

STB

FD-32760

8-29-00

J

199621

LAW OFFICE

MCLEOD, WATKINSON & MILLER

MICHAEL R. MCLEOD
WAYNE R. WATKINSON
MARC E. MILLER
RICHARD T. ROSSIER
CHARLES A. SPITULNIK
RICHARD PASCO
PAUL D. SMOLINSKY

ONE MASSACHUSETTS AVENUE, N.W.
SUITE 800
WASHINGTON, DC 20001-1401
(202) 842-2345
TELECOPY (202) 408-7763

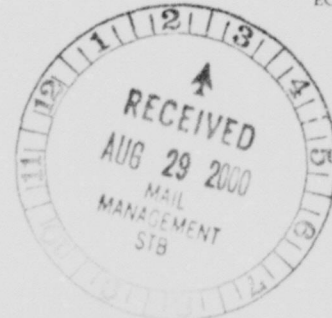
KATHRYN A. KLEIMAN
OF COUNSEL
(*Admitted in Virginia only)

ROBERT RANDALL GREEN
LAURA L. PHELPS
GOVERNMENT RELATIONS

STEPHEN FRERICHS
ECONOMIST

August 29, 2000

Honorable Vernon A. Williams
Office of the Secretary
Case Control Unit
Attn: STB Docket No. 32760 and 32760 (Sub-No. 21)
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001



ENTERED
Office of the Secretary

AUG 30 2000

Part of
Public Record

Re: Union Pacific Corporation, et al. - Control and Merger - Southern Pacific Rail Corporation, et al., Finance Docket No. 32760 - 199621

Union Pacific Corporation, et al. - Control and Merger - Southern Pacific Rail Corporation, et al., Finance Docket No. 32760 (Sub-No. 21) (Oversight)

Dear Sir:

I am enclosing an original and twenty-five (25) copies of a Notice of Change of Address. I am also enclosing a 3.5 inch diskette with this document.

In addition, I am enclosing one additional copy which I ask that you date-stamp and return to our messenger. Thank you.

Sincerely,

Charles A. Spitulnik

Enclosure

N:\spitulnik\letter to v. williams stb re 32760 address change.wpd

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 RAILROAD COMPANY, SPCSL CORP. AND THE
DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

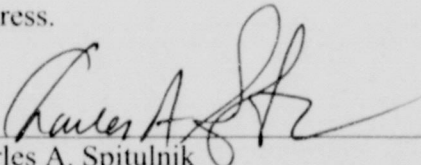
Finance Docket No. 32760 (Sub-No. 21)

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 RAILROAD COMPANY, SPCSL CORP. AND THE
DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY -- OVERSIGHT

NOTICE OF CHANGE OF ADDRESS

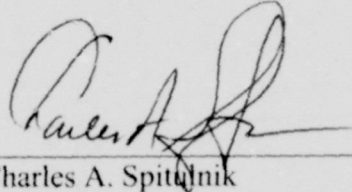
This is to notify this Board and all parties of record in the above-referenced proceedings of the change of address of undersigned counsel, who is counsel for the Intermountain Power Agency and the Southern California Regional Rail Authority in this proceeding. Please address all further correspondence, pleadings, notices and decisions in these proceedings to counsel at this address.

Dated: August 29, 2000


Charles A. Spitulnik
McLeod, Watkinson & Miller
One Massachusetts Avenue, N.W.
Suite 800
Washington, D.C. 20001
(202) 842-2345

CERTIFICATE OF SERVICE

I hereby certify that I have this 29th day of August, 2000, caused to be served a copy of the foregoing Notice of Change of Address by first class mail on all parties of record in this proceeding.

A handwritten signature in black ink, appearing to read "Charles A. Spitznik", written over a horizontal line.

Charles A. Spitznik

STB

FD-32760

7-11-00

J

LAWRENCE W. BIERLEIN
DOUGLAS M. CANTER
JOHN M. CUTLER, JR.
ANDREW P. GOLDSTEIN
STEVEN J. KALISH
RICHARD D. LIEBERMAN
HARVEY L. REITER

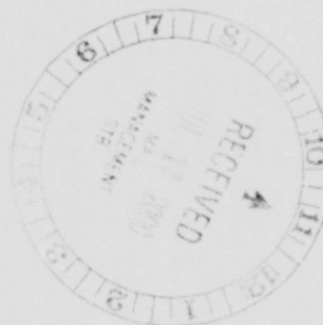
LAW OFFICES
MCCARTHY, SWEENEY & HARKAWAY, P.C.
SUITE 600
2175 K STREET, N.W.
WASHINGTON, D. C. 20037
(202) 393-5710

