr. Ainsworth's Verified Statement, name each motor carrier that has been identified by any means (including but not limited to the Reebie Associates and Transmode Consultants studies) as being a significant competitor with rail/truck intermodal service.

analysis results obtained by substituting BN/Santa Fe's costs for the Dallas-Bay Area and Bay Area-Dallas lanes.

37. With reference to the second modification identified at Vol. 1, p. 457 of Mr. Ainsworth's Verified Statement, state how many units of diverted cargo are represented by the 60% share allocated to the BN/Santa Fe for the following lanes: Los Angeles to and from Memphis, and Los Angeles to and from Atlanta.

38. Describe in detail the analysis and data inputs on which the 15% and 20% intermodal market share gain caps identified at Vol. 1, p. 458 (Modification 2) of Mr. Ainsworth's Verified Statement were based.

39. Identify all market pairs (separately in each direction), whether or not included in the final Reebie Associates or Transmode Consultants studies, for which initial calculations indicated UP/SP intermodal market gains from truck diversions in excess of 15%.

40. With respect to those market pairs identified in the response to Interrogatory No. 39 for which initial calculations indicated increases in market share in excess of 15%, state for each such market pair (separately for each direction) the percentage increase in intermodal market share and the actual number of truck units diverted as indicated by unmodified calculations. Identify all documents relating to those market pairs for which initial (unmodified) calculations indicated an intermodal market share increase in excess of 15%.

41. With reference to Vol. 1, p. 458-459 of Mr. Ainsworth's Verified Statement (Modification 4), state at what level of

headhaul/backhaul imbalance the Reebie Associates study was adjusted to decrease the number of headhaul diversions.

42. Also with reference to Vol. 1, p. 458-459 (Modification 4) state the aggregate and discrete (by market pair, each direction separately) effects on final diversion estimates of all modifications of results undertaken as described in Modification 4.

43. For the Reebie Associates study, were all rail intermodal cost figures based solely on TOFC services? If the answer is yes, describe how TOFC costs compare to COFC costs.

44. With reference to Vol. 1, p. 452 of Mr. Ainsworth's Verified Statement, were "surplus" and "deficit" equipment designations based solely on motor carrier information? From what motor carriers was that information obtained?

45. With reference to Vol. 1, p. 453 of Mr. Ainsworth's Verified Statement, state the effects of dropping from the study traffic distances over 2,300 miles. Identify all documents relating to any analysis of truck diversion potentials for moves over 2,300 miles in length.

46. For the Reebie Associates and Transmode Consultants truck diversion studies, state all equations used to process input data into truck diversion predictions and label and explain each variable in each such equation.

47. Describe all changes (from the time the studies were commissioned until the final reports were delivered to Applicants) made to the input data, premises, assumptions, and methodology of the Reebie Associates and Transmode Consultants

studies as a result of consultations between or among the Applicants and their principals, employees, or representatives and the employees, representatives, or principals of Reebie Associates and Transmode Consultants.

48. Define the term "shipper benefits" as that term is used in the Verified Statement of Mr. Paul O. Roberts.

49. Describe with particularity what information is included in the North American Truck Survey ("NATS") referred to at Vol. 1, p. 466 of Mr. Roberts' verified Statement. Identify all documents that describe or state the information contained in the NATS database.

50. What percentage of the total truck traffic in the five traffic corridors identified in Appendix A to Mr. Ainsworth's Verified Statement is included in the NATS database.

51. Does the NATS database include only truckload cargoes?

52. What percentage of the total truck traffic in the five traffic corridors identified in Appendix A to Mr. Ainsworth's Verified Statement consists of less-than-truckload ("LTL") cargoes?

53. Describe in detail, including a statement of all relevant equations and variables used, how the figure of $72 million in benefits to carload shippers (Vol. 1 at 473) was derived.

54. Are refrigerated containers and/or trailers included in the input data for the Transmode Consultants study?

55. With respect to Step 4 of the Transmode Consultants diversion analysis (Vol. 1 at 477), explain the role of the

"receiver's annual use" figures in determining truck diversions.

56. Explain how figures for the "receiver's internal rate of return" affect the Transmode Consultants truck diversion analysis. Define "receiver's internal rate of return." How were figures for receivers' internal rates of return obtained?

57. Name all "tributary areas" considered by Transmode Consultants in conducting its truck diversion study, including all such areas that were not included in the final diversion estimates.

58. For each tributary area considered by Transmode Consultants during its diversion study but not included in the final truck diversion estimates, state the estimated number of diversions by market pair (separately for each direction) for each originating and terminating point within such tributary areas.

59. Have the Applicants (including Overnite) undertaken any study or made any analysis as to what effect, if any, the merger will have on Overnite, PMT, or SPMT, including but not limited to whether any traffic now transported by Overnite, PMT, or SPMT will be diverted to intermodal? If so, describe each such effect.

60. If the answer to Interrogatory No. 59 is in the affirmative, identify all such studies and analyses and any documents related to such studies or analyses.

61. As a result of the merger, including but not limited to any closing, consolidation, or change in terminal facilities associated therewith, will there be any effect on Union Pacific

Motor Freight ("UPMF") or Southern Illinois and Missouri Bridge Company ("SIMB")?

62. Have the Applicants undertaken any study or analysis of what, if any, changes in the work performed by UPMF or SIMB will occur as a result of the merger? If so, identify all such studies and analyses and any documents relating to such studies or analyses.

63. Describe the work done by UPMF and SIMB at each location at which they operate. State the number of employees and their positions at each location.

64. Will any of the employees identified in the response to Interrogatory No. 63 be dismissed or relocated as a result of the merger? If so, describe each such dismissal or relocation.

65. Do the Applicants intend within the next five years to make any investment in any truck terminal owned or used by Overnite, PMT, or SPMT? If so, describe each such investment.

66. Describe the basis for the estimate of the diversion of the carriage of each of the following commodities from truck to intermodal as set forth in Mr. Richard B. Peterson's Verified Statement:

(a) food products (Vol. 3 at 277-281);

(b) forest products (Vol. 3 at 281-283;

(c) chemicals (Vol. 3 at 283-284);

(d) grain (Vol. 3 at 284-285);

(e) coal (Vol. 3 at 285-286);

(f) automobiles (Vol. 3 at 287-288);

(g) metals (Vol. 3 at 288-289); and

(n) aggregates (Vol. 3 at 289-290).

67. Identify all documents related to the calculation, derivation, study, or analysis of each diversion estimate identified in Interrogatory No. 66.

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce all documents relating to studies or analyses of truck to intermodal rail traffic diversion undertaken from January 1, 1980, to the present by Mr. Don P. Ainsworth, Reebie Associates, Mr. Paul O. Roberts, Transmode Consultants, and Science Applications International Corporation. Such documents shall include all Verified Statements and transcripts of all testimony (other than in Finance Docket No. 32760) relating to diversion of truck traffic to intermodal rail service and made or given by Mr. Don P. Ainsworth, Mr. Paul O. Roberts, or any principal, employee, or representative of Reebie Associates, Transmode Consultants, or Science Applications International Corporation.

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

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

4. Produce all documents identified in the response to Interrogatory No. 20.

5. Produce all documents identified in the response to Interrogatory No. 22.

6. Produce all documents identified in the response to Interrogatory No. 23.

7. Produce all documents identified in the response to Interrogatory No. 30.

8. Produce all documents identified in the response to Interrogatory No. 40.

9. Produce all documents identified in the response to Interrogatory No. 45.

10. Produce all documents identified in the response to Interrogatory No. 49.

11. Produce all documents identified in the response to Interrogatory No. 60.

12. Produce all documents identified in response to Interrogatory No. 62.

13. Produce all documents identified in response to Interrogatory No. 67.

14. Produce all documents relating to instructions given to Reebie Associates and Transmode Consultants concerning any aspect of the studies conducted by those companies.

CERTIFICATE OF SERVICE

I hereby certify that I have this 12th day of January, 1996, served the attached International Brotherhood of Teamsters' First Set of Interrogatories and Requests for Production of Documents on the perscns named on the attached list by first class mail, postage prepaid, unless otherwise indicated.

John W. Butler

STB FD-32760 1-11-96 I ID-60788

Item No. 60788

Page Count 4

JAN 96

TROUTMAN SANDERS

ATTORNEYS AT LAW

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

999 PEACHTREE STREET, N.E. · SUITE 750
ATLANTA, GEORGIA 30309-3964
TELEPHONE: 404-885-3651
FACSIMILE: 404-885-3652

NATIONSBANK PLAZA
600 PEACHTREE STREET, N.E. · SUITE 5200
ATLANTA, GEORGIA 30308-2216
TELEPHONE: 404-885-3000
FACSIMILE: 404-885-3900

601 PENNSYLVANIA AVENUE, N.W.
SUITE 640
NORTH BUILDING
WASHINGTON, D.C. 20004
TELEPHONE: 202-274-2950
FACSIMILE: 202-274-2994

Office of the Secretary

JAN 16 1996

January 11, 1996

4 RECEIVED JAN 11 1996 Mail Management I.C.C.

Via Hand Delivery

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Room 2215
12th and Constitution Ave., N.W.
Washington, D.C. 20423

RE: Finance Docket No. 32760, Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company -- Control and Merger -- Southern Pacific 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 herewith are one original and twenty-one copies of the Notice of Intent to Participate submitted on behalf of The Kansas City Southern Railway Company. In accordance with 49 C.F.R. § 1180.4(a)(2), The Kansas City Southern Railway Company selects the acronym, "KCS" and, accordingly, the enclosed document is identified as KCS-15. Also enclosed is a 3.5-inch diskette containing the text of the enclosed pleading in Wordperfect 5.1 format. Finally, in accordance with Decision No. 6 in this proceeding, copies of the enclosed document are being served upon Applicant's counsel, Administrative Law Judge Jerome Nelson, and all known parties of record.

Please date and time stamp one of the copies and return it to the courier for return to our offices.

Very truly yours,

William A. Mullins

Enclosures

cc: Hon. Jerome Nelson
Parties of Record

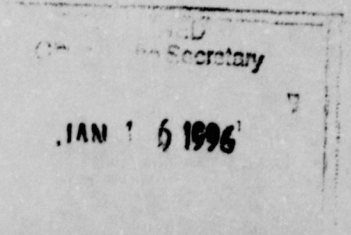
BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 32760

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

NOTICE OF INTENT TO PARTICIPATE

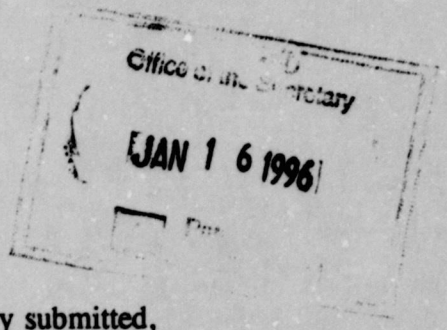
Pursuant to Decision No. 6 in this proceeding, and in accordance with 49 C.F.R. § 1180.4(a)(4), The Kansas City Southern Railway Company (KCS) hereby submits its Notice of Intent to Participate. KCS requests that their represenatatives, as listed below, be included in the service list maintained by the Commission in this proceeding so that the listed representatives receive copies of all orders, notices, and pleadings in this proceeding. Further, KCS requests that Applicants and other parties of record serve copies of all pleadings filed in this proceeding directly upon the indicated representatives as listed on the next page:



Richard P. Bruening
W. James Wochner
Robert K. Dreiling
Attn: Robert K. Dreiling
THE KANSAS CITY SOUTHERN
RAILWAY COMPANY
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

James F. Rill
Sean F.X. Boland
Virginia R. Metallo
Attn: Virginia R. Metallo
COLLIER, SHANNON, RILL &
SCOTT
Suite 400
3050 K. Street, N.W.
Washington, D.C. 20007
Tel: (202) 342-8400
Fax: (202) 338-5534

John R. Molm
Alan E. Lubel
William A. Mullins
Attn: William A. Mullins
TROUTMAN SANDERS
601 Pennsylvania Ave. N.W.
Suite 640 - North Building
Washington, D.C. 20004-2608
Tel: (202) 274-2950
Fax: (202) 274-2994



Respectfully submitted,

John R. Molm
Alan E. Lubel
William A. Mullins
TROUTMAN SANDERS
601 Pennsylvania Ave. N.W.
Suite 640 - North Building
Washington, D.C. 20004-2608
Tel: (202) 274-2950
Fax: (202) 274-2994

Attorneys for The Kansas City Southern
Railway Company

January 11, 1996

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "NOTICE OF INTENT TO PARTICIPATE" was served this 11th day of January, 1996, by hand-delivery, facsimile, overnight delivery, or first-class mail, postage prepaid, on counsel for all known parties of record.

William A. Mullins

Attorney for The Kansas City
Southern Railway Company

STB FD-32760 1-5-96 I ID-60774

60774

LAW OFFICES
JACKSON & JESSUP, P.C.
3426 NORTH WASHINGTON BOULEVARD
POST OFFICE BOX 1240
ARLINGTON, VIRGINIA 22210
(703) 525-4050
TELECOPIER
(703) 525-4054
INTERNET
TRANSLAW@DOS.DOSYS.COM

WILLIAM P. JACKSON, JR.
DAVID C. REEVES
JOHN T. SULLIVAN
JOHN R. COPLEY

GERALD E. JESSUP
(1911-1994)

January 5, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th & Constitution Ave., N.W.
Washington, DC 20423

HAND-DELIVERED

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

Dear Mr. Williams:

Enclosed for filing in the referenced proceeding are the original and 20 copies of the First Set of Interrogatories to Applicants and First Requests for Production of Documents to Applicants of Save the Rock Island Committee, Inc. (STRC-7). The certificate of service indicates service upon the required parties. Also enclosed is a 3.5-inch disk containing the text of the document in WordPerfect 5.1 format.

Please acknowledge the receipt and filing of the enclosed discovery requests by receipt stamping the copy of this letter and the extra copy of the discovery requests enclosed for that purpose and returning them to the undersigned in the enclosed pre-addressed, postage paid envelope.

Very truly yours,

William P. Jackson, Jr.

WPJ/jmb

Enclosures

cc: Mr. Jim Link
Restricted Service List Parties

Item No. _____

Page Count 20

JAN # 51

STRC-7

BEFORE THE

SURFACE TRANSPORTATION BCARD

WASHINGTON, D.C.

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

: Finance Docket No. 32760

Pursuant to 49 C.F.R. Part 1114, Subpart B, and the Order Adopting Discovery Guidelines ("Discovery Order") served December 7, 1995, in this proceeding, Save the Rock Island Committee, Inc. ("STRICT"), hereby submits its First Set of Interrogatories and its First Requests for Production of Documents to Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company, and to Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and the Denver and Rio Grande Western Railroad Company.

DEFINITIONS AND INSTRUCTIONS

The following definitions and instructions apply and are incorporated into each Interrogatory and each Document Production Request as though fully set forth therein:

DEFINITIONS

1. The term "Applicants" means Union Pacific Corporation, Union Pacific Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and the Denver and Rio Grande

Western Railroad Company, individually and collectively, and any division thereof, and includes present or former directors, officers, employees and agents, together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including but not limited to UP Acquisition Corporation, Union Pacific Holdings Corp., Chicago and North Western Railway Company, Philip F. Anschutz and the Anschutz Corporation.

2. The term "UP" means all Union Pacific Corporation entities individually and collectively, including Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company, and includes present or former directors, officers, employees and agents, together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including but not limited to UP Acquisition Corporation, Union Pacific Holdings Corp., and Chicago and North Western Railway Company.

3. The term "SP" means all Southern Pacific Rail Corporation entities individually and collectively, including Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and the Denver and Rio Grande Western Railroad Company, and includes present or former directors, officers, employees and agents, together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including but not limited to Philip F. Anschutz and the Anschutz Corporation.

4. The term "Application" means the Railroad Merger Application, filed by Applicants on November 30, 1995, in Interstate Commerce Commission Finance Docket No. 32760, as supplemented and corrected by Applicants on December 22, 1995, and as may be supplemented or corrected in the future.

5. The term "SSW" means The St. Louis Southwestern Railway Company.

6. The term "SSW Kansas City-St. Louis line" means, unless otherwise specified herein, the rail line of SSW that runs between milepost 288.3 at Leeds Junction, MO, and milepost 10.3 at Rock Island Junction, MO.

7. The term "Peterson Verified Statement" means the Verified Statement of Richard B. Peterson in Volume 2 of the Application, and any supplements thereto.

8. The term "Applicants' Document" is used to refer to a document contained in Applicants' document depository in this proceeding.

9. The term "identify" means:

a. With respect to a natural person, his or her name and current or last known home and business address (including street name and number, city or town, state, zip code, and telephone number), and his or her last known job title or position;

b. With respect to a person other than a natural person, its full name and type of organization, the address of its principal place of business (including street name and number, city or town, state, zip code, and telephone number), and the jurisdiction and place of its incorporation or organization;

c. With respect to a document, the type of document (e.g., letter, list, memorandum, report, deposition transcript), its date, title, and contents, the identification of the person who prepared the document, the identification of the person for whom the document was prepared or to whom it was delivered, and the identification of the person who has possession, custody, or control over the document; and

d. With respect to an oral communication or statement, the identity of the person making the communication or statement and the person, persons, or entity to whom the communication or statement was made, the date and place of the communication or statement, and the contents of the communication or statement.

10. The term "describe" means:

a. With respect to a discussion, meeting or other communication, to identify the participants, the date or time period when the communication took place, the location of the participants at the time of the communication and a detailed summary of the content of the communications; and

b. To otherwise supply a complete narrative response.

11. The term "communication" means any transfer or exchange between two or more persons of any information, whether by written or oral means, including but not limited to personal conversations, telephone calls, correspondence, electronic mail, telegrams, telexes, cables, memoranda and any other understandings between two or more people.

12. The term "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 meetings; records or reports of negotiations; diaries; calendars; photographs; maps; tape recordings; computer tapes, disks or other storage devices; computer programs or 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. The term "document" includes:

a. both basic records and summaries of such records;

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 Applicants and documents in the possession, custody or control of consultants or others assisting Applicants in connection with the Application or the transaction that is the subject of the Application.

13. The term "Operating Plan" means the Operating Plan in Volume 3 of the Application, and any corrections or supplements thereto.

14. The term "relating to" with respect to a subject means constituting, containing, comprising, consisting of, embodying, reflecting,

stating, referring to, dealing with, setting forth, proposing, showing, evidencing, disclosing, describing, discussing, explaining, summarizing, concerning, authorizing, contradicting or which is any way pertinent to that subject.

15. References to railroads, shippers, and other companies (including Applicants) include: parent companies, subsidiaries, divisions, subdivisions, components, units, instrumentalities, partnerships, joint ventures and controlled, affiliated, and predecessor firms.

INSTRUCTIONS

1. Consistent with the Discovery Order, these Interrogatories and Document Production Requests are intended to be non-duplicative of previous written discovery served upon Applicants. If you consider any of the Interrogatories or Document Production Requests herein to be duplicative, you should so state and refer STRICT to the specific documents or answers produced in response to such prior discovery.

2. If, in responding to any Interrogatory or Document Production Request, you consider any part of the Interrogatory or Document Production Request objectionable, you should respond to each part of the Interrogatory or Document Production Request not deemed objectionable and set forth separately the part deemed objectionable and the grounds for objection.

3. Unless otherwise specified, all of the Interrogatories and Document Production Requests cover the period from January 1, 1993, to the date of the response and are subject to revision as described in Paragraph 15 of these Instructions.

4. If an Interrogatory or Document Production Request refers to "Applicants" or to any "Applicant", and the response for one Applicant would

be different from the response for other Applicants, give separate responses for each Applicant.

5. Where a request contains subparts, respond separately to each subpart.

6. If the information sought in an Interrogatory is contained in existing documents, those documents may be specifically identified and produced as an alternative to supplying a narrative response; however, the documents shall be produced within the time provided for responding to these Interrogatories and shall be identified as being responsive to that particular Interrogatory.

7. All documents that respond, in whole or part, to any paragraph of an Interrogatory or Document Production Request shall be produced in their entirety.

8. If any response to an Interrogatory or Document Production Request includes a reference to the Application, such response shall specify the responsive volume(s) and page number(s).

9. All documents produced in response to an Interrogatory or Document Production Request should be grouped together according to the individual paragraphs and sub-paragraphs of the Interrogatory or Document Production Request to which they are responsive.

10. If any responsive document cannot be produced in full, you are requested to produce it to the fullest extent possible, specifying clearly the reasons for your inability to produce the remainder and stating whatever information, knowledge, or belief you have concerning the unproduced portion. If you cannot produce a responsive document because it is no longer in your possession, custody, or control, you are hereby requested to:

a. state the date on which each such document ceased being in your possession, custody, or control;

b. describe the disposition of each such document and the reason for such disposition; and

c. to the best of your knowledge identify the person presently in possession, custody, or control of the document or a copy thereof.

11. If Applicants have information that would permit a partial answer to an Interrogatory, but would have to conduct a special study to obtain information necessary to provide a more complete response to that Interrogatory, and if the burden of conducting such special study would be greater for Applicants than for STRICT, then:

a. state that fact;

b. provide the partial answer that can be made with information available to Applicants;

c. identify such business records, or any compilation, abstract, or summary based thereon, as will permit STRICT to derive or ascertain a more complete answer; and

d. as provided in 49 C.F.R. Section 1114.26(b), produce such business records, of any compilation, abstract, or summary based thereon, as will permit STRICT to derive or ascertain a more complete answer.

12. If any privilege or protection is claimed as to any information or document, state the nature of the privilege or protection claimed (e.g., attorney-client, work product, etc.) and state the basis for claiming the privilege or protection. For each such document, provide the following information:

a. the type of document;

b. the title of the document;

c. the name, address and title of each author;

d. the name, address and title of each addressee;

e. all persons to whom copies were sent or distributed and all other persons to whom the document or its contents were disclosed in whole or part;

f. the date of the document;

g. the subject matter of the document;

h. the number of pages;

i. an identification of any attachments or appendices;

j. the current location of the document and the name of the current custodian; and

k. a statement of the basis on which privilege is claimed.

If less than an entire document is claimed to be privileged, furnish a copy of those portions of the document that are not privileged.

13. Use of the singular shall be deemed to include the plural, and vice versa. The terms "and" and "or" should be interpreted as conjunctive, disjunctive, or both, depending on the context, so as to have their broadest meaning. Whenever necessary to bring within the scope of an Interrogatory or Document Production Request all information or documents that might otherwise be construed to be outside its scope, the use of a verb in any tense shall be construed as the use of the verb in all other tenses. The term "all" includes "any", and vice versa.

14. If you want clarification concerning any Interrogatory or Document Production Request, you are instructed to contact undersigned counsel concerning such clarification reasonably in advance of the date for objections to be filed.

15. These Interrogatories and Document Production Requests are continuing in nature and you are under a duty to supplement or correct any response that is incomplete or incorrect and otherwise supplement your responses in accordance with 49 C.F.R. Section 1114.29.

INTERROGATORIES

1. State whether or not Exhibit 1 to the Application shows all rail lines of the Applicants subject to the jurisdiction of the Interstate Commerce

Commission at the time the Application was filed. If not, identify all such rail lines of the Applicants not shown on Exhibit 1.

2. State whether or not Exhibit 1 to the Application shows all rail lines of the Applicants that will be included in the rail system of the merged entity after consummation of the merger. If not, identify all such rail lines of the Applicants not shown on Exhibit 1.

3. State whether or not the Peterson Verified Statement Map No. 3 shows all rail lines of the Applicants that will be included in the rail system of the merged entity after consummation of the merger. If not, identify all such rail lines of the Applicants not shown on Peterson Verified Statement Map No. 3.

4. Page 38 of Volume 1 of the Application states that Exhibit 1 to the Application shows "all lines of the Applicant carriers in true relationship to each other." State whether or not that statement is true with respect to the entire SSW Kansas City-St. Louis line, and, if not true, describe in detail the extent to which the statement is not true with respect to any part of the SSW Kansas City-St. Louis line.

5. State whether or not there are any plans for track or underlying right-of-way of any part of the SSW line segment between Leeds Junction, MO, and Owensville, MO, to be used in rail operations by any of the Applicants before consummation of the merger or by the merged entity after consummation of the merger. If there are such plans:

a. state the expected initial date of such operations;

b. provide the milepost numbers of the part or parts of the aforesaid segment that will be affected by such operations; and

c. describe in detail Applicants' basis for planning to use in rail operations a rail line segment not shown in either Exhibit 1 to the Application or Peterson Verified Statement Map No. 3.

6. For each line rail line segment listed in Attachments 13-7 and 13-8 to the Operating Plan which shows "Adj. 1994 Base Tons" of traffic greater than zero and shows zero "Post Merger Tons," and that is not the subject, in its entirety, of a merger-related abandonment or discontinuance of service application or petition for exemption contained in Volume 5 of the Application, state in detail why Applicants are not requesting abandonment or discontinuance of service authorization for the entire line segment as part of the merger application process.

7. State in detail why Applicants have chosen not to request abandonment or discontinuance of service authorization in this proceeding for any part of the line segment described in the Application as running between East St. Louis, IL, and Union, MO, if in fact it is true that there will be zero "Post Merger Tons" of traffic on that segment, as is shown on page 1 of Attachment 13-8 to the Operating Plan.

8. State in detail why Applicants have chosen not to abandon the following line segments in their entirety as part of this merger proceeding if in fact it is true that there will be zero "Post Merger Tons" of traffic on the segments, as is shown on page 3 of Attachment 13-8 to the Operating Plan:

a. the 44-mile segment between Herington and Lindsborg, KS;

b. the 29-mile segment between Lindsborg and Geneseo, KS, and

c. the 372-mile segment between Geneseo, KS, and Pueblo, CO.

9. State in detail why Applicants have chosen not to abandon the entire line segment described as running between Barr and Monterey Junction, IL, as part of this merger proceeding if in fact it is true that there will be zero "Post Merger Tons" of traffic on that segment, as is shown on page 1 of Attachment 13-7 to the Operating Plan.

10. Identify and describe all communications Applicants have had with any other party regarding use of any part of the SSW Kansas City-St. Louis

line as part of an arrangement whereby after consummation of the merger a rail carrier other than the merged entity will provide rail service to Union Electric Company at Labadie, MO.

11. Identify and describe all communications any of the Applicants have had internally or with each other regarding use of any part of the SSW Kansas City-St. Louis line as part of an arrangement whereby after consummation of the merger a rail carrier other than the merged entity will provide rail service to Union Electric Company at Labadie, MO.

12. Identify each of the "multiple candidates at St. Louis" referred to at page 167 of Volume 2 (the Peterson Verified Statement), and for each identify, by milepost numbers, the segment, if any, of the SSW Kansas City-St. Louis line that the candidate would be required to use to provide alternative rail service to Union Electric Company at Labadie, MO.

13. Identify any other entity that Applicants consider to be a candidate to provide Union Electric Company alternative rail service at Labadie, MO, and for each identify, by milepost numbers, the segment, if any, of the SSW Kansas City-St. Louis line that the candidate would be required to use to provide alternative rail service to Union Electric Company at Labadie, MO.

14. Identify and describe in detail all of the "changes" to be made in operations at the Lackland, MO, support yard referred to at Volume 3, pages 188 to 189 of the Application.

15. Describe in detail the Applicants' post-merger plans and any communications Applicants have had internally or with each other regarding the following segments of the SSW Kansas City-St. Louis line:

a. Leeds Junction to Greenwood;

b. Greenwood to Pleasant Hill;

c. Pleasant Hill to Windsor;

b. a merger-related abandonment authorization request.

21. State in detail why some abandonment recommendations made in the course of preparing the operating plan are the subject of a merger-related abandonment authorization request while other such recommendations are not.

22. Identify all documents dated on or after January 1, 1992, which include an estimate of:

a. the going concern value;

b. the net liquidation or salvage value; or

c. the market value,

of any part of the SSW Kansas City-St. Louis line or any of the assets thereof.

23. Identify all documents dated on or after January 1, 1992, which:

a. include an offer to purchase any part of the SSW Kansas City-St. Louis line or any of the assets thereof; or

b. include an agreement to purchase any part of the SSW Kansas City-St. Louis line or any of the assets thereof.

24. State any reason why any of the Applicants would oppose the post-merger:

a. operation by a single rail carrier of the SSW Kansas City-St. Louis line between Leeds Junction and Owensville and all other parts of that line that Applicants do not project will be operated by the merged entity; or

b. purchase of all or part of the SSW Kansas City-St. Louis line by an entity that would be able to provide single-line rail service at least between Leeds Junction and Rock Island Junction, MO.

25. Describe in detail the rail service provided since January 1, 1993, by any of the Applicants to Bull Moose Tube in Gerald, MO, discussed at pages 80 to 81 of Volume 4, Part 4 of the Application.

26. Describe in detail all statements by Applicants regarding future rail service to Gerald, MO, made in the course of soliciting the statement supporting the Application submitted by Bull Moose Tube.

d. Windsor to Owensville;

e. Owensville to Union;

f. Union to Labadie;

g. Labadie to Airpark; and

h. Airpark to Rock Island Junction.

16. State in detail the basis for the recommendations regarding the proposed post-merger operations of the Lackland Yard area set forth in Applicants' Document C02-300908.

17. State all of the station and shipper information, both historical and projected, including but not limited to traffic data, used by Applicants' officials, employees or agents in recommending the actions in Applicants' Document C02-300908 with respect to the SSW Kansas City-St. Louis line:

a. west of Airpark; and

b. Airpark and east.

18. Identify all of Applicants' officials, employees or agents who participated in the recommendations made with respect to Applicants' post-merger operation of any part of the SSW Kansas City-St. Louis line, including but not limited to those recommendations set forth in Applicants' Document C02-300908.

19. In light of the recommendations contained in Applicants' Document C02-300908, state whether or not the SSW Kansas City-St. Louis line will be used after consummation of the merger by a rail carrier other than the merged entity to provide rail service to Union Electric Company at Labadie, MO, and, if so, how.

20. State in detail why any recommendation made with respect to any part of the SSW Kansas City-St. Louis line during the course of preparing the operating plan would not be reflected in

a. the operating plan; or

27. Describe the prospects for post-merger direct rail service to Gerald, MO, in light of the recommendations set forth in Applicants' Document C02-300908.

28. Describe in detail all statements by Applicants regarding any part of the SSW Kansas City-St. Louis line made in the course of soliciting the statements supporting the Application submitted by:

a. Missouri Representative Don Koller (set forth at pages 140 through 142 of Volume 4, Part 5 of the Application); and

b. Missouri Senator Danny Staples (set forth at pages 356 to 358 of the Supplement to the Application dated December 22, 1995).

DOCUMENT PRODUCTION REQUESTS

1. Produce all documents relating to any plans for track or underlying right-of-way of any part of the SSW line segment between Leeds Junction, MO, and Owensville, MO, to be used in rail operations by any of the Applicants before consummation of the merger or by the merged entity after consummation of the merger.

2. Produce all documents relating to Applicants' decision to not request abandonment or discontinuance of service authorization in this proceeding for any part of the line segment described on page 1 of Attachment 13-8 of the Operating Plan as running between East St. Louis, IL, and Union, MO.

3. Produce all documents relating to Applicants' decision not to abandon in their entirety the following line segments, as described on page 3 of Attachment 13-8 to the Operating Plan:

a. the 44-mile segment between Herington and Lindsborg, KS;

b. the 29-mile segment between Lindsborg and Geneseo, KS, and

c. the 372-mile segment between Geneseo, KS, and Pueblo, CO.

4. Produce all documents relating to Applicants' decision not to abandon in its entirety the line segment described on page 1 of Attachment 13-7 to the Operating Plan as running between Barr and Monterey Junction, IL.

5. Produce all documents relating to use of any part of the SSW Kansas City-St. Louis line as part of an arrangement whereby after consummation of the merger a rail carrier other than the merged entity will provide rail service to Union Electric Company at Labadie, MO.

6. Produce all documents relating to the "changes" to be made in operations at the Lackland, MO, support yard, referred to at Volume 3, pages 188 to 189 of the Application.

7. Produce all documents relating to Applicants' post-merger plans for each of the following segments of the SSW Kansas City-St. Louis line:

a. Leeds Junction to Greenwood;

b. Greenwood to Pleasant Hill;

c. Pleasant Hill to Windsor;

d. Windsor to Owensville;

e. Owensville to Union;

f. Union to Labadie;

g. Labadie to Airpark; and

h. Airpark to Rock Island Junction.

8. Produce all documents relating to the recommendations regarding the post-merger proposed operations of the Lackland Yard area set forth in Applicants' Document C02-300908.

9. Produce all documents containing station and shipper information, both historical and projected, including but not limited to traffic data, used by Applicants' personnel in recommending the actions in Applicants' Document C02-300908 with respect to the SSW Kansas City-St. Louis line:

a. west of Airpark; and

b. Airpark and east.

10. Produce all documents dated on or after January 1, 1992, which include an estimate of:

a. the going concern value;

b. the net liquidation or salvage value, or

c. the market value,

of any part of the SSW Kansas City-St. Louis line or any of the assets thereof.

11. Produce the SP "Plant Rationalization Plan" dated November 11, 1994, and any other document of an identical or similar nature which includes an estimate of the revenues to be derived from sale of all or part of the SSW Kansas City-St. Louis line or any of the assets thereof.

12. Produce all documents dated on or after January 1, 1992, which:

a. include an offer to purchase any part of the SSW Kansas City-St. Louis line or any of the assets thereof; or

b. include an agreement to purchase any part of the SSW Kansas City-St. Louis line or any of the assets thereof.

13. Produce all documents which state any reason why any of the Applicants would oppose the post-merger:

a. operation by a single rail carrier of the SSW Kansas City-St. Louis line between Leeds Junction and Owensville and all other parts of line Applicants do not project will be operated by the merged entity; or

b. purchase of all or part of the SSW Kansas City-St. Louis line by an entity that would be able to provide single-line rail service at least between Leeds Junction and Rock Island Junction, MO.

14. Produce all documents, other than bills of lading and freight bills and invoices, relating to the rail service provided since January 1, 1993, by any of the Applicants to Bull Moose Tube in Gerald, MO.

15. Produce all documents relating to any part of the SSW Kansas City-St. Louis line used in the course of soliciting the statements supporting the Application submitted by

a. Bull Moose Tube in Gerald, MO (set forth at pages 80 to 81 of Volume 4, Part 4 of the Application);

b. Missouri Representative Don Koller (set forth at pages 140 through 142 of Volume 4, Part 5 of the Application); or

c. Missouri Senator Danny Staples (set forth at pages 356 to 358 of the Supplement to the Application dated December 22, 1995).

16. Produce all documents relating to the provision of post-merger rail service over any part of the SSW Kansas City-St. Louis line.