FACSIMILE
(202) 393-5721

E-MAIL
MSH@MSHPC.COM

WEBSITE
[HTTP://WWW.MSHPC.COM](http://www.mshpc.com)

OF COUNSEL
WILLIAM I. HARKAWAY
KAREN R. O'BRIEN
DANIEL J. SWEENEY



July 14, 2000

Attn: Dockets Unit
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Finance Docket No. 32760

Dear Sir:

Effective immediately, please change your records to reflect our new office address. Our telephone, fax and email information remains the same.

[Steven J. Kalish]
McCarthy, Sweeney & Harkaway, P.C.
2175 K Street, N.W., Suite 600
Washington, DC 20037

Sincerely,

A handwritten signature in dark ink, appearing to read 'Steven J. Kalish', written over a light-colored background.

Steven J. Kalish

SJK:dbc

STB FD-32760

6-20-00

J



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

FILE IN DOCKET

JS-32760

June 20, 2000

Mr. Harold Moore
P.O. Box 1995
Springfield, IL 62705

Dear Mr. Moore:

This is in response to the letter that you sent to Senator Peter Fitzgerald regarding the Union Pacific Railroad Company (UP). Senator Fitzgerald has requested that I respond directly to you. In your letter you express particular concern about UP and the rail lines it has abandoned since acquiring the Southern Pacific (SP) railroad system and other smaller railroads.

As you know, any railroad regardless of its size must meet the statutory requirements for an abandonment in a proceeding at the Surface Transportation Board (Board) before the Board will grant the railroad authority to abandon a line of railroad. The public may participate in these proceedings. While UP has obtained abandonment authority for certain SP lines following the UP-SP merger where continued operation of the lines could not be economically justified, UP also has invested, and continues to invest, hundreds of millions of dollars in restoring and upgrading the former SP system – an important reason why the agency approved the UP-SP merger.

You also raise concerns about the impact of UP rail freight operations on Amtrak rail passenger service. As with all the freight railroads over which Amtrak operates, UP and Amtrak have a privately negotiated agreement addressing on-time performance. Also, Amtrak has certain Federal statutory rights to use the rail lines of freight railroads such as UP. Should Amtrak experience service problems due to actions by the freight railroad over whose lines it operates, Amtrak may pursue remedies available under its agreement or under the relevant Federal statutes.

I appreciate your interest in these matters. I will have your letter, Senator Fitzgerald's referral letter, and my response made a part of the public docket for the UP-SP merger proceeding. I also will send a copy of my response to Senator Fitzgerald, for his information.

Sincerely,

Linda J. Morgan

cc: Senator Fitzgerald

United States Senate

WASHINGTON, DC 20510

FILE IN DOCKET

May 30, 2000

Mr. Dan King
Surface Transportation Board
1925 K Street, N.W., Room 840
Washington, D.C. 20423

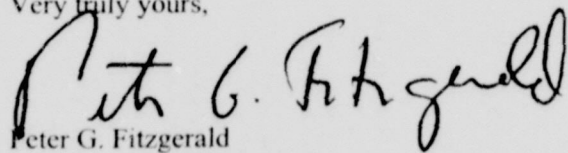
Dear Mr. King:

I am contacting you on behalf of my constituent, Harold Moore.

Mr. Moore is concerned about Union Pacific Railroad. I am enclosing his correspondence for your review. Please address your response to him directly.

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions or comments.

Very truly yours,



Peter G. Fitzgerald
United States Senator

PGF/sla

Enclosure

RECEIVED
SURFACE TRANSPORTATION BOARD
JUN 5 4 33 PM '00
OFFICE OF
CHIEF OF COUNSEL
WASHINGTON, D.C.

Sender: Gmoitc@AOL.com

Subject: Monoply: Union Pacific/Microsoft

From:

Harold Moore
P.O. Box 1995
Springfield, Il. 62705

Senator Fitzgerald:

The monopoly that we feel is left un-checked is the Union Pacific Rail Road. They have bought many smaller Rail Roads only to abandon them and rip out the tracks so no one is able to ever use the right of way again. When they bought out the Southern Pacific Rail Road they ripped out tracks all across and left business with out affordable transportation. Now many have had to close and/or abandon the property. Is it any wonder that the accident rate for larger trucks is up over 10%? As you are aware the Illinois legislature passed a law where Amtrak will be fined if they are late without good cause. However the Union Pacific is allowed to put the passenger train in siding so the freight train can have a clear track. Is this not an effort by the Union Pacific to drive people away from passenger service? If our tax money is supporting Amtrak, and Amtrak is to make a return/be on time, Amtrak must be a First Class passenger Train, not their coal trains. Who owns the mines that they are getting the coal from? Do they own them also?