17. Produce the following agreements, which are identified by their respective "Document I.D." in Applicants' Documents N-20-002 50 to N-20-002964 (titled "Trackage Rights Agreements in Effect Between SP/SSW/DRGW/SPCSL and Other Railroads"):

a. RI 32827;

b. RI 392;

c. RI 41412;

d. RI 37, between "ST LOUIS.E" and "ROCK ISLAND JCT;"

e. RI 37, between "ST LOUIS.E-VALLEY JCT" and "CARRIER AVE;"

f. SPCSL 408;

g. SSW 9414;

h. SSW 9420; and

i. SSW 9232.

18. Produce the following agreements, which are identified by their respective "ContractNo" in Applicants' Document N-35-000017 (titled Union Pacific Railroad Company Joint Trackage Rights December 1, 1995"):

a. 86159;

b. CA63400; and

c. 1445.

Respectfully submitted,

SAVE THE ROCK ISLAND COMMITTEE, INC.

By _____
William E. Jackson, Jr.
John T. Sullivan
Its Attorneys

OF COUNSEL:

JACKSON & JESSUP, P.C.
Post Office Box 1240
Arlington, VA 22210
(703) 525-4050

CERTIFICATE OF SERVICE

I, William P. Jackson, Jr., hereby certify that on this 5th day of January, 1996, I have served one copy of the foregoing First Set of Interrogatories to Applicants and First Requests for Production of Documents to Applicants of Save the Rock Island Committee, Inc., upon all parties on the Restricted Service List in this proceeding by first class mail, postage prepaid, and four copies on the following parties by hand:

Arvid E. Roach II, Esquire
S. William Livingston, Jr., Esquire
Michael L. Rosenthal
Covington & Burling
1201 Pennsylvania Avenue, NW
P.O. Box 7566
Washington, DC 20044

Paul A. Cunningham, Esquire
Richard B. Herzog, Esquire
James M. Guinivan, Esquire
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, DC 20036

William P. Jackson, Jr.

STB FD-32760 1-5-96 I ID-60771

Item No. 60 771

Page Count 7

JAN #48

COVINGTON & BURLING
1201 PENNSYLVANIA AVENUE, N.W.
P.O. BOX 7566
WASHINGTON, D.C. 20044-7566
(202) 662-6000

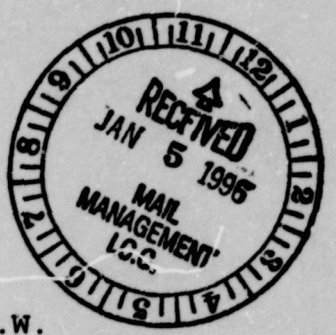
TELEFAX: (202) 662-6291
TELEX: 89-593 (COVLING WSH)
CABLE: COVLING

WRITER'S DIRECT DIAL NUMBER

LECONFIELD HOUSE
CURZON STREET
LONDON W1Y 8AS
ENGLAND
TELEPHONE: 071-495-5655
TELEFAX: 071-495-3101

BRUSSELS CORRESPONDENT OFFICE
44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-512-9890
TELEFAX: 32-2-502-1598

January 5, 1996



BY HAND

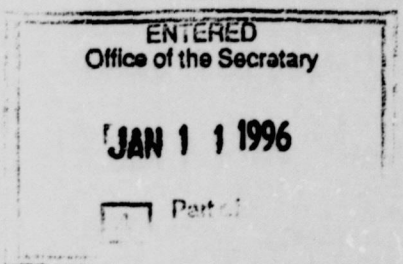
Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Twelfth Street and Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty copies of Applicants' Objections to TCU's First Set of Interrogatories (UP/SP-46). Also enclosed is a 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format.

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



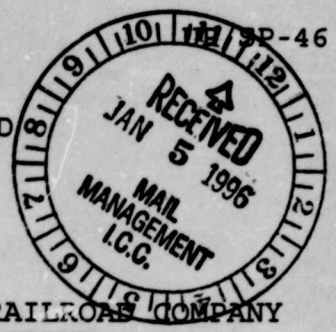
Sincerely,

Michael A. Listgarten

Member of the Bar of New York State
Not admitted to the Bar of the District of Columbia

Enclosures

cc: The Honorable Jerome Nelson (By Hand)
Parties of Record



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

APPLICANTS' OBJECTIONS TO TCU'S FIRST SET OF INTERROGATORIES

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

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

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

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

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

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

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

January 5, 1996

UP/SP-46

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

APPLICANTS' OBJECTIONS TO TCU'S FIRST SET OF INTERROGATORIES

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCL and DRGW submit the following objections to the discovery requests served by the Transportation-Communications International Union ("TCU") on December 28, 1995. These objections are made pursuant to paragraph 1 of the Discovery Guidelines applicable to this proceeding, which provides that objections to discovery requests shall be made "by means of a written objection containing a general statement of the basis for the objection."

Applicants intend to file written responses to the discovery requests. These responses will provide information (including documents) in response to many of the requests, notwithstanding the fact that objections to the requests are noted herein. It is necessary and appropriate at this stage, however, for Applicants to preserve their right to assert permissible objections.

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

1. Applicants object to production of documents or information subject to the attorney-client privilege.

2. Applicants object to production of documents or information subject to the work product doctrine.

3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

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

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

6. Applicants object to providing information or documents that are as readily obtainable by WCTL from WCTL's members.

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

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

9. Applicants object to the definition of "Applicants" as unduly vague and not susceptible of meaningful application.

10. Applicants object to the definition of "concerning" as unduly vague.

11. Applicants object to Instructions 1, 2, 3, 4, 12, 13, 14 and 15 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

12. Applicants object to Instructions 1, 2, 3, 4, 12, 13 and 14 as unduly burdensome.

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

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

Applicants have no other objections to the interrogatories.

Respectfully submitted,

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

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

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

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

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

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

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

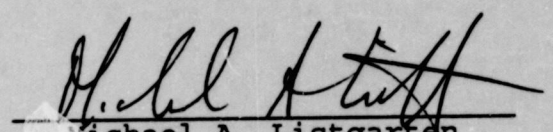
January 5, 1996

CERTIFICATE OF SERVICE

I, Michael A. Listgarten, certify that, on this 5th day of January 1996, I caused a copy of the foregoing document to be served by hand upon Mitchell M. Kraus, counsel for Transportation - Communications International Union, at 3 Research Place, Rockville, MD 20850 and by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties appearing on the restricted service list established pursuant to paragraph 9 of the Discovery Guidelines in Finance Docket No. 32760, and on

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

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



Michael A. Listgarten

STB FD-32760 1-4-96 I ID-60760

Item No. 60760

Page Count 7

JAN 4 31

GUERRIERI, EDMOND & CLAYMAN, P.C.
1331 F STREET, N.W.
WASHINGTON, D.C. 20004

(202) 624-7400
FACSIMILE: (202) 624-7420

JOSEPH GUERRIERI, JR.
JOHN A. EDMOND
ROBERT S. CLAYMAN
DEBRA L. WILLEN
HOLLY B. FECHNER
JEFFREY A. BARTOS
ANA L. AVENDAÑO*
AMYBETH GARCIA-BOKOR*

*NOT ADMITTED IN D.C.

January 4, 1996

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission/
Surface Transporation Board
Case Control Branch
1201 Constitution Avenue, NW
Washington, DC 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-referenced case are one original and twenty copies of the IAM's First Set of Interrogatories to Applicants, designated as IAM-1. I am also enclosing a 3.5-inch Wordperfect 5.1 disk containing the text of IAM-1.

Thank you for your attention to this matter.

Sincerely,

Debra L. Willen

Debra L. Willen

Enclosures

cc: All Parties on the
Restricted Service List

BEFORE THE
INTERSTATE COMMERCE COMMISSION/
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

IAM'S FIRST SET OF INTERROGATORIES
TO APPLICANTS

Pursuant to 49 C.F.R. § 1114.26, the International Association of Machinists and Aerospace Workers ("the IAM"), by its counsel, hereby serves its First Set of Interrogatories on Applicants Union Pacific Corporation, Union Pacific Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and the Denver and Rio Grande Western Railroad Company.

INSTRUCTIONS AND DEFINITIONS

1. In accordance with the Order of the Commission served on December 7, 1995, answers to these interrogatories are due within fifteen days of service of the interrogatories. Answers should be served on: Debra L. Willen, Esq., Guerrieri, Edmond & Clayman, P.C., 1331 F Street, N.W., Washington, D.C. 20004, counsel for the

IAM.

2. In answering each interrogatory, state whether the information furnished is within the personal knowledge of the person answering and, if not, identify each person who has personal knowledge of the information given in each such answer.

3. In answering each interrogatory, identify each person who assisted or participated in preparing and/or supplying any of the information given in answer to or relied upon in preparing each such answer.

4. In answering each interrogatory, identify by date, sender, recipient, location and custodian, each document relied upon or which forms a basis for the answer given or which corroborates the answer given or the substance of what is given in each such answer.

5. These interrogatories are continuing in nature and responses should be supplemented promptly if more information becomes available.

6. As used herein, the term "the Applicants" means Union Pacific Corporation, Union Pacific Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and the Denver and Rio Grande Western Railroad Company, individually and collectively.

7. As used herein, the term "UPRR" means Union Pacific Railroad; "MPRR" means Missouri Pacific Railroad; "SSW" means St. Louis Southwestern Railway Co.; "SPT" means Southern Pacific

Transportation Co.; "DRGW" means the Denver and Rio Grande Western Railroad; and "SPCSL" means Southern Pacific Chicago and St. Louis Railroad.

8. As used herein, the term "identify" when used in reference to a person includes a request for full identification of: (a) name; (b) business and home addresses and telephone numbers; and (c) title, occupation, and employer.

9. As used herein, the term "identify" when used with reference to a document or writing includes a request for full identification of: (a) the date the document was dated or otherwise prepared; (b) the name, business and home addresses, and title of the author(s), addressee(s), and recipient(s); (c) the type of document; and (d) the general subject matter of the document.

10. The following rules of construction apply to these interrogatories: (a) the singular includes the plural and the plural includes the singular; (b) the masculine gender includes the feminine and neuter genders and the neuter gender includes the masculine and feminine genders; (c) "and" includes "or" and "or" includes "and"; and (d) "all" includes "each" and "each" includes "all".

INTERROGATORIES

1. Identify which of the officers, employees or other representatives of the Applicants who are presently scheduled for deposition can explain fully the effect of the proposed merger on

employees represented by the IAM, including, but not limited to, anticipated or potential separations, relocations, redeployments, transfers, assignments to other duties, attrition, and severance arrangements.

2. If none of the witnesses presently scheduled for deposition have such knowledge or information, identify an officer, employee, or other representative of the Applicants who does have such knowledge or information.

3. With respect to the 27 machinists jobs which the Applicants' Labor Impact Exhibit (Application, Vol. III, p. 413) indicates will be abolished:

(a) identify each of the 27 jobs slated to be abolished by Applicant (UPRR, MPRR, SSW, SPT, DRGW or SPCSL); and

(b) indicate whether any of the work previously performed by the individuals holding these jobs will be assigned to another position and if so, identify that position.

4. With respect to the 182 machinists jobs which the Applicants' Labor Impact Exhibit (Application, Vol. III, p. 413) indicates will be transferred:

(a) identify each of the 182 jobs slated to be transferred by Applicant (UPRR, MPRR, SSW, SPT, DRGW or SPCSL); and

(b) identify each transfer location by Applicant (UPRR, MPRR, SSW, SPT, DRGW or SPCSL).

5. Identify by Applicant (UPRR, MPRR, SSW, SPT, DRGW or SPCSL) each existing collective bargaining agreement, job stabilization or protective agreement and implementing agreement

which covers employees represented by the IAM.

6. Identify the officer, employee, or other representative of the Applicants who has the most knowledge or information about the application of each of the agreements identified in the answer to interrogatory no. 5.

7. State whether the Applicants intend to claim authority under 49 U.S.C. § 11341(a) to override any of the provisions of any of the agreements identified in the answer to interrogatory no. 5.

Respectfully submitted,

Debra L. Willen

Joseph Guerrieri, Jr.
Debra L. Willen
GUERRIERI, EDMOND & CLAYMAN, P.C.
1331 F Street, N.W.
Washington, D.C. 20004
(202) 624-7400

Counsel for the International Association of Machinists and Aerospace Workers

Date: January 4, 1996

CERTIFICATE OF SERVICE

I hereby certify that copies of IAM's First Set of Interrogatories to Applicants were served by first-class mail, postage prepaid, upon all parties on the Restricted Service List and by hand delivery upon the following this 4th day of January, 1996:

Avrid E. Roach II
J. Michael Hemmer
Michael L. Rosenthal
Covington & Burling
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044-7566

Paul A. Cunningham
Richard B. Herzog
James M. Guinivan
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

Betsy Ann Jane

STB FD-32760 1-4-96 I ID-60758

Le0758 Item No. _____

Page Count 7

JAN # 35

COVINGTON & BURLING
1201 PENNSYLVANIA AVENUE, N.W.
P.O. BOX 7566
WASHINGTON, D.C. 20044-7566
(202) 662-6000

TELEFAX: (202) 662-6291
TELEX: 89-593 (COVLING WSH)
CABLE: COVLING

WRITER'S DIRECT DIAL NUMBER

LECONFIELD HOUSE
CURZON STREET
LONDON W1Y 8AS
ENGLAND
TELEPHONE: 071-495-5655
TELEFAX: 071-495-3101

BRUSSELS CORRESPONDENT OFFICE
44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-512-9890
TELEFAX: 32-2-502-1598

January 4, 1996

BY HAND

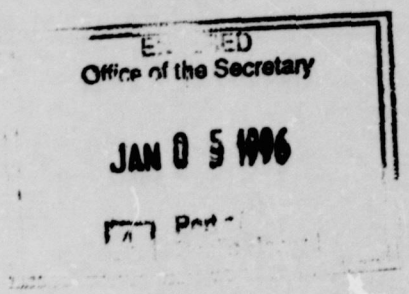
Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Twelfth Street and Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty copies of Applicants' Objections to Southern California Regional Rail Authority's First Set of Interrogatories (UP/SP-45). Also enclosed is a 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format.

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

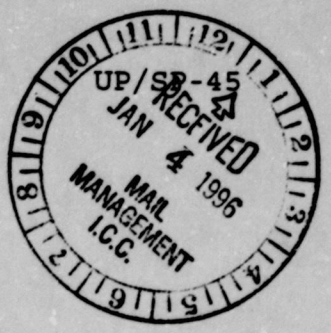


Sincerely,

Michael A. Listgarten

Member of the Bar of New York State
Not admitted to the Bar of the District of Columbia

Enclosures



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

APPLICANTS' OBJECTIONS TO SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY'S FIRST SET OF INTERROGATORIES

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

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

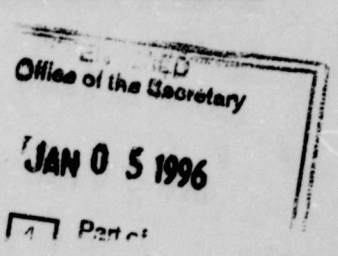
Attorneys for Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company

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

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

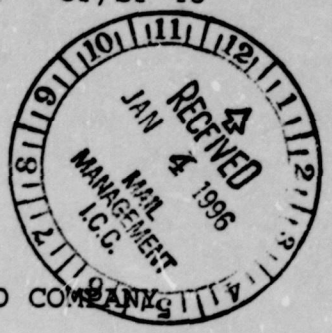
ARVID E. ROACH II
S. WILLIAM LIVINGSTON, JR.
MICHAEL L. ROSENTHAL
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044-7566
(202) 662-5388

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



January 4, 1996

UP/SP-45



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

APPLICANTS' OBJECTIONS TO SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY'S FIRST SET OF INTERROGATORIES

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCL and DRGW submit the following objections to the discovery requests served by Southern California Regional Rail Authority ("SCRRA") on December 27, 1995. These objections are made pursuant to paragraph 1 of the Discovery Guidelines applicable to this proceeding, which provides that objections to discovery requests shall be made "by means of a written objection containing a general statement of the basis for the objection."

Applicants intend to file written responses to the discovery requests. These responses will provide information (including documents) in response to many of the requests, notwithstanding the fact that objections to the requests are noted herein. It is necessary and appropriate at this stage, however, for Applicants to preserve their right to assert permissible objections.

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

1. Applicants object to production of documents or information subject to the attorney-client privilege.

2. Applicants object to production of documents or information subject to the work product doctrine.

3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

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

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

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

7. Applicants object to Definition 6 as unduly vague.

8. Applicants object to the definition of "Applicants" as unduly vague and not susceptible to meaningful application.

9. Applicants object to Instructions 10 and 11 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

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

Applicants have no other objections to the interrogatories.

Respectfully submitted,

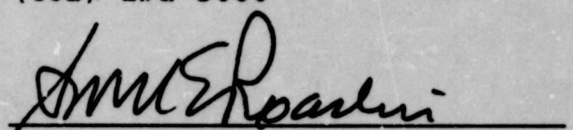
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

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

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

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

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



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

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

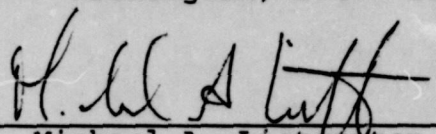
January 4, 1996

CERTIFICATE OF SERVICE

I, Michael A. Listgarten certify that, on this 4th day of January 1996, I caused a copy of the foregoing document to be served by hand on Charles A. Spitulnik, counsel for Southern California Regional Rail Authority, at Hopkins & Sutter, 888 Sixteenth Street, N.W., Washington, D.C. 20006, and by first-class mail, postage prepaid, on

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

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



Michael A. Listgarten

STB 32760 1-4-96 I ID-60757

60757

MAYER, BROWN & PLATT

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

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

CHICAGO
BERLIN
BRUSSELS
HOUSTON
LONDON
LOS ANGELES
NEW YORK
TOKYO
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARRETE, NADER Y ROJAS

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

January 4, 1996

BY HAND

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

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

Dear Secretary Williams:

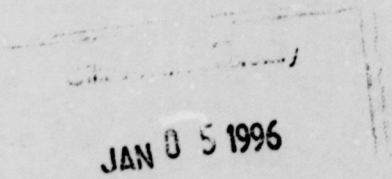
Enclosed for filing in the above-captioned docket are an original and twenty (20) copies of Objections of Burlington Northern Railroad Company and The Atchison, Topeka, and Santa Fe Railway Company to International Paper Company's First Interrrogatories and Request for Documents (BN/SF-2). Also enclosed is a 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format.