Harold Moore Springfield Il.

Sincerely,

Harold Moore

Received: from mailsims1.senate.gov ([156.33.203.10]) by mailexcl.senate.gov with SMTP

(IMA Internet Exchange 3.13) id 002B6F4E; Fri, 19 May 2000 23:47:42 -0700

Received: from mail-s01.websys.aol.com by mailsims1.senate.gov (Sun Internet Mail Server sims.3.5.1999.07.30.00.05.p8) with ESMTP id <0FUU00DBYB2SM7@mailsims1.senate.gov> for senator_fitzgerald@fitzgerald.senate.gov; Fri, 19 May 2000 23:59:16 -0400 (EDT)

Received: from government.aol.com (par-i01.websys.aol.com [152.163.212.57]) by mail-s01.websys.aol.com (8.9.3+Sun/8.9.3) with SMTP id XAA09331 for

<senator_fitzgerald@fitzgerald.senate.gov>; Fri,

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7-2-99

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194928

194928

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

MICHAEL L. ROSENTHAL

DIRECT DIAL NUMBER

(202) 662-5448

DIRECT FACSIMILE NUMBER

(202) 778-5443

mrosenthal@cov.com

ENTERED
Office of the Secretary

July 2, 1999

JUL 06 1999

Part of
Public Record

BY HAND

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

J



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

Dear Secretary Williams:

We are in receipt of the National Industrial Transportation League's Petition for Leave to File, which was filed on June 28, 1999, in the above-captioned matter. Pursuant to 49 C.F.R. § 1104.13, UP intends to file its reply to the petition on or before July 19, 1999.

Sincerely,

Michael L. Rosenthal

Michael L. Rosenthal

cc: Parties of Record

STB

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32760

6-14-99

J



FD 32760

June 9, 1999



The Honorable Vernon Williams
Surface transportation Board
1925 K Street N. W.
Washington, D. C. 20423 - 0001

My name is Lee Williams I am Director of Logistics for Roquette America, Inc. Roquette is a corn wet miller with manufacturing facilities in Keokuk, IA and Gurnee, IL. We produce in excess of 2 billion pounds of finished products each year. Substantial portions of this finished product are corn syrups used in the baking and beverage industries. Roquette employs over 500 employees at the Keokuk and Gurnee plants.

I am writing to express Roquette's support of the Burlington Northern and Santa Fe Railway Company's request that the Surface Transportation Board issue an order stating the BNSF may serve the new Four Star transload facility in El Paso, TX.

We believe the conditions imposed as part of the UP/SP merger were intended to provide for competition post merger. We think that it is important that the Surface Transportation Board ensure that the issues of what new facilities along the trackage rights lines, and to what facilities BNSF has access, are clarified so that these problems do not arise again and shippers are in a position to know what competitive alternatives are available.

Very truly yours,

Lee Williams
Director of Logistics

STB

FD

✓
32760

6-10-99

J

194713



CHEMICAL MANUFACTURERS ASSOCIATION

June 10, 1999



Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Room 711
Washington, DC 20423

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

ENTERED
Office of the Secretary

JUN 11 1999

Part of
Public Record

Dear Secretary Williams:

The Chemical Manufacturers Association ("CMA") strongly supports the Petition for Clarification filed by the Burlington Northern and Santa Fe Railway Company ("BNSF") on May 12, 1999. The "new facilities" and "transload" conditions, which the Surface Transportation Board ("Board") imposed in UP/SP merger Decision No. 44, clearly allow BNSF to serve the new transload facility of Four Star Sugar Co. ("Four Star") at El Paso, Texas. In addition to resolving that particular situation, the Petition for Clarification also gives the Board the opportunity to provide carriers and shippers with guidance on how its merger conditions are to be interpreted.

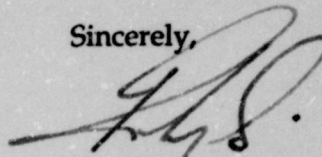
CMA is a non-profit trade association whose member companies account for 90% of the productive capacity for basic industrial chemicals in the United States. (Four Star is not a CMA member.) The chemical industry depends heavily on railroads for the safe and efficient transportation of raw materials and finished products, which typically move in tank cars and covered hopper cars that are owned or leased by shippers. CMA was a party of record in the Board's original UP/SP merger docket.