I would appreciate it if you would date-stamp the enclosed extra copy of BN/SF-2 and return it to the messenger for our files.

Sincerely,

Kelley O'Brien

Kelley O'Brien



Item No. _____

Page Count 16

JAN # 34

BN/SF-2

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

OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO INTERNATIONAL PAPER COMPANY'S FIRST INTERROGATORIES AND REQUEST FOR DOCUMENTS

Janice G. Barber
Michael E. Roper
Burlington Northern
Railroad Company
3800 Continental Plaza
777 Main Street
Ft. Worth, Texas 76102-5384
(817) 333-2367

and

Jeffrey R. Moreland
Richard E. Weicher
Sidney L. Strickland, Jr.
The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6000

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

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

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

January 4, 1996

BN/SF-2

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

OBJECTIONS OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO INTERNATIONAL PAPER COMPANY'S FIRST INTERROGATORIES AND REQUEST FOR DOCUMENTS

Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively "BN/Santa Fe") object as follows to International Paper Company's ("IP") "First Interrogatories and Request for Documents to Burlington Northern Railroad Company". These 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").

CERTIFICATE OF SERVICE

I hereby certify that copies of Objections of Burlington Northern Railroad Company and The Atchison, Topeka, and Santa Fe Railway Company to International Paper Company's First Interrrogatories and Request for Documents (BN/SF-2) have been served this 4th day of January, 1996, by hand-delivery on counsel for International Paper Company and by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760.

Kelley E. O'Brien

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

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

GENERAL OBJECTIONS

BN/Santa Fe objects to IP's First Interrogatories and Request for Documents on the following grounds:

1. Privilege. BN/Santa Fe objects to IP's First Interrogatories and Request for 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 IP's First Interrogatories and Request for 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 IP's First Interrogatories and Request for 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 IP's First Interrogatories and Request for 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 IP's definitions:

> 5. "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 meetings; records 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 basic 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 Applicants and documents in the possession, custody, or control of consultants or others who have assisted Applicants in connection with the Transaction.

BN/Santa Fe objects to the definition of "Document" as overly broad and unduly burdensome to the extent that (i) it calls for the production of materials and documents that are as readily, or more readily, available to IP as to BN/Santa Fe; and (ii) it calls for the production of routine operating and accounting documents such as invoices and receipts.

6. Instructions. BN makes the following objections to IP's instructions:

> 7. In responding to any request for data regarding intermodal traffic, indicate separately data for trailers and for containers.

BN/Santa Fe objects to this instruction to the extent that BN/Santa Fe's records kept in the ordinary course of business do not differentiate data regarding intermodal traffic by trailers and by containers.

OBJECTIONS TO INTERROGATORIES

1. Identify all officers and managers employed by BN who have or will have upon consummation of the proposed merger marketing and operational responsibility for IP rail shipments originating or terminating in Pine Bluff and Camden AR.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 1 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

2. Describe BN's operating plan for handling shipments originating or terminating in Pine Bluff and Camden AR if the proposed merger is consummated. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 2 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. 2 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would

undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

3. Describe BN's operating plan for movements in the corridor between Memphis, TN and Houston, TX if the proposed merger is consummated. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 3 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. 3 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

4. Identify all BN employees who have communicated with employees of Applicants concerning the trackage rights between Houston, TX and Memphis, TN granted to BN under the Settlement Agreement. Identify all documents relating to any such communications.

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

5. Describe BN's operating plan for IP traffic to and from Pine Bluff and Camden, AR if the proposed merger is consummated. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan. Also identify all persons participating in the creation of that plan.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 5 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. 5 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

6. Describe how BN determined the fees it will pay to Applicants for trackage rights under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that determination. Also identify all persons participating in that determination.

Response: Subject to and without waiving the General Objections stated above, in particular the settlement negotiations objection, BN/Santa Fe objects to Interrogatory No. 6 to the extent that it asks for information other than 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.

7. State the average number of daily train movements BN projects it will have in each direction for the first and second full years of operation after consummation of the proposed merger for each of the following railroad line segments:

(a) Pine Bluff, AR - Memphis, TN
(b) Pine Bluff, AR - Shreveport, LA

(c) Shreveport, LA - Houston, TX
(d) Pine Bluff, AR - Little Rock, AR

Identify all documents consulted with in responding to this interrogatory.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows:. Assuming that Interrogatory No. 7 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. 7 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

8. State the amount of traffic originating or terminating at IP's facilities in Pine Bluff and Camden AR that BN expects to handle annually after consummation of the proposed merger. Identify all studies, analyses and reports or other documents, including work papers, relating to that predicted lost traffic. Also identify all persons who participated in that determination.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 8 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. 8 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake

certain activities with respect to matters it has not studied and as to which it has formulated no position.

9. Describe in detail the operational control BN will have in determining the movement of traffic over the lines in the Houston-Memphis corridor for which BN has been granted trackage rights under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that operational control. Also identify all persons primarily responsible for the preparation of the documents identified in response to this interrogatory.

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 would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

10. State what investment in facilities, equipment and labor BN plans to make in order to operate over the lines in the Houston, TX - Memphis, TN corridor for which BN has been granted trackage rights under the Settlement Agreement, including but not limited to investment in cars, yards, locomotives, signaling systems, dispatching facilities and station facilities. Identify all documents relating to such investment.

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 would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

11. State the track capacities for all line segments for which BN has received trackage rights under the Settlement Agreement. Identify all documents consulted with in responding to this interrogatory.

Response: Subject to and without waiving the General Objections stated above, in particular the burden and scope objections, BN/Santa Fe objects to Interrogatory No. 11 to the extent that it is overly broad and vague and asks for information that is not in BN/Santa Fe's possession.

12. State the track capacities for all line segments for which Applicants have been granted trackage rights by BN under the Settlement Agreement. Identify all documents consulted with in responding to this interrogatory.

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 overly broad and vague.

13. State whether BN maintains documents relating to the reliability of its performance, as that term is used by, *inter alia,* Witness Peterson at page 62 of Volume 2 of the Application (UP/SP-23). If so, describe how such information is developed, who are the responsible persons for recording that information, whether such information is developed on a shipper specific basis, and identify all such 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. 13 to the

extent that it is overly broad and vague and asks BN/Santa Fe to speculate regarding the use of the term "reliability" by Witness Peterson, who is not a BN/Santa Fe employee.

14. Identify all paper company facilities in California, Oregon and Washington that ship linerboard (STCC 26 311 17) via rail and state which rail carrier serves each facility. For each such company, state:

(a) Whether service is provided by other than direct access (*e.g.*, via reciprocal switching, voluntary coordination agreement, etc.) and, if so, describe such arrangements including whether any switching charges are absorbed; and

(b) Whether any such facilities will have competitive rail service if the merger is consummated and, if so, describe the nature of the competitive service that would be provided.

Response: Subject to and without waiving the General Objections stated above, in particular the relevance, burden and scope objections, BN/Santa Fe objects to Interrogatory No. 14 to the extent that it is overly broad and vague and does not define the term "competitive rail service".

15. State the number of "paper grade" boxcars in BN's carfleet, by size and type, that are available to service shipments tendered by paper companies in 1995.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 15 to the extent that it is vague and does not define the term "paper grade" boxcars.

16. State the number of "paper grade" boxcars BN intends to acquire if the Settlement Agreement is approved.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe objects to Interrogatory No. 16 to the extent that it is vague and does not define the term "paper grade" boxcars. BN/Santa Fe further objects to Interrogatory No. 16 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed

consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

17. State BN's plan for obtaining access through the Shreveport yard for purposes of providing service between Houston, TX and Memphis TN on lines over which it has been provided trackage rights under the Settlement Agreement. Identify all documents relating to that plan.

Response: Subject to and without waiving the General Objections stated above, BN/Santa Fe responds as follows: Assuming that Interrogatory No. 17 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. 17 to the extent that it would require BN/Santa Fe to speculate as to how, were the proposed consolidation of Union Pacific and Southern Pacific approved and the Settlement Agreement imposed as a condition to such approval, it would undertake certain activities with respect to matters it has not studied and as to which it has formulated no position.

OBJECTIONS TO DOCUMENT REQUESTS

1. All documents identified in response to Interrogatory No. 2.

Response: See response to Interrogatory No. 2.

2. All documents identified in response to Interrogatory No. 3.

Response: See response to Interrogatory No. 3.

3. All documents identified in response to Interrogatory No. 4.

Response: See response to Interrogatory No. 4.

4. All documents identified in response to Interrogatory No. 5.

Response: See response to Interrogatory No. 5.

5. All documents identified in response to Interrogatory No. 6.

Response: See response to Interrogatory No. 6.

6. All documents identified in response to Interrogatory No. 7.

Response: See response to Interrogatory No. 7.

7. All documents identified in response to Interrogatory No. 8.

Response: See response to Interrogatory No. 8.

8. All documents identified in response to Interrogatory No. 9.

Response: See response to Interrogatory No. 9.

9. All documents identified in response to Interrogatory No. 10.

Response: See response to Interrogatory No. 10.

10. All documents identified in response to Interrogatory No. 11.

Response: See response to Interrogatory No. 11.

11. All documents identified in response to Interrogatory No. 12.

Response: See response to Interrogatory No. 12.

12. All documents identified in response to Interrogatory No. 13 for the period of January 1, 1993 through the most current period for which such documents are available.

Response: See response to Interrogatory No. 13.

13. All documents identified in response to Interrogatory No. 17.

Response: See response to Interrogatory No. 17.

14. All traffic studies performed by BN relating to the proposed merger.

Response: Subject to and without waiving the General Objections stated above, in particular the settlement negotiations objection, BN/Santa Fe will respond to Document Request No. 14.

15. All documents referring or relating to complaints from paper company shippers concerning the quantity or quality of "paper grade" boxcars used by BN during the period of January 1, 1993 to the present.

Response: See response to Interrogatory No. 15.

Respectfully submitted,

Erika Z. Jones

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

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

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

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

and

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

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

January 4, 1996

STB FD-32760 1-3-96 I ID-60743

Item No. 60743

Page Count 20

JAN #20

COVINGTON & BURLING
1201 PENNSYLVANIA AVENUE, N.W.
P.O. BOX 7566
WASHINGTON, D.C. 20044-7566
(202) 662-6000

TELEFAX: (202) 662-6291
TELEX: 89-593 (COVLING WSH)
CABLE: COVLING

WRITER'S DIRECT DIAL NUMBER

BRUSSELS CORRESPONDENT OFFICE
44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-512-9890
TELEFAX: 32-2-502-1598

LEDERFIELD HOUSE
CURZON STREET
LONDON W1Y 8AS
ENGLAND
TELEPHONE: 071-495-5655
TELEFAX: 071-495-3101

JAN 0 4 1996

January 3, 1996

RECEIVED
JAN 3 1996
MAIL MANAGEMENT I.C.C.

BY HAND

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Twelfth Street and Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty copies of Applicants' Objections to the International Paper Company's First Interrogatories and Request for Documents (UP/SP-42). Also enclosed is a 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format.

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

Sincerely,

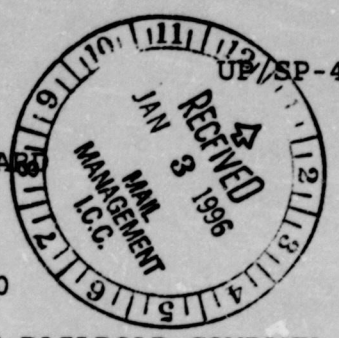
Michael A. Listgarten

Member of the Bar of New York State
Not admitted to the Bar of the District of Columbia

Enclosures

cc: The Honorable Jerome Nelson (By Hand)

UP/SP-42



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

APPLICANTS' OBJECTIONS TO THE INTERNATIONAL PAPER COMPANY'S FIRST INTERROGATORIES AND REQUEST FOR DOCUMENTS

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

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

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

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

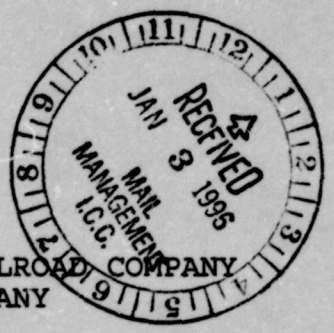
JAMES V. DOLAN
PAUL A. CONLEY, JR.
LOUISE A. RINN
Law Department
Union Pacific Railroad Company
Missouri Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179
(402) 271-5000

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

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

January 3, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

APPLICANTS' OBJECTIONS TO THE INTERNATIONAL PAPER COMPANY'S FIRST INTERROGATORIES AND REQUEST FOR DOCUMENTS

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCL and DRGW submit the following objections to the discovery requests served by the International Paper Company ("IP") on December 26, 1995. These objections are made pursuant to paragraph 1 of the Discovery Guidelines applicable to this proceeding, which provides that objections to discovery requests shall be made "by means of a written objection containing a general statement of the basis for the objection."

Applicants intend to file written responses to the discovery requests. These responses will provide information (including documents) in response to many of the requests, notwithstanding the fact that objections to the requests are noted herein. It is necessary and appropriate at this stage, however, for Applicants to preserve their right to assert permissible objections.

GENERAL OBJECTIONS

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

1. Applicants object to production of documents or information subject to the attorney-client privilege.

2. Applicants object to production of documents or information subject to the work product doctrine.

3. Applicants object to production of documents prepared in connection with, or information relating to, possible settlement of this or any other proceeding.

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

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

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

7. Applicants object to the extent that the interrogatories and requests seek highly confidential or sensitive commercial information (including, inter alia, contracts containing confidentiality clauses prohibiting

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

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

9. Applicants object to the definition of "Applicants" as unduly vague, overbroad, and not susceptible of meaningful application.

10. Applicants object to the definition of "identify" insofar as it requests home telephone numbers and home addresses on grounds that such information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

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

12. Applicants object to Instructions 1, 2, 4, 5, 6, 9 and 10 to the extent that they seek to impose requirements that exceed those specified in the applicable discovery rules and guidelines.

13. Applicants object to Instructions 5 and 6 as unduly burdensome.

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

ADDITIONAL OBJECTIONS TO SPECIFIC
INTERROGATORIES AND DOCUMENT REQUESTS

In addition to the General Objections, Applicants make the following objections to the interrogatories and document requests.

Interrogatory No. 1: "Identify all officers and managers employed by Applicants with marketing and operational responsibility for IP rail shipments originating in Pine Bluff and Camden, AR."

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

Interrogatory No. 2: "Describe Applicants' operating plan for handling shipments originating in Pine Bluff and Camden AR if the proposed merger is consummated, including but not limited to any changes in the frequency, car supply, performance standards, switching service or rates of Applicants' service. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan. Also identify all persons participating in the creation of that plan."

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

Interrogatory No. 3: "Describe Applicants' operating plan for handling IP traffic to and from Camden and Pine Bluff, AR if the proposed merger is consummated, including but not limited to any changes in the frequency, car supply, performance standards, switching service or rates of Applicants' service. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan. Also identify all persons participating in the creation of that operating plan."

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

Interrogatory No. 4: "Describe Applicants' plan for operating traffic in the corridor between Memphis, TN and Houston, TX if the proposed merger is consummated, including but not limited to Applicants' plan to have trains bypass the Little Rock/Pine Bluff terminals as set forth in the statement of Witness Peterson. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan."

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

Interrogatory No. 5: "Describe Applicants' operating plan for shipments to and from Gurdon, AR if the proposed merger is consummated, including but not limited to any changes in frequency of service, car supply, switching service or rates for Applicants' service to and from that point, as well as changes in traffic that would be necessitated by the planned abandonment of the line between Camden and Gurdon, AR. Identify all studies, analyses and reports or other documents, including work papers, relating to that plan."

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

Interrogatory No. 6: "Identify all BN employees with whom employees of Applicants have communicated concerning the trackage rights between Houston, TX and Memphis, TN granted to BN under the Settlement Agreement. Identify all documents relating to any such communications."

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

Interrogatory No. 7: "With respect to the Applicants' Exemption Petition in Docket No. AB-3 (Sub No. 129x) to abandon the line between Gurdon and Camden AR if the proposed merger is consummated, state, for 1993, 1994 and 1995 year to date, the total number of shipments and tonnage that would be handled annually if the trackage were not abandoned."

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

Interrogatory No. 8: "Describe how the Settlement Agreement leaves IP with competitive rail service at Pine Bluff and Camden, AR."

Additional Objections: None.

Interrogatory No. 9: "State whether the reciprocal shipping arrangements currently in place in Carrollton, TX and Pinesville, LA will be maintained if the proposed merger is consummated. If not, explain any planned changes to those arrangements, and identify all studies, analyses and reports or other documents, including work papers, relating to said changes."

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

Interrogatory No. 10: "Describe how Applicants determined the fees it proposed to charge BN for trackage rights under the Settlement Agreement. Identify all studies, analyses and

reports or other documents, including work papers, relating to that determination, and all persons participating in that determination."