Four Star's El Paso facility is plainly "on" a trackage rights line, even if it is served via an industrial lead track, spur, or yard track. Such facilities are not unusual in the rail industry. To the contrary, they constitute key portions of the rail industry's infrastructure, especially in the areas that are most likely to attract new industrial facilities and new transloading operations.

CMA requests that the Board grant the Petition for Clarification. While BNSF's trackage rights maintained direct rail-to-rail competition at two-to-one points, the Board also expected to replicate important forms of "indirect" competition by means of the conditions at issue in the Petition for Clarification. Those conditions were designed to foster competition for the siting of new rail-served facilities and for the transloading of commodities to or from the rail system.

The public interest is not well served if Board-imposed merger conditions are subsequently construed so narrowly that their purpose is frustrated. CMA respectfully requests the Board to apply the new facilities condition and transload condition to allow BNSF to serve Four Star's facility at El Paso. Beyond resolving that specific situation, the Board should clarify that its pro-competitive merger conditions will be interpreted to provide meaningful alternatives for rail customers.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. Speight', with a stylized flourish at the end.

Randy Speight
Co-Leader, Distribution Team

cc: Erika Z. Jones, Esq.
Arvid E. Roach II, Esq.

STB

FD

32760

2-25-98

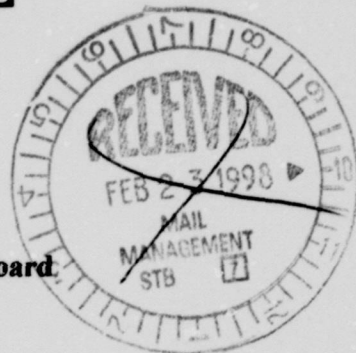
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Before the Surface Transportation Board

Finance Docket No. 32760

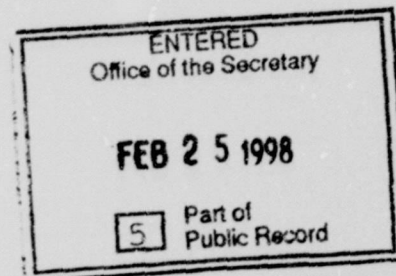
**Union Pacific Corporation, Union Pacific Railroad Company
and Missouri Pacific Railroad Company**

Control and Merger

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



**Roquette America Request for Enforcement of Merger Agreements to
Insure Competition**



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Case Control Branch
ATTN: STB Finance Docket 32760
1925 K Street , N.W.
Washington, D.C. 20423



Re: Finance Docket No. 32760

Dear Secretary Williams:

In Finance Docket No. 32549 Burlington Northern Inc and Burlington Northern Railroad Company control and merger Santa Fe Pacific Corporation and The Atchison, Topeka and Santa Fe Railroad Company The Interstate Commerce Commission in approval of this docket granted trackage rights to the Southern Pacific to insure competition for Roquette America ,Inc. Roquette America, Inc. was served by both the Burlington Northern and Santa Fe prior to the merger. To insure competition the Southern Pacific agreed to serve Roquette America,Inc thru interchange at Bushnell, Illinois via connections with Keokuk Junction and The Toledo Peoria and Western Railroads. (See attached ICC News dated August 23, 1995.)

Roquette America, Inc. is a manufacturer of products from corn with plant locations at Keokuk, Ia. and Gurnee, Ill. Roquette America, Inc. produces corn syrup, starches, dextrose and by-products of corn wet milling IE. Germ, gluten feeds and meal as well as steep water at the Keokuk facility. The Gurnee, Ill. facility produces Polyols IE. Sorbitol, Lycasin and Pahsh.

Roquette America, Inc. Employees 500+ at the Keokuk plant and 85 at the Gurnee location. Roquette America, Inc. ships in excess of 600,000,000 pounds of product via rail each year. As you can see , Roquette America, Inc. is extremely dependent on rail transportation.

As stated in the above Finance Docket 32549 the I.C.C. granted trackage rights to the Southern Pacific over BNSF lines to handle freight from Busnell both east and west to insure competition was maintained since Roquette America, Inc. was served by both The Burlington Northern Railroad and The Santa Fe prior to the merger and provide a competitive environment.