Additional Objections: None.

Interrogatory No. 11: "State the average number of daily train movements in each direction (a) during 1994, (b) during the first six months of 1995 and (c) projected for the first and second full years of operation after consummation of the proposed merger for each of the following railroad line segments:

(a) Pine Bluff, AR - Memphis, TN

(b) Pine Bluff, AR - Shreveport, LA

(c) Shreveport, LA - Houston, TX

(d) Pine Bluff, AR - Little Rock, AR."

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

Interrogatory No. 12: "State (separately for UP and SP) the amount of traffic originating in Pine Bluff and Camden AR Applicants expect to be diverted to BN as a result of the trackage rights granted BN under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that predicted lost traffic. Also, identify all persons who participated in that determination."

Additional Objections: Applicants object to this interrogatory as unduly burdensome.

Interrogatory No. 13: "Describe the operational control BN will have in determining the movement of traffic over the lines in the Houston-Memphis corridor for which BN has been granted trackage rights under the Settlement Agreement. Identify all studies, analyses and reports or other documents, including work papers, relating to that operational control. Also, identify all persons primarily responsible for the preparation of the documents identified in response to this interrogatory."

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

Interrogatory No. 14: "Describe the facilities and equipment Applicants plan to make available to BN to enable it to operate over the lines in the Houston-Memphis corridor for which BN has been granted trackage rights under the Settlement Agreement."

Additional Objections: None.

Interrogatory No. 15: "State, for all line segments over which Applicants are granting BN trackage rights under the Settlement Agreement: (a) annual density; (b) track capacity; (c) net investment by ICC account; (d) annual depreciation by ICC account; and (e) annual operating costs. Identify all documents consulted with in responding to this interrogatory."

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

Interrogatory No. 16: "State for all line segments over which Applicants have been granted trackage rights by BN under the Settlement Agreement: (a) annual density; (b) track capacity; (c) net investment by ICC account; (d) annual depreciation by ICC account; and (e) annual operating costs. Identify all documents consulted with in responding to this interrogatory."

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

Interrogatory No. 17: "With respect to Applicants' traffic study developed in connection with the proposed merger, describe any modification that have been made to that study to reflect (a) UP's acquisition of the CNW; and (b) Burlington Northern's merger with the Atchison, Topeka & Santa Fe Railway Company."

Additional Objections: None.

Interrogatory No. 18: "State whether Applicants maintain documents relating to the reliability of their respective performance, as that term is used by, inter alia, Witness Peterson at page 62 of Volume 2 of the Application (UP/SP-23). If so, describe how such information is developed, who are the responsible persons for recording that information, whether such information is developed on a shipper specific basis and identify all such documents."

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

Interrogatory No. 19: "Identify all paper company facilities served in California, Oregon and Washington that ship linerboard (STCC 26 311 17) via rail and state which rail carrier serves each facility. For each such company, state:

(a) Whether service is provided by other than direct access (e.g., via reciprocal switching, voluntary coordination agreement, etc.) and, if so, describe such arrangements including whether any switching charges are absorbed; and

(b) Whether any such facilities will have competitive rail service if the merger is consummated and, if so, describe the nature of the competitive service that would be provided."

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

Interrogatory No. 20: "State the number of 'paper grade' boxcars in the Applicants' respective carfleets, by size and type, that are available to service shipments tendered by paper companies in 1995."

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

Interrogatory No. 21: "State the number of 'paper grade' boxcars Applicants intend to acquire if the proposed merger is consummated."

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

Interrogatory No. 22: "Describe any alternatives contemplated by Applicants in lieu of the Settlement Agreement, and identify all studies, analyses and reports or other documents, including work papers, relating to such alternatives."

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

Document Request No. 1: "All documents identified in response to Interrogatory No. 2."

Additional Objections: See objections to Interrogatory No. 2.

Document Request No. 2: "All documents identified in response to Interrogatory No. 3."

Additional Objections: See objections to Interrogatory No. 3.

Document Request No. 3: "All documents identified in response to Interrogatory No. 4."

Additional Objections: See objections to Interrogatory No. 4.

Document Request No. 4: "All documents identified in response to Interrogatory No. 5."

Additional Objections: See objections to Interrogatory No. 5.

Document Request No. 5: "All documents identified in response to Interrogatory No. 6."

Additional Objections: See objections to Interrogatory No. 6.

Document Request No. 6: "All documents identified in response to Interrogatory No. 9."

Additional Objections: See objections to Interrogatory No. 9.

Document Request No. 7: "All documents identified in response to Interrogatory No. 10."

Additional Objections: None.

Document Request No. 8: "All documents identified in response to Interrogatory No. 11."

Additional Objections: See objections to Interrogatory No. 11.

Document Request No. 9: "All documents identified in response to Interrogatory No. 12."

Additional Objections: See objections to Interrogatory No. 12.

Document Request No. 10: "All documents identified in response to Interrogatory No. 13."

Additional Objections: See objections to Interrogatory No. 13.

Document Request No. 11: "All documents identified in response to Interrogatory No. 15."

Additional Objections: See objections to Interrogatory No. 15.

Document Request No. 12: "All documents identified in response to Interrogatory No. 16."

Additional Objections: See objections to Interrogatory No. 16.

Document Request No. 13: "All documents identified in response to Interrogatory No. 18 for the period of January 1, 1993 through the most current period for which such information is available."

Additional Objections: See objections to Interrogatory No. 18.

Document Request No. 14: "All documents identified in response to Interrogatory No. 22."

Additional Objections: See objections to Interrogatory No. 22.

Document Request No. 15: "The transcript of any testimony given by the following persons before the ICC, or any other verified statement submitted by any of the following persons in an ICC proceeding in which they have discussed the issues of competition, relevant markets or market definitions, as well as testimony related to the economic analysis of mergers in the railroad industry, or the subject of trackage rights or other conditions imposed on a rail merger:

(a) Witness Spero

(b) Witness Willig

(c) Witness Sharp

(d) Witness Peterson

(e) Witness Barber

Also, produce any articles, books or other writings authored in part or in whole by any of the above persons related to the above-stated issues."

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

Document Request No. 16: "All traffic studies performed by UP and SP relating to the proposed merger."

Additional Objections: None.

Document Request No. 17: "All documents used or referred to in formulating the Applicants operating plan."

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

Document Request No. 18: "In connection with SP's sale of certain lines in Oregon to the Central Oregon & Pacific Railroad, Inc. ("COPR"), as described in the Exemption proceeding submitted to the Interstate Commerce Commission in F.D. 32567 and F.D. 32568, provide all documents relating to:

(a) restrictions on the ability of the COPR to interchange with the Burlington Northern at Eugene, Portland or Chemult, Oregon.

(b) the provision of empty cars for all shippers on the lines sold to COPR.

(c) arrangements between COPR and SP for the handling of traffic into and out of IP's mill at Gardiner, Oregon; and

(d) divisional arrangements involving the Longview, Portland and Northern Railroad (LP&N")."

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

Document Request No. 19: "All documents relating to potential movements of outbound product from IP's mill at Gardiner, Oregon moving to points served by BN, including but not limited to:

(a) requests by IP or BN for joint or proportional rate movements;

(b) responses by SP to such requests;

(c) refusals by SP to offer proportional or joint rate arrangements to points other than in the states of Washington, Idaho, North Dakota, South Dakota, Montana, Wyoming or Oregon or to points in Canada other than in British Columbia;

(d) car supply for traffic destined to BN points;

(e) differences in proportional rates to Portland between traffic destined to BN served points and points that are served by UP or its subsidiaries or affiliates."

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

Document Request No. 20: "All documents relating to SP's absorption or non-absorption of switching charges at Portland, Oregon on IP traffic."

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

Document Request No. 21: "All documents relating to SP's refusal to provide cars to IP at Gardiner, Oregon on STCC 26 commodities."

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

Document Request No. 22: "All documents referring or relating to complaints from paper company shippers concerning the quantity or quality of "paper grade" boxcars Applicants used during the period of January 1, 1993 to the present."

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

Document Request No. 23: "All studies, analyses and reports relating to the transit times and utilization of cars used to provide rail service to International Paper from January 1, 1993 to present."

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

Document Request No. 24: "All studies, analyses and reports or other documents, including work papers, discussing SP's strategic plans, its competitive and/or financial forecasts, including any such documents supplied to investment analysts."

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

Document Request No. 25: "All studies, analyses and reports or other documents, including work papers, discussing the competitive consequences of the proposed merger."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome.

Document Request No. 26: "All studies, analyses and reports, including work papers, relating to service problems experienced by UP following its acquisition of CNW."

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

Document Request No. 27: "All studies, analyses and reports or other documents, including work papers, discussing BN's ability to compete with Applicants for business from shippers served by lines over which BN has been granted trackage rights or which BN is purchasing pursuant to the Settlement Agreement."

Additional Objections: Applicants object to this request as unduly vague and unduly burdensome.

Respectfully submitted,

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

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

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

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

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

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

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

January 3, 1996

CERTIFICATE OF SERVICE

I, Michael A. Listgarten certify that, on this 3rd day of January 1996, I caused a copy of the foregoing document to be served by hand on Edward D. Greenberg, Esq., Counsel for International Paper Company, at Galland, Kharasch, Morse & Garfinkle, 1054 Thirty-First Street, N.W., Second Floor, Washington, D.C. 20007, and by first-class mail, postage prepaid, on

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

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

Michael A. Listgarten

STB FD-32760 12-22-95 I ID-60679

Item No. _____

Page Count 25
Due 1/17

60679

WILMER, CUTLER & PICKERING
2445 M STREET, N.W.
WASHINGTON, D.C. 20037-1420

TELEPHONE (202) 663-6000
FACSIMILE (202) 663-6363

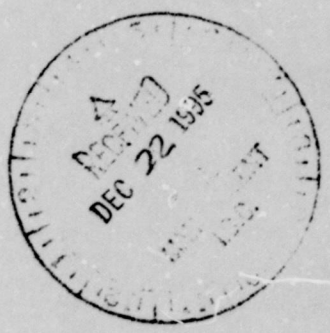
A. STEPHEN HUT, JR.
DIRECT LINE (202)
663-6235

4 CARLTON GARDENS
LONDON SW1Y 5AA
TELEPHONE 011 (44711) 839-4466
FACSIMILE 011 (44711) 839-3537

RUE DE LA LOI 15 WETSTRAAT
B-1040 BRUSSELS
TELEPHONE 011 (322) 231-0903
FACSIMILE 011 (322) 230-4322

FRIEDRICHSTRASSE 95
BRIEFKASTEN 29
D-10117 BERLIN
TELEPHONE 011 (49301) 2643-3601
FACSIMILE 011 (49301) 2643-3630

December 22, 1995



VIA HAND DELIVERY

Mr. Vernon A. Williams
Interstate Commerce Commission
Case Control Branch
Room 1324
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

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

C

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are one original and twenty copies of Consolidated Rail Corporation's First Requests to Applicants for the Production of Documents and First Set of Interrogatories to Applicants, designated as document CR-4.

Also enclosed is a 3.5-inch WordPerfect 5.1 disk containing the text of CR-4.

Sincerely,

A. Stephen Hut, Jr.

Attorney for Consolidated Rail Corporation

DEC 26 1995

Enclosures

cc: Arvid E. Roach, II, Esq. (w/disk)
Restricted Service List

CR-4

BEFORE THE
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760

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

CONSOLIDATED RAIL CORPORATION'S
FIRST REQUESTS TO APPLICANTS FOR THE PRODUCTION OF DOCUMENTS
AND FIRST SET OF INTERROGATORIES TO APPLICANTS

Pursuant to 49 C.F.R. §§ 1114.21 - 1114.31 and the Discovery Guidelines entered pursuant to order dated December 5, 1995 ("Discovery Guidelines"), Consolidated Rail Corporation ("Conrail") hereby submits its First Requests For Production of Documents and its First Set of Interrogatories to Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company, and to Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company.

DEFINITIONS AND INSTRUCTIONS

The following definitions and instructions apply and are incorporated into each request for the production of documents ("Request") and each Interrogatory as though fully set forth therein:

DEFINITIONS

1. "Applicants" means Union Pacific Corporation, Union Pacific Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company, individually and collectively, and any division thereof (and includes present or former directors, officers, employees and agents) together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including, but not limited to, UP Acquisition Corporation, Union Pacific Holdings Corp., Chicago and North Western Railway Company, Philip F. Anschutz and The Anschutz Corporation.

2. "Application" means the Railroad Merger Application, Finance Docket No. 32760, filed November 30, 1995, by Applicants.

3. "UP" means all Union Pacific Corporation entities individually and collectively (i.e., Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company) (and includes present or former directors, officers,

employees and agents), together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including, but not limited to, UP Acquisition Corporation, Union Pacific Holdings, Corp., and Chicago and North Western Railway Company.

4. "SP" means all Southern Pacific Rail Corporation entities individually and collectively (i.e., Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company) (and includes present or former directors, officers, employees and agents), together with any parent, subsidiary or affiliated corporation, partnership or other person or local entity, including, but not limited to, Philip F. Anschutz and The Anschutz Corporation.

5. "BN/Santa Fe" means BNSF Corporation or the entity resulting from the merger of Burlington Northern Inc. and Burlington Northern Railroad Company with Santa Fe Pacific Corporation and the Atchison, Topeka and Santa Fe Railway Company.

6. "BN/SF Agreement" refers to the agreement between UP and SP and BN/Santa Fe relating to the proposed UP/SP merger set forth in the Application beginning at page 318 of Volume 1.

7. "CNW" means Chicago and North Western Railway Company.

8. "Commission" or "ICC" means the Interstate Commerce Commission.

9. "Conrail" means Consolidated Rail Corporation and any divisions, parents, or subsidiaries.

10. "Document" means any and all writings and recordings as defined in Rule 1001 of the Federal Rules of Evidence, including drafts, typings, printings, minutes or copies or reproductions thereof in the possession, custody or control of applicants.

11. "Gulf/Eastern Area" means "the web of routes connecting Chicago, St. Louis and Memphis at the north with Houston, San Antonio, Dallas/Ft. Worth and the Mexican border at the south," as described on page 41 of the Verified Statement of R. Bradley King and Michael D. Ongerth ("King/Ongerth V.S."), but also includes all rail routes in Texas west to El Paso and east (through Louisiana) to New Orleans and UP or SP routes from New Orleans to the north or northwest.

12. "Identify" or "identification" means:

a. With respect to a natural person, his or her name and current or last known home and business address (including street name and number, city or town, state, zip code, and telephone number), and his or her last known job title or position.

b. With respect to a person other than a natural person, its full name and type of organization, the address of its principal place of business (including street name and number, city or town, state, zip code, and telephone number), and the jurisdiction and place of its incorporation or organization.

c. With respect to a document, the type of document (e.g., letter, record, list, memorandum, report, deposition transcript), its date, title, and contents, the identification of the person who prepared the document, the identification of the person for whom the document was prepared or to whom it was delivered, and the identification of the person who has possession, custody, or control over the document.

13. "Operating Plan" means the Operating Plan in Volume 3 of the Application, designated UP/SP-24.

14. "Proposed Transaction" means the proposed merger of UP and SP, under review by the ICC in Finance Docket No. 32760.

15. "Relating" or "related" to a given subject matter means constitutes, contains, comprises, consists of, embodies, reflects, identifies, states, refers to, deals with, sets forth, proposes, shows, evidences, discloses, describes, discusses, explains, summarizes, concerns, authorizes, contradicts or is any way pertinent to that subject, including, without limitation, documents concerning the presentation of other documents.

16. "Shipper" means a user of rail services, including a consignor, a consignee, or a receiver.

17. "Analyses or Analysis" include any analyses, studies, evaluations, discussions, or reports in whatever form, including letters, memoranda, tabulations, measurements, electronic mail, and computer printouts of data selected from a database.

18. References to railroads, shippers, and other companies (including Applicants) include: parent companies; subsidiaries; controlled, affiliated, and predecessor firms; divisions; subdivisions; components; units; instrumentalities; partnerships; and joint ventures.

INSTRUCTIONS

1. Consistent with the Discovery Guidelines, these Requests and Interrogatories are intended to be non-duplicative of previous written discovery of which Conrail has been served copies. If you consider any Requests or Interrogatories to be duplicative, you should so state and refer Conrail to the specific documents or answers produced in response to such prior discovery.

2. If, in responding to any Request or Interrogatory, you consider any part of the Request or Interrogatory objectionable, you should respond to each part of the Request or Interrogatory not deemed objectionable and set forth separately the part deemed objectionable and the grounds for objection.

3. Unless otherwise specified, all Requests and Interrogatories cover the period from January 1, 1993, to the date of the response and are subject to revision as described in Paragraph 12 of these Instructions.

4. If a Request or Interrogatory refers to "Applicants" or to any "Applicant", and the response for one Applicant would be different from the response for other Applicants, give separate responses for each Applicant.

5. All documents that respond, in whole or part, to any paragraph of a Request shall be produced in their entirety. Documents that in their original condition were stapled, clipped, or otherwise fastened together, shall be produced in such form.

In addition, all documents are to be produced in the file folders or jackets in which they are maintained.

6. If any response to a Request or Interrogatory includes a reference to the Application, such response shall specify the responsive volume(s) and page number(s).

7. All documents should be grouped together according to the individual paragraphs and sub-paragraphs of the Request to which they are responsive.

8. If any of the requested documents cannot be produced in full, you are requested to produce them to the fullest extent possible, specifying clearly the reasons for your inability to produce the remainder and stating whatever information, knowledge or belief you have concerning the unproduced portion. If you cannot produce a responsive document because it is no longer is in your possession, custody, or control, state the date on which each such document ceased being in your possession, custody or control; describe the disposition of each such document and the reason for such disposition; and identify each person presently in possession, custody or control of the document or a copy thereof.

9. If any privilege or protection is claimed as to any information or document, state the nature of the privilege or protection claimed (e.g., attorney-client, work product, etc.) and state the basis for claiming the privilege or protection. For each such document, provide the following information:

A. the type of document;

B. the title of the document;

C. the name, address, and title of each author;

D. the name, address, and title of each addressee;

E. all persons to whom copies were sent or distributed and all other persons to whom the document or its contents were disclosed in whole or part;

F. the date of the document;

G. the subject matter of the document;

H. the number of pages;

I. an identification of any attachments or appendices;

J. the current location of the document and the name of the current custodian; and

K. a statement of the basis on which privilege is claimed.

If less than an entire document is claimed to be privileged, furnish a copy of those portions of the document that are not privileged.

10. Use of the singular shall be deemed to include the plural, and vice versa. The terms "and" and "or" should be interpreted as conjunctive, disjunctive, or both, depending on the context, so as to have their broadest meaning. Whenever necessary to bring within the scope of a Request or Interrogatory all information or documents that might otherwise be construed to be outside its scope, the use of a verb in any tense shall be

construed as the use of the verb in all other tenses. The term "all" includes "any," and vice versa.

11. If you want clarification concerning any Request or Interrogatory, you are instructed to contact Counsel for Conrail concerning such clarification reasonably in advance of the response date.

12. These Requests and Interrogatories are continuing in nature and you are under a duty to supplement or correct any responses that are incomplete or incorrect and otherwise supplement your responses in accordance with 49 C.F.R. § 1114.29.

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. All documents relating to any Analyses of possible effects on competition in the Gulf/Eastern Area as a result of the Proposed Transaction, including, but not limited to, documents that discuss possible remedies or solutions thereto.

2. All documents, dating from January 1, 1990, to the present, comprising or relating to Analyses concerning trackage rights, including, but not limited to the suitability of trackage rights as a remedy for anticompetitive effects asserted to result from a rail transaction including a merger or acquisition (including any comparison of a trackage-rights remedy to the sale of a line or lines for such remedial purpose).

3. All documents relating to the statements ascribed to Gerald Grinstein in the December 18, 1995, issue of Forbes, whether contained in direct quotations or otherwise.

4. All documents relating to the extent to which the BN/SF Agreement might (or might not) obviate imposition by the ICC of other conditions to the UP/SP merger (or reduce or change such other conditions).

5. All documents relating to discussions, communications, or negotiations with any railroad (other than

BN/Santa Fe) of (a) trackage rights in connection with Gulf/Eastern Area lines, or (b) any other form of access to such lines, or (c) any sale or divestiture of such lines.

6. All documents prepared by the Applicants relating to trackage rights in connection with the transactions before the ICC in BN/Santa Fe and UP/CNW.

7. All documents analyzing, discussing, or relating to any of the following specific provisions, aspects, or terms of the BN/SF Agreement:

(a) access to industries now served only by both UP and SP and no other railroad; (see, e.g., Sections 4(b), 5(b) and 6(c)).

(b) the type of rights obtained by BN/Santa Fe (see, e.g., Sections 4(b), 5(b) and 6(c) ("bridge rights for movement of overhead traffic only");

(c) geographic limitations on access by BN/Santa Fe to new business (see, e.g., Sections 4(c), 5(c) and 6(d) ("territory within which, prior to the merger of UP and SP, a new customer could have constructed a facility that would have been open to service by both UP and SP, either directly or through reciprocal switch");

(d) provision by Applicants pursuant to Section 8(j) of alternative routes or means of access of commercially equivalent utility at the same level of cost to BN/Santa Fe in

the event any of the trackage rights under the BN/SF Agreement cannot be implemented because of the lack of sufficient legal authority;

(e) any capital expenditures on the lines over which BN/Santa Fe has been granted trackage rights pursuant to the BN/SF Agreement (see, e.g., Section 9(c));

(f) the "presumptive weight" to be given to the Operating Plan "in determining what capacity improvements are necessary" pursuant to Section 9(c)(i);

(g) the "shar[ing]" of capacity improvements between the parties to the BN/SF Agreement pursuant to Section 9(c)(ii);

(h) the unrestricted power of the owning carrier to change management and operations of joint trackage pursuant to Section 9(d);

(i) all documents relating to the pricing of the trackage rights under the BN/SF Agreement, including, but not limited to, whether the rates will permit the Applicants to earn a "reasonable return," as that phrase is used in the Verified Statement of John H. Rebensdorf ("Rebensdorf V.S.") (see, e.g., page 301), or a return that is only "marginally" sufficient, as asserted at page 307 of the Rebensdorf V.S.; and

(j) all documents relating to the obligations under Section 11 of the BN/SF Agreement if, in a Final Order, the Application has been denied or approved on terms "unacceptable to the applicants."

8. All documents relating to (a) BN/Santa Fe's interline service with Conrail lines, including, but not limited to, documents discussing BN/Santa Fe's interline service with Conrail lines pursuant to the BN/SF Agreement, and (b) UP/SP's post-merger interline service with Conrail lines.

9. All documents relating to the assertion on pages 292-93 of the Rebensdorf V.S. that "carv[ing] up SP by selling off large chunks such as the Cotton Belt (SSW) and Rio Grande (DRGW) . . . would destroy the benefits of the merger."

10. All documents relating to any decision not to provide trackage rights to BN/Santa Fe on any particular line or routes pursuant to the BN/Santa Fe Agreement, where the provision of such trackage rights may have been sought by BN/Santa Fe, under consideration by Applicants, or the subject of discussion between Applicants and BN/Santa Fe.

11. All documents relating to the competition that will be provided by BN/Santa Fe in the Gulf/Eastern Area as a result of the BN/Santa Fe Agreement, including, but not limited to:

(a) any Analyses of the traffic volume or associated revenue that may or could be diverted to BN/Santa Fe under trackage rights on Gulf/Eastern Area lines (including, but not

limited to, the estimates set out on page 366 of the Verified Statement of Mark J. Draper and Dale W. Salzman);

(b) Analyses or discussions of yard or terminal facilities available for use by BN/Santa Fe in providing service in the Gulf/Eastern Area under trackage rights or line sales provided in the BN/Santa Fe Agreement pursuant to Section 9(i) of the BN/SF Agreement or otherwise; and

(c) Analyses of the adequacy in "preserv[ing] rail competition" (see Rebensdorf V.S., at page 297) of the BN/Santa Fe route structure (including, but not limited to, sidings, storage facilities, passing tracks, and similar facilities) in the Gulf/Eastern Area.

12. All documents relating to operating plans of BN/Santa Fe or UP/SP on lines in the Gulf/Eastern Area where BN/Santa Fe will have trackage rights under the BN/Santa Fe Agreement, including, but not limited to:

(a) Analyses of or communications concerning dispatching, scheduling, traffic priorities, terminal congestion, density, or other matters that could affect or relate to operating efficiency; and

(b) operation of BN/Santa Fe's trackage rights on lines in the Gulf/Eastern Area designated in the Operating Plan for primarily directional flows.

13. All documents, dating from January 1, 1990, to the present, relating to complaints or concerns about implementation of trackage rights by UP, including, but not limited to:

(a) complaints or concerns by other railroads (including, but not limited to, SP) possessing such rights over any segment of UP track;

(b) complaints or concerns by Shippers served by railroads having such rights;

(c) priorities given to UP and foreign trains on UP's computerized dispatching system (including, without limitation, the dispatching tables and/or priority tables for computer dispatching from UP's Harriman Center in Omaha); and

(d) changes in such priorities, dispatching tables, or priority tables.

14. All documents relating to proposed post-merger operations of all lines designated in the Operating Plan for "primarily directional flow," including, but not limited to, (a) lists of Shippers or documents sufficient to identify all Shippers on each line designated for primarily directional flow, (b) traffic volumes over each route, and (c) density charts showing BN/Santa Fe volumes added for such lines designated in the Operating Plan for primarily directional flow.

15. All documents relating to communications with any Shipper identified in response to Interrogatory No. 5, concerning

the directional traffic flows as described in the King/Ongerth V.S. and the Operating Plan.

16. All documents relating to the computer model referred to in the Operating Plan, including, but not limited to, (a) documents identifying who designed, programmed and/or ran the model and (b) documents relating to or discussing any assumptions included in the model.

17. All documents relating to investing in, upgrading, consolidating, controlling, reducing or closing any facility in Chicago, Memphis or St. Louis, including, but not limited to (a) reducing activities (such as switching and classification work) in the Proviso Yard; (b) expanding the facilities or increasing activities at the Canal Street Yard; and (c) controlling dispatching rights for the MacArthur Bridge in St. Louis.

18. All documents relating to scheduling, blocking or classification under the Operating Plan.

19. All documents relating to any discussions, negotiations or other communications with any labor organization about implementing the Operating Plan, including, but not limited to:

(a) any agreements related to the UP/SP merger reached between the Applicants and any labor organization (including, but

not limited to, the cost and timing and any anticipated difficulties in achieving such agreements); and

(b) any Analysis or discussion of the "necessary types of changes" in labor agreements as referred to in Appendix A of the Operating Plan; and

(c) any Analysis or discussion of the possible failure to reach the needed labor agreements referred to in the Operating Plan.

20. All documents relating to the cost and timing and any difficulties in achieving or implementing labor agreements related to UP's acquisition of control over CNW.

21. All documents relating to difficulties, problems or delays in achieving any efficiencies believed or represented to result from (a) UP's acquisition of control over CNW, or (b) the Proposed Transaction.

22. All documents relating to Analyses prepared by any person concerning SP's ability to raise capital through the sale of securities in any capital market or borrowing, including, but not limited to, documents relating to the cost of any such capital.

23. All documents relating to any projections by SP of its capital investment needs for fiscal years from 1995 on,

including, but not limited to, documents relating to all estimates of capital needs set forth in the Verified Statement of Lawrence C. Yarberry ("Yarberry V.S.").

24. All documents (a) sufficient to support and explain the calculations of SP operating income and operating ratio set out in the Yarberry V.S. (see, e.g., pages 256-60, 274-77, 283-84), and (b) relating to any projections of SP's operating income and operating ratio for fiscal year 1995 and future years.

25. All documents relating to any Analysis by anyone (including, but not limited to, investment bankers, financial consultants, or others) concerning SP's ability to compete in light of future capital needs.

26. All documents relating to any Analysis of competition provided by SP on Gulf/Eastern Area routes, including, but not limited to, any Analyses of SP's service or performance in the Gulf/Eastern Area, and customer surveys, letters, comments, or complaints of or from Shippers in the Gulf/Eastern Area.

27. All documents relating to the privatization of any railroad in Mexico, including, but not limited to (a) documents relating to any interest of either or both of the Applicants in

acquiring any interest in, or asset of, any privatized Mexican railroad, (b) documents relating to any discussion between either or both Applicants and any Mexican official or national relating to the privatization of any Mexican railroad or the applicants' interest in any such railroad, or (c) documents relating to any discussion between either or both Applicants and any other railroad relating to the privatization of any Mexican railroad or the Applicant's interest in any such railroad.

28. All documents relating to the effects of the UP/SP merger on service to and from Mexican gateways, including, but not limited to, any interrelationship or connections between such effects and privatization of Mexican railroads.

29. All documents relating to communication or discussions between the Applicants and Shippers regarding post-merger pricing of rail services in the Gulf/Eastern Area, including, but not limited to, any agreements reached between Applicants and any Shipper concerning price arrangements (including long-term price arrangements).

30. All documents relating to the statement contained in a letter from Don C. Orris to the National Industrial Transportation League as reported in the December 4, 1995, issue of Traffic World (at page 51) that Conrail, should it file an inconsistent application seeking to buy SP's Gulf/Eastern Area

lines, would open itself to "others seeking offsetting market access from Conrail."

31. All documents relating to conditions under which the agreement to merge might be terminated, pursuant to Article VII of the Agreement and Plan of Merger or otherwise.

INTERROGATORIES

1. Identify any of the Applicants' employees, agents, consultants, or any other personnel who were primarily responsible for drafting or preparing the operating plan for railroad operations following UP's acquisition of control over CNW.

2. Identify any of the Applicants' employees, agents, consultants, or any other personnel who were primarily responsible for designing, programming and/or running the computer model referred to in the Operating Plan.

3. Identify any assumptions included in the computer model referred to in the Operating Plan.

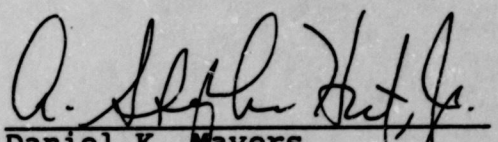
4. Identify any persons (whether or not employees or officers of the Applicants) who have communicated, directly or indirectly, to Don C. Orris or any other person employed by Applicants concerning the statement made by Mr. Orris in a letter to the National Industrial Transportation League, as reported in the December 4, 1995, issue of Traffic World, that Conrail, should it file an inconsistent application seeking to buy SP's Gulf/Eastern Area lines, would open itself to "others seeking offsetting market access from Conrail."

5. Identify all Shippers on routes that would be "primarily directional," as described in the King/Ongerth V.S. and the Operating Plan, including, but not limited to, all on-line customers on such lines designated in the Operating Plan for primarily directional flow. (Applicants may produce documents pursuant to Request No. 15 sufficient to identify all such Shippers in lieu of responding to this Interrogatory.)

6. With respect to each Shipper who submitted a Verified Statement contained in Volume 4 of the Application, state

(a) Whether such Shipper uses rail transport;

(b) Whether such Shipper ships freight on UP or SP, and, if so (i) the approximate percentage of its freight so shipped and (ii) over which UP or SP routes such freight is shipped.



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

Daniel K. Mayers
William J. Kolasky, Jr.
A. Stephen Hut, Jr.
Steven P. Finizio
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037

CERTIFICATE OF SERVICE

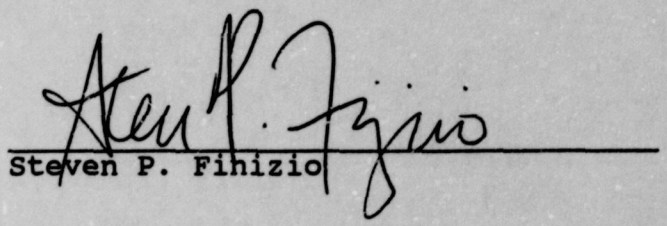
I certify that on this 22nd day of December, 1995, a copy of the foregoing Consolidated Rail Corporation's First Requests to Applicants for the Production of Documents and First Set of Interrogatories to Applicants was served by hand delivery to:

Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2215
12th St. & Constitution Ave., N.W.
Washington, D.C. 20423

Arvid E. Roach II
S. William Livingston, Jr.
Michael L. Rosenthal
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044

Paul A. Cunningham
Richard B. Herzog
James M. Guinivan
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

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



Steven P. Finizio

STB FD-32760 12-18-95 I ID-60632

40632

LAW OFFICES
ZUCKERT, SCOUTT & RASENBERGER, L.L.P.
888 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-3939
TELEPHONE : (202) 298-8660
FACSIMILES: (202) 342-0683
(202) 342-1316

Item No. _____
Page Count 4
Dec 4 124

December 18, 1995

Via Hand Delivery

Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2215
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

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

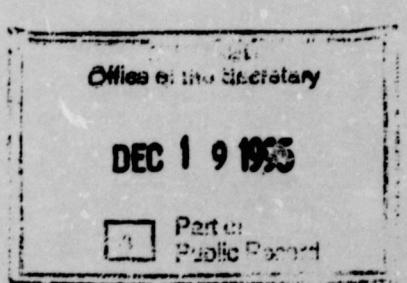
Dear Secretary Williams:

Enclosed are twenty-one copies of TM-4, The Texas Mexican Railway Company's First Interrogatories to Applicants, and TM-5, The Texas Mexican Railway Company's First Request to Applicants for the Production of Documents. Also enclosed is a 3.5" floppy computer disc containing a copy in Wordperfect 5.1 of the two filings.

Sincerely,

Richard A. Allen

cc: The Honorable Judge Nelson
All Parties on the
Restricted Service List



BEFORE THE
INTERSTATE COMMERCE COMMISSION

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

THE TEXAS MEXICAN RAILWAY COMPANY'S FIRST REQUEST TO APPLICANTS FOR PRODUCTION OF DOCUMENTS

Pursuant to 49 C.F.R. Part 1114.21 and 1114.30, The Texas Mexican Railway Company ("Tex Mex") serves the following request for production of documents on Applicants.

DEFINITIONS

The Definitions stated in Tex Mex's First Interrogatories to Applicants are incorporated herein by reference.

INSTRUCTIONS

1. Applicants should produce the documents requested herein within 15 days of the receipt of these requests.

2. If objection to any specific request is made, the reasons therefore should be stated.

3. If no documents satisfy any specific request, Applicants should so state.

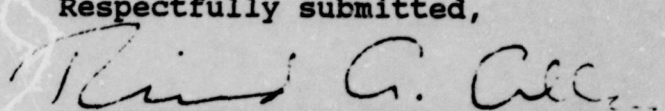
4. If documents that would have satisfied any specific request existed at any time, but no longer exist, Applicants should so state, state the nature and content of the documents, and the date and circumstances of the destruction of said documents.

5. If in response to a specific document request Applicants place any document requested into a document depository or refer to any document already located within a document depository, Applicants should specifically identify the document, its location within the document depository and the corresponding specific interrogatory to which it is responsive.

REQUEST

Please produce every document identified by Applicants in response to Interrogatory Nos. 1-23 of the Texas Mexican Railway Company's First Interrogatories to Applicants (TM-4).

Respectfully submitted,



Richard A. Allen
Andrew R. Plump
John V. Edwards
ZUCKERT, SCOUTT & RASENBERGER, LLP
888 Seventeenth Street, NW
Suite 600
Washington, DC 20006-3939
202/298-8660

Attorneys for Texas Mexican Railway

Dated: December 18, 1995

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing TM-4, The Texas Mexican Railway Company's First Interrogatories to Applicants, and TM-5, The Texas Mexican Railway Company's First Request to Applicants for the Production of Documents by hand upon the following persons:

Arvid E. Roach II
J. Michael Hemmer
Michael L. Rosenthal
Covington & Burling
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044-7566

I have also served by first class U.S. mail, postage pre-paid, all persons on the Restricted Service List and the Honorable Judge Nelson.

Dated: December 18, 1995

John V. Edwards
Zuckert, Scoutt
& Rasenberger, L.L.P.
Brawner Building
888 17th Street, N.W.
Washington, D.C. 20006-3959
(202) 298-8660

STB FD-32760 11-17-95 I ID-60424

60424

Item No. _____

Page Count 2

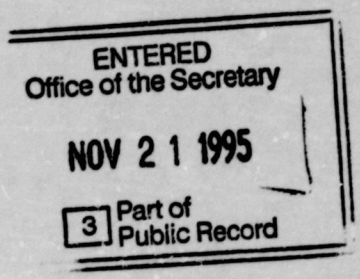
Nov # 119

Anchor Glass Container

One Anchor Plaza
4343 Anchor Plaza Pkwy.
Tampa, FL 33634

November 14, 1995

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



RE: Finance Docker No. 32760, Union Pacific Corp., et al
Control & Merger Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United States and Mexico. The Laredo/Nueco Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of 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 has competed for our 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.

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agrees to give certain trackage rights to the new Burlington Northern Santa Fe

Anchor Glass Container

One Anchor Plaza
4343 Anchor Plaza Pkwy.
Tampa, FL 33634

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 tracking rights to TexMex allowing service to Houston.

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

Very truly,

David L. Case
Director Transportation Logistics

STB FD-32760 11-13-95 I ID-60405

60405

Item No. _____

Page Count 8

Nov. 78

TROUTMAN SANDERS

ATTORNEYS AT LAW

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

601 PENNSYLVANIA AVENUE, N.W.
SUITE 640
NORTH BUILDING
WASHINGTON, D.C. 20004
TELEPHONE: 202-274-2950
FACSIMILE: 202-274-2994

WILLIAM A. MULLINS

DIRECT: 202-274-2953

November 13, 1995

HAND DELIVERED

Mr. Vernon A. Williams
Interstate Commerce Commission
Case Control Branch
Room 1324
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are an original and twenty copies of Kansas City Southern Railway's First Interrogatories to Applicants (KCS-7) and First Requests for Admission to the Applicants (KCS-8).

Also enclosed is a 3.5 inch Word Perfect diskette containing the text of KCS-7 and KCS-8.

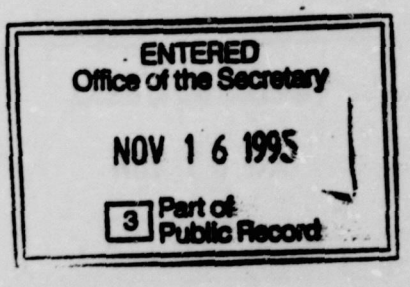
Sincerely yours,

William A. Mullins (by HCM)

William A. Mullins

Enclosures

cc: Arvid E. Roach, II, Esq. (w/diskette)
Office of Proceedings (2 copies)
The Honorable Jerome Nelson
All Parties of Record



ORIGINAL

KCS-8

BEFORE THE
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760

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

KANSAS CITY SOUTHERN RAILWAY COMPANY'S
FIRST REQUESTS FOR ADMISSION TO APPLICANTS

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

John R. Molm
Alan E. Lubel
William A. Mullins
Troutman Sanders LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2609
Tel: (202) 274-2950
Fax: (202) 274-2994

November 13, 1995

KCS-8

BEFORE THE
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760

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

KANSAS CITY SOUTHERN RAILWAY COMPANY'S
FIRST REQUESTS FOR ADMISSION TO APPLICANTS

Pursuant to 49 C.F.R. §§ 1114.21 and 1114.27, Kansas City Southern Railway Company ("KCS") serves the following requests for admission on Applicants.

DEFINITIONS

1. "BN" means Burlington Northern, Inc. and Burlington Northern Railroad Company, individually and collectively.

2. "Santa Fe" means Santa Fe Pacific Corporation and The Atchison Topeka and Santa Fe Railway Company, individually and collectively.

3. "BNSF" means BNSF Corporation or the legal entity resulting from the BN/Santa Fe merger.

4. "SP" means Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company, individually and collectively.

5. "UP" means Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company, individually and collectively.

INSTRUCTIONS

1. Applicants BN and Santa Fe shall fill a written answer or objection as to the truth of each of the matters set forth below.

2. The responses shall be signed by the Applicants or their representative or their counsel.

3. Applicants' responses should be filed with the Commission and served upon counsel for KCS not less than 15 days after service.

4. If objection is made, the reasons therefore should be stated.

5. If Applicants do not admit any of the requests, each answer should specifically deny the matter or set forth in detail the reasons why the Applicant cannot truthfully admit or deny the matter.

6. A denial should fairly meet the substance of the requested admission, and when good faith requires that Applicants qualify their answer or deny only a part of the matter of which the admission is requested, they shall specify so much of it as is true and qualify or deny the remainder.

7. Applicants may not give lack of information or knowledge as a reason for failure to admit or deny unless they state that they have made reasonable inquiry and that the information known or readily obtainable by them is insufficient to enable them to admit or deny.

8. If Applicants consider a matter of which admission as been requested presents a genuine issue for hearing, they may not, on that ground alone, object to the request. Rather, subject to the provision of 49 C.F.R. § 1114.31, Applicants may deny the matter or set forth reasons why they cannot admit or deny.

REQUESTS

Please admit the following:

1. That prior to September 1994, UP and SP engaged in discussions about a possible merger of their respective railroads.

2. That on September 8, 1994, UP and SP signed a confidentiality agreement between themselves concerning their merger discussions and the information exchanged in those discussions.

3. That on October 13, 1994, Burlington Northern, Inc., Burlington Northern Railroad Company, Santa Fe Pacific Corporation, The Atchison Topeka and Santa Fe Railway Company and BNSF Corporation filed an application under 49 U.S.C. § 11343-45 for Burlington Northern, Inc.'s acquisition of control of and merger with Santa Fe Pacific Corporation, the resulting common control of Burlington Northern Railroad Company and The Atchison Topeka and Santa Fe Railway Company by the merged company, the consolidation of Burlington Northern Railroad Company and The Atchison Topeka and Santa Fe Railway Company railroad operations and the merger of Burlington Northern Railroad Company and The Atchison Topeka and Santa Fe Railway Company.

4. That on March 10, 1995, UP filed discovery requests in the BN/Santa Fe merger proceeding that were directed to the anti-competitive impact of the proposed merger.

5. That on April 10, 1995, SP filed its Description of Anticipated Responsive Applications in the BN/Santa Fe merger proceeding contending that the proposed BN/Santa Fe merger would have "significant anticompetitive effects."

6. That prior to April 7, 1995, UP and SP had engaged in discussions concerning a possible UP/SP merger, which discussions in fact began as early as September 1994.

7. That prior to April 7, 1995, UP engaged in discussions with BN and Santa Fe concerning a potential agreement whereby UP would withdraw its opposition to the BN/Santa Fe merger.

8. That in discussions between UP and BN and Santa Fe prior to April 7, 1995, these entities discussed the possibility of a merger between UP and SP.

9. That in discussions between UP and BN and Santa Fe prior to April 7, 1995, these entities discussed the possibility that if UP would withdraw its opposition to the BN/Santa Fe

merger, BN/Santa Fe might reach an agreement with UP and SP and not oppose a subsequent attempt by UP and SP to obtain approval for a UP/SP merger.

10. That prior to April 13, 1995, SP engaged in discussions with BN and Santa Fe concerning a potential agreement whereby UP would withdraw its opposition to the BN/Santa Fe merger.

11. That in discussions between SP and BN and Santa Fe prior to April 13, 1995, these entities discussed the possibility of a merger between UP and SP.

12. That in discussions between SP and BN and Santa Fe prior to April 13, 1995, these entities discussed the possibility that if SP would withdraw its opposition to the BN/Santa Fe merger, BN/Santa Fe might reach an agreement with UP and SP and not oppose a subsequent attempt by UP and SP to obtain approval for a UP/SP merger.

13. That prior to April 7, 1995, UP engaged in discussions with BN, Santa Fe, and SP regarding UP's withdrawal of its request for trackage rights in the Denver/Ft. Worth corridor.

14. That on or by April 7, 1995, UP reached a settlement agreement with BN and Santa Fe which led UP to withdraw its opposition to the BN/Santa Fe merger.

15. That on or by April 13, 1995, SP reached a settlement agreement with BN and Santa Fe which led SP to take "no position" on the BN/Santa Fe merger.

16. That on July 17, 1995, UP and SP signed a confidential agreement to merge.

17. That on July 19, 1995, oral argument was held before the ICC on the BN/Santa Fe merger; and a Commission voting conference on this proposed merger was held on July 20, 1995.

18. That on August 3, 1995, UP and SP publicly announced their merger.

19. That on August 4, 1995, UP and SP filed their Notice of Intent to File Railroad Control Application (ICC Finance Docket No. 32760).

20. That on August 23, 1995, the Commission issued its Decision in the BN/Santa Fe proceeding approving of that merger (ICC Docket Decision No. 38).

21. That on September 25, 1995, in connection with the UP/SP proposed merger (Finance Docket No. 32760), UP and SP entered into a settlement agreement with BN and Santa Fe pursuant to which UP and SP would give or sell BNSF trackage rights over more than 4,000 miles f the UP/SP system following the UP/SP merger transaction. As part of this settlement agreement, BN and Santa Fe agreed not to oppose UP's proposed acquisition of SP.

22. That UP and BN and Santa Fe had discussed the possibility of such a "comprehensive" agreement before April 13, 1995.

23. That SP and BN and Santa Fe had discussed the possibility of such a "comprehensive" agreement before April 13, 1995.

Respectfully submitted this 13th day of November, 1995.

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

John R. Molm
Alan E. Lubel
William A. Mullins
Troutman Sanders, LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2608
Tel: (202) 274-2950
Fax: (202) 274-2994

Attorneys for The Kansas City Southern
Railway Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "First Requests for Admission to Applicants" was served this 13th day of November, 1995, by hand-delivery, facsimile, or overnight delivery on the ICC, counsel for Applicants, the United States Secretary of Transportation, the Attorney General of the United States, and counsel for all other known parties of record.

Attorney for The Kansas City Southern
Railway Company

STB FD-32760 11-13-95 I ID-60404

Item No. _____

Page Count 4

Nov. 77

TROUTMAN SANDERS

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

601 PENNSYLVANIA AVENUE, N.W.
SUITE 640
NORTH BUILDING
WASHINGTON, D.C. 20004
TELEPHONE: 202-274-2950
FACSIMILE: 202-274-2994

WILLIAM A. MULLINS

DIRECT: 202-274-2953

November 13, 1995

HAND DELIVERED

Mr. Vernon A. Williams
Interstate Commerce Commission
Case Control Branch
Room 1324
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

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

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are an original and twenty copies of Kansas City Southern Railway's First Interrogatories to Applicants (KCS-7) and First Requests for Admission to the Applicants (KCS-8).

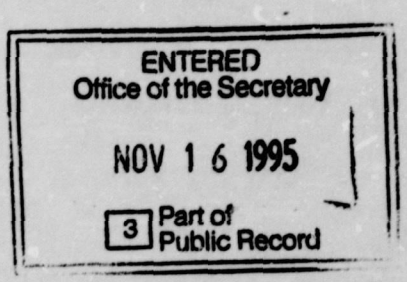
Also enclosed is a 3.5 inch Word Perfect diskette containing the text of KCS-7 and KCS-8.

Sincerely yours,

William A. Mullins (by HCM)

William A. Mullins

Enclosures
cc: Arvid E. Roach, II, Esq. (w/diskette)
Office of Proceedings (2 copies)
The Honorable Jerome Nelson
All Parties of Record



ORIGINAL

KCS-7

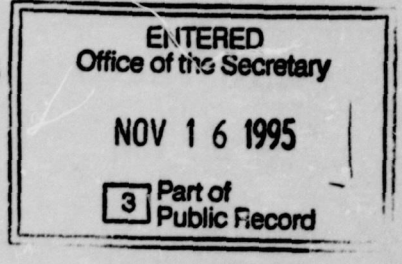
BEFORE THE
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760

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

KANSAS CITY SOUTHERN RAILWAY COMPANY'S
FIRST INTERROGATORIES TO APPLICANTS

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227



John R. Molm
Alan E. Lubel
William A. Mullins
Troutman Sanders LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2609
Tel: (202) 274-2950
Fax: (202) 274-2994

November 13, 1995

KCS-7

BEFORE THE
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 32760

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

KANSAS CITY SOUTHERN RAILWAY COMPANY'S
FIRST INTERROGATORIES TO APPLICANTS

Pursuant to 49 C.F.R. §§ 1114.21 - 1114.31, The Kansas City Southern Railway Company directs the following interrogatories to Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company and to Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company, collectively referred to as "Applicants."

THE RAILROAD ENTITIES

1. "Applicants" means Union Pacific Corporation, Union Pacific Railroad Company, Missouri Pacific Railroad Company, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company, individually and collectively, together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including, but not limited to UP Acquisition Corporation, Union Pacific Holdings Corp., Chicago & North Western Railway Company, Phiip F. Anschutz and The Anschutz Corporation.

2. "BN" means the Burlington Northern Railroad Company.

3. "BNI" means Burlington Northern Inc.

4. "CNW" means Chicago and North Western Railway Company.

5. "BNSF" means BNSF Corporation or the entity resulting from the merger of BNI and BN with SFP and Santa Fe.

6. "DRGW" means The Denver and Rio Grande Western Railroad Company.

7. "KCS" means The Kansas City Southern Railway Company.

8. "Santa Fe" means The Atchison, Topeka and Santa Fe Railway Company.

9. "SFP" means Santa Fe Pacific Corporation.

10. "SLSRC" means St. Louis Southwestern Railway Company.

11. "SPRC" means Southern Pacific Rail Corporation.

12. "SPTC" means Southern Pacific Transportation Company.

13. "SPCSL" means SPCSL Corp.

14. "SP" means all SPRC entities individually and collectively, *i.e.*, Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company, together with any parent, subsidiary or affiliated corporation, partnership or other person or legal entity, including, but not limited to Philip F. Anschutz and The Anschutz Corporation.

15. "UPC" means Union Pacific Corporation.

16. "UPRC" means Union Pacific Railroad Company.

17. "MPRC" means Missouri Pacific Railroad Company.

18. "UP" means all UPC entities individually and collectively, *i.e.*, Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company, together with any parent, subsidiary or affiliated corporation, partnership or other legal entity, including, but not limited to UP Acquisition Corporation, Union Pacific Holdings Corp., and Chicago & North Western Railway Company.

19. "UP Acquisition" means UP Acquisition Corporation, an indirect wholly-owned subsidiary of Union Pacific Corporation.

DEFINITIONS

1. The "Agreement and Plan of Merger" means the August 3, 1995 Agreement referred to on page 2 of the Applicants' Notice of Intent to File Application (UP/SP-1 at 2).

2. "BN/SF Agreement" refers to the agreement between UP and SP and BNSF relating to the proposed UP/SP merger that was announced in the Union Pacific News Release issued September 26, 1995, and was referred to by Applicants in their Reply to Comments on Proposed Schedule (UP/SP-14) submitted September 28, 1995.

3. "Commission" or "ICC" means the Interstate Commerce Commission.

4. "Competition" includes both intramodal and intermodal competition and, where applicable, includes source competition.

5. "Consolidated System" means the integrated rail system after the Transaction (as defined below), or to the entity created by the merger proposed by Applicants.

6. "Describe" when used in relation to a discussion, meeting or other communication means to identify the participants, the date or time period when the communication took place, the location of the participants at the time of the communication and a detailed summary of the content of the communications.

7. "Document" means any writing or other compilation of information, whether printed, typed, handwritten, recorded, or produced or reproduced by any other process, including: intra-company 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 meetings; records 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 basic 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 Applicants and documents in the possession, custody, or control of consultants or others who have assisted Applicants in connection with the Transaction.

8. "Identify,"

a. when used in relation to an individual, means to state the name, address, and home and business telephone number of the individual, the job title or position and the employer of the individual at the time of the activity inquired of, and the last-known position and employer of the individual;

b. when used in relation to a corporation, partnership, or other entity, means to state the name of the entity and the address and telephone number of its principal place of business;

c. when used in relation to a document, means to:

(1) state the type of document (*e.g.*, letter, memorandum, report, chart);

(2) identify the author, each addressee, and each recipient; and

(3) state the number of pages, title, and date of the document;

d. when used in relation to an oral communication or statement, means to:

(1) identify the person making the communication or statement and the person, persons, or entity to whom the communication or statement was made;

(2) state the date and place of the communication or statement;

(3) describe in detail the contents of the communication or statement; and

(4) identify all documents that refer to, relate to or evidence the communication or statement;

e. when used in any other context means to describe or explain.

9. "Including" means including without limitation.

10. "Person" means an individual, company, partnership, or other entity of any kind.

11. "Provide" (except where the word is used with respect to providing service or equipment) or "describe" means to supply a complete narrative response.

12. "Rates" include contract rates and tariff rates.

13. "Relating to" a subject means making a statement about, referring to, or discussing the subject, including, as to actions, any decision to take, not take, defer, or defer decision, and including, as to any condition or state of affairs (*e.g.*, competition between carriers), its absence or potential existence.

14. "Revenue share" means any share of revenue on traffic interchanged with another railroad, including contractual revenue shares, joint rates, proportional rates, and multiple independent factor rates.

15. "Shipper" means a user of rail services, including a consignor, a consignee, or a receiver.

16. "STCC" means Standard Transportation Commodity Code.

17. "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.

18. "This proceeding" means Finance Docket No. 32760 and any sub-dockets that may be established.

19. "Transaction" means the actions for which approval is sought by the Applicants, as described at UP/SP-1 including

a. the acquisition of control of SPR by UP Acquisition;

b. the merger of SPR into UPRC; and

c. the resulting common control of UP and SP by UPC or any one of such actions or any combination of such actions, and any related transactions.

20. "Western Class ! Railroad" means any of the following: BN, Santa FE, CNW, Illinois Central Railroad Company, KCS, and Soo Line Railroad Company.

21. References to railroads, shippers, and other companies (including Applicants) include: parent companies; subsidiaries; controlled, affiliated, and predecessor firms; divisions; subdivisions; components; units; instrumentalities; partnerships; and joint ventures.

22. Unless otherwise specified, all uses of the conjunctive include the disjunctive and vice versa, and words in the singular include the plural and vice versa.

INSTRUCTIONS

1. Each interrogatory should be answered separately and fully in writing, unless it is objected to, in which event the reasons for objection should be stated in lieu of an answer. The answers are to be signed under oath by the person making them. Objections are to be signed by the representative or counsel making them. A copy of the answers and objections should be served upon the undersigned counsel for KCS within fifteen (15) days after the date of service.

2. Applicants should contact the undersigned immediately to discuss any objections or questions with a view to resolving any dispute or issues of interpretation informally and expeditiously.

3. Unless otherwise specified, these discovery requests cover the period beginning January 1, 1993, and ending with the date of response.

4. If Applicants have information that would permit a partial answer to any interrogatory, but they would have to conduct a special study to obtain information necessary to provide a more complete response to that interrogatory, and if the burden of conducting such special study would be greater for Applicants than for KCS, then:

a. state that fact;

b. provide the partial answer that may be made with information available to Applicant;

c. identify such business records, or any compilation, abstract, or summary based thereon, as will permit KCS to derive or ascertain a more complete answer; and

d. as provided in 49 C.F.R. § 1114.26(b), produce such business records, or any compilation, abstract, or summary based thereon, as will permit KCS to derive or ascertain a more complete answer.

5. If the information sought in a particular interrogatory is contained in existing documents, those documents may be specifically identified, and pursuant to 49 C.F.R. § 1114.26(b), Applicants may produce legible, complete and exact copies thereof so long as the original documents are retained and will be made available if requested; however, the documents shall be produced within the time provided for responding to these interrogatories and shall be identified as being responsive to that particular interrogatory. In such case, the copies should be sent by expedited delivery to the undersigned attorneys. KCS will pay all reasonable costs for duplication and expedited delivery of documents to its attorneys.

6. If Applicants' reply to any interrogatory includes a reference to the Application to be filed in this proceeding, such response shall specify the volume(s) and exact page number(s) of the Application where the information is contained.

7. If any information or document is withheld on the ground that it is privileged or otherwise not discoverable,

a. identify the information or document (in the manner provided in Definition 8 *supra*); and

b. state the basis for the claim that it is privileged or otherwise not discoverable.

8. Where any interrogatory or document request refers to "Applicants" or to any "Applicant," and the response for one applicant would be different from the response for other applicants, give separate responses for each applicant.

9. In responding to any request for data regarding intermodal traffic, indicate separately data for trailers and for containers.

10. If either Applicant knows or later learns that its response to any interrogatory is incorrect, it is under a duty seasonably to correct that response.

11. Pursuant to 49 C.F.R. § 1114.29, Applicants are under a duty seasonably to supplement their responses with respect to any questions directly addressed to the identity and locations of persons having knowledge of discoverable matters.

INTERROGATORIES

1. Describe the discussions that led to the Agreement and Plan of Merger. This description should include when the discussions first took place, the date and manner of subsequent discussions, the identity of the persons participating in those discussions, and a description of all documents that refer to, relate to or evidence such discussions.

2. Describe all presentations made to or by any of the Applicants, including their officers or Board of Directors, whether generated in-house or by outside consultants (such as presentations or analyses presented by or to investment bankers or others), (a) that discuss the advantages or disadvantages of the Transaction generally or (b) that discuss the competitive impact of the Transaction on Applicants and/or any of their shippers or shipper groups (served by one or the other or jointly), and/or any Western Class I Railroads and/or their shippers or shipper groups, or (c) that discuss market shares, competition, competitors, markets, traffic growth, revenue increases, revenue share increases, rate increases, or expansion into product or geographic markets resulting from the Transaction, and identify all documents that refer to, relate to or evidence the presentations referred to in your response.

3. Identify all public statements, speeches, press releases, advertisements, letters, publications, testimony, filings with the ICC or the Securities and Exchange Commission or any other state or federal agency, presentations to securities analysts, communications to stockholders, presentations and communications to members of Congress and their staffs, presentations and communications to members of the ICC and their staffs, and communications distributed to employees, made by any Applicant or any of their officers with the rank of Vice President or above, or by any of their directors, or by any person or entity holding five percent (5%) or more of the shares of any Applicant, or by any attorney or financial advisor of any Applicant, relating (a) to this

proceeding, (b) to the Transaction, (c) to proposed mergers or consolidations of UP or SP with each other or with any other Western Class I Railroad or with any other entity that controls one or more railroads, or (d) to UP's or SP's actual, planned, or anticipated growth or expansion.

4. Identify all documents relating to the Transaction that have been sent to shippers, the U.S. Department of Justice, the Federal Trade Commission, the U.S. Department of Transportation, or any state or local government body or agency, including, but not limited to, documents relating to the effects of the Transaction on competition or documents used in communicating about the Transaction with shippers, the U.S. Department of Justice, the Federal Trade Commission, the U.S. Department of Transportation, or any state or local government body or agency.

5. Identify all communications between Applicants or among Applicants and any third party (such as accountants, investment bankers, financial advisors, securities or financial analysts or consultants) relating to the Transaction, including: (a) any benefits, synergies, or efficiencies relating to the Transaction, (b) the fairness to Applicants' shareholders of any agreement relating to the Transaction, (c) the application of pooling or purchase accounting treatment to the Transaction, and/or (d) the projected effect of the increased cost of the Transaction on the Applicants' financial condition; and identify all documents that refer to, relate to or evidence the communications referred to in your response.

6. Identify all documents that refer to, relate to or evidence the Applicants' respective quarterly meetings with securities and financial analysts, including transcriptions of the meetings, presentations made at the meetings, and any documents prepared for, during, or as a result of such meetings.

7. Identify all documents relating to any allegation or suggestion that the terms of the Transaction may be unfavorable to shareholders of any of the Applicants.

8. Identify all documents that discuss actions that the Applicants will or may be able to take legally after consummation of the Transaction as a result of the immunity under 49 U.S.C. § 11341(a) from the antitrust laws.

9. Identify all correspondence between Applicants or with any other railroads regarding any potential rail merger or acquisition, including, but not limited to, (a) possible negotiated conditions relating to the instant merger or the BN/Santa FE merger; (b) the competitive impact of either merger; (c) UP's withdrawal of its opposition to the BN/Santa Fe merger; (d) UP's withdrawal of its bid for Santa Fe and/or SFP; (e) UP's withdrawal of its bid for the Denver-Forth Worth trackage rights in the BN/Santa Fe proceeding; or (f) the merger or acquisition in whole or part of any other Class I Railroad.

10. Identify each railroad with whom either Applicant discussed the competitive effects of the UP/SP merger, the dates of such discussions, and the participants in such discussions; and identify all documents that refer to, relate to or evidence such discussions. This request includes, but is not limited to, the "about a dozen railroads . . . with the exception of the eastern railroads . . ." referred to in the September 26, 1995 UP Teleconference with financial analysts.

11. Identify all documents relating to the possible imposition by the Commission of conditions on the approval of the Transaction, including the possible reasons why the Commission might impose such conditions and the revenue and traffic impacts of the conditions.

12. Describe the course of negotiations through which the BN/SF Agreement was reached, including, but not limited to, (a) the dates of each meeting, conference or communication leading up to the Agreement, (b) the identity of each participant, (c) where any meetings or conferences took place and (d) the identity of each document that refers to, relates to, or evidences such communications.

13. Identify all studies, analyses, and reports, including all work papers related thereto, and other communications (including prior agreements) between and among the railroads involved that relate to, led up to or formed the basis for the BN/SF Agreement.

14. Identify all studies, analyses and/or reports undertaken by either Applicant or by outside consultants, such as investment bankers, economists, or others, that relate to the BN/SF Agreement, and/or to the competitive impact of (a) the UP/SP merger; (b) the proposed UP/Santa Fe merger; and/or (c) the Burlington Northern/Santa Fe merger. This request includes, but is not limited to, (a) studies quantifying the benefits of the Transaction, (b) studies quantifying the expected costs of the Transaction resulting from conditions requested by other carriers, and (c) studies quantifying the difference between the Applicants' original anticipated costs and the costs anticipated in light of the BN/SF Agreement.

15. Identify any agreements, understandings, or arrangements between any of the Applicants and BNI, BN, SFP, Santa Fe or BNSF (a) reached in connection with the abandonment by UP or SP of their attempt to oppose the BN/SF merger, including the withdrawal by UP and SP of their opposition to the BN/SF merger, or (b) relating to any conditions sought by BN, BNI, SFP, Santa Fe or BNSF as to the Transaction; and identify all documents that refer to, relate to or evidence the agreements, understandings, or arrangements referred to in your response. If there are no such agreements, understandings, or arrangements, describe in detail any discussions or negotiations regarding the possibility of such agreements, and identify any documents that refer to, relate to or evidence such negotiations or discussions.

16. Identify all documents received by any of the Applicants from BN, BNI, SFP, Santa Fe or BNSF relating to the potential benefits or competitive effects of the Transaction.

17. Identify each trackage rights agreement to which any Applicant (or its predecessor in interest) is a party that involves tracks as to which the Applicant has granted, assigned or sold trackage rights or tracks to BNSF. Your response should include agreements as to which the Applicant (or its predecessor in interest) is either the grantor or the grantee of the trackage rights and agreements entered into prior to January 1, 1993.

18. Identify each trackage rights agreement between any Applicant and BNSF that grants, assigns or sells to BNSF trackage rights that the Applicant acquired by virtue of one of the agreements identified in your response to interrogatory no. 17.

19. Identify all documents that refer to, relate to or evidence agreements that grant, assign or sell to SP operating rights of any kind as to the following: (a) the Galveston, Houston and Henderson Railroad between Houston and Galveston; (b) the Santa Fe between Forth Worth and Kansas; (c) the Soo Line between Kansas City and Chicago; (d) BN between Kansas and Chicago; and (e) UP between Denver and Kansas City. This interrogatory includes agreements prior to January 1, 1993 and includes, but is not limited to, settlement agreements and trackage rights agreements, together with all amendments or modifications thereto.

20. Identify all documents, including correspondence, agreements, arrangements, understandings, studies, analyses and reports, that discuss competition between or among any of the Applicants for any traffic.

21. Identify each instance of a shipper on a UP line having requested lower rates in order to compete with a shipper on an SP line and vice versa, and identify all documents that refer to, relate to or evidence the requests referred to in your response.

22. Identify all documents, including correspondence, memos (internal and external), notes of meetings or conversations or other documents, that refer to, relate to or evidence negotiations or other communications with shippers in which the shipper sought to obtain either (1) lower rates or other adjustments to the transportation contract or tariff or (2) improved service, based on the fact that one of the Applicants provided an alternative means of transportation or represented an alternative carrier to another of the Applicants.

23. Identify all correspondence to or from any Applicant and any shipper (other than correspondence identified in response to a prior interrogatory) relating to (a) the Transaction or (b) the BN/Santa Fe merger.

24. For the twenty-five largest central Kansas grain shippers served by either Applicant, identify all correspondence regarding rates or service for each commodity for each origin and destination pair from January 1, 1990, through and including the date of your response.

25. Identify all documents that refer to, relate to or discuss competition, impacts on competition or reduction in competition resulting from the Transaction or from the BN/Santa Fe merger. This request includes, but is not limited to, UP's "original evaluation of Southern Pacific [and] the competitive concessions that [UP] felt [it was] going to have to give up," referenced in the September 26, 1995 UP Teleconference with financial analysts.

26. Identify all shipper facilities to which both UP and SP have the right to quote rates without the concurrence of the other, or through the existing advance concurrence of the other by agreement, including points accessible directly or by means of trackage or switching rights, or any other means by which a railroad may serve points located on the line of another railroad, and identify all documents that refer to, relate to or evidence your response.

27. Describe all discussions relating to the possibility of constructing a new rail line in order to give SP access, in competition with UP, to a shipper served by UP, by identifying the dates, locations, and participants in such discussions, the identities of the affected shippers and all documents that refer to, relate to or evidence such discussions.

28. Describe all discussions relating to the possibility of constructing a new rail line in order to give UP access, in competition with SP, to a shipper served by SP, by identifying the dates, locations, and participants in such discussions, the identities of the affected shippers, and all documents that refer to, relate to or evidence such discussions.

29. Identify, by shipper, origin and destination, and five-digit STCC code, any traffic as to which UP and SP have bid against each other, including the dates and results of the bidding, where the revenues at issue were in excess of $250,000 annually to either Applicant, and identify all documents that reflect the traffic referred to in this response.

30. Identify all documents in the possession, custody or control of any Applicant that refer to, relate to or evidence the anticipated ability of the Consolidated System to respond to or deter rate reductions by any other Western Class I Railroad.

31. Identify all documents that refer to or relate to anticipated or potential changes in rates if the Transaction is implemented, including increases in contract or tariff rates for transportation or related services, increases in charges for equipment, reductions in shipper allowances or refunds, acceleration of increases under rate escalation clauses, and deferral of rate decreases under rate reduction clauses. Your response may exclude documents that do not relate to either Applicant's 150 largest shippers, measured by revenue in 1993 and 1994.

32. Describe the likely effect of the Transaction on the ability of Applicants to increase or maintain rates, and identify all traffic that would probably be affected by such increase or maintenance of rates, including all assumptions underlying your response to this interrogatory and the reasons why each Applicant believes such effects are likely, and identify all documents that refer to, relate to or evidence your response.

33. Describe all plans of Applicants relating to the extent of passthrough to shippers of any cost savings gained as a result of the Transaction, and identify all documents that refer to, relate to or evidence the passthrough of such savings. Your response may exclude plans that do not relate to either Applicants' 150 largest shippers, measured by revenue in 1993 and 1994.

34. Identify all studies, analyses and reports relating to (a) the ability of Applicants to retain in whole or in part any cost savings gained as a result of the Transaction, and not pass through such cost savings to shippers in the form of rate reductions or service improvements, (b) the allocation of such cost savings as between Applicants and shippers, and/or (c) the relative benefits to Applicants and to shippers of such cost savings.

35. Identify all documents that refer to, relate to or evidence Applicants' rate plans, rate forecasts, or rate strategies concerning any intermodal or intramodal service in the event the Transaction is implemented.

36. Describe all shipper or receiver surveys conducted by either Applicant from January 1, 1989, through December 31, 1994, including, but not limited to the date of each, the questions asked, the names of all shippers who responded, the responses given by each responding shipper, and identify all documents that refer to, relate to or discuss the survey based on conclusions reached by the party initiating the survey.

37. Identify the "Seven Governors" referred to as supporting the Transaction in the October 23, 1995 issue of *Traffic World* (pp. 22-23), together with all federal elected officials whom Applicants contend support the Transaction.

38. Identify each "shipper conference, conversation, etc." referred to in the September 26, 1995 UP Teleconference with financial analysts by stating the date, participants and an identification of all documents that refer to, relate to or evidence such communications. This request includes, but is not limited to (a) the meetings between shippers and Dick Davidson in Washington on September 25, 1995; (b) meetings with Ron Burns on September 26, 1995; (c) shippers who came to UP's offices on September 26, 1995; (d) the customers or customer groups solicited by SP's marketing team or other SP personnel; and (e) the shippers from whom Applicants received support letters.

39. State the name, address and job title or position of all individuals (a) with whom you consulted, or (b) who participated in preparation of your responses to these interrogatories, or (c) who have knowledge concerning the facts contained in your responses to these interrogatories.

40. Identify each document not identified in response to a prior interrogatory to which you referred or on which you relied in preparation of your responses to these interrogatories.

Respectfully submitted this 13th day of November, 1995.

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

John R. Molm
Alan E. Lubel
William A. Mullins
Troutman Sanders, LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2608
Tel: (202) 274-2950
Fax: (202) 274-2994

Attorneys for The Kansas City Southern
Railway Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "Kansas City Southern Railway Company's First Interrogatories to Applicants" was served this 13th day of November, 1995, by hand-delivery, facsimile, or overnight delivery on the ICC, counsel for Applicants, the United States Secretary of Transportation, the Attorney General of the United States, and counsel for all other known parties of record.

Attorney for The Kansas City Southern Railway Company