Attached is a letter from Southern Pacific Railroad stating that service will be provided to insure competition and outlines the method for this service. You will note that this letter also states that the service will be provided for at least a five year period. The service was inaugurated in November 1995 and Roquette America began shipping tankcars of syrup to the West and East to Chicago for connections beyond. Of the first 100 cars shipped transit exceeded 60 days to destinations in the west and 15 days to Chicago for connections beyond. Due to this service Roquette America, Inc. was forced to advise the Southern Pacific

that we could no longer route cars over this connection. Southern Pacific assured that they would review the service plan and advise what could be done to provide competitive service as outlined in the I.C.C. Order. Attached is a letter from the Southern Pacific dated 1 April, 1996 stating this intent. No further actions was taken by the Southern Pacific to provide this service.

In a letter to Mr. John Heffner, Attorney for the Keokuk Junction Railroad, Mr. R. Taylor then General Manager of the Keokuk Junction outlined what he felt was going to be operational problems with the Bushnell Connection. These finding were disputed in the verified statement of the Burlington Northern and Santa Fe Railroads at the hearing in order to defend against the trackage rights request of the Keokuk Junction. (See attached excerpts from the statement).

As you know Finance Docket 32760 was approved by the S.T.B. on 12 August 1996 and no additional communication was received from the Southern Pacific on this service problem. I have had several conversations with officials of the Union Pacific to determine what they proposed to do in order to provide the competitive service outlined in the mandate of the I.C.C. in Finance Docket 32549 merger of the Burlington Northern and Santa Fe.

See Roquette America, Inc.'s attached letter dated 4 August 1997 to Mr. Jim Shattuck, Exec. V.P. Union Pacific Railroad requesting that service be provided as mandated by the I.C.C.. I have attached a response to this request from Mr. Jim Hanrahan, Manager-Short Line Development Union Pacific Railroad stating that there is still no solution for providing the competitive service mandated by the I.C.C.. This is additional proof that the service design proposed to provide competition that existed prior to the Burlington Northern - Santa Fe merger is flawed and other means to provide this competition is required.

Roquette America, Inc. was able to negotiate a contract with the BNSF for a term of three years that did provide for competitive pricing effective 1 January 1996. This was prior to the positive conclusion that the competitive service to be provided by the Southern Pacific was flawed. This contract will expire 31 December 1998 and at this time Roquette America, Inc. feels that this competitive pricing will not be a factor. That we will be disadvantaged in our ability to compete in Corn Wet Milling without these competitive forces of being served by two Class 1 railroads.


I would proposed that the S.T.B. revise the decision to provide for car haulage rights to the Keokuk Junction as outlined in the original request of the Keokuk Junction in Finance Docket 32549 or to allow the resumption of service thru connections at Ft. Madison, Ia. This should allow the Union Pacific to provide the service both east and west since this is a crew change location and there is sufficient track to handle switching between the BNSF and the Union Pacific Railroad. If this can not be accomplished then I would propose that the S.T.B. provide for service to Ft. Madison, Ia. Via. Keokuk Junction LaHarpe, Ill Toledo Peoria Western for connection to the Southern Pacific at Ft. Madison, Ia.

I have had discussions with the Keokuk Junction Railroad and they are anxious to provide

this service in order to insure competition is retained and that Roquette America, Inc. is not allowed to be damaged as a result of the I.C.C. merger agreement of the Burlington Northern and Santa Fe. Railroads. The commission was concerned and imposed what was agreed to by the BNSF and Southern Pacific to insure that this competition was maintained. This proposal was flawed as we now see and additional relief must be instituted in order to retain these competitive factors.

A healthy , competitive rail transportation system is critical to ensure that Roquette America, Inc. gets products into the market that allows a truly competitive environment. Roquette America hopes that the S.T.B. will consider this concern in our request.

Sincerely,


A handwritten signature in dark ink, appearing to read 'William R. Mudd', is written over a horizontal line.

William R. Mudd
Director-Logistics

CC:

Mr. Guy L. Brenkman Chairman-CEO Pioneer Railcorp
Mr. J. Shattuck, Exec V.P. Sales & Marketing Union Pacific Railroad
Mr. K.E. Williams, General Director Consumer Goods BNSF Railroad
Mr. Walter G. Rich, President Toledo Peoria and Western Railroad

Post-It™ brand fax transmittal memo 7671		# of pages 2
To MR. BILL MUDD	From D.D. HILL	
Co. ROQUETTE-AMERICA	Co. SANTA FE	
Dept. LOGISTICS	Phone # 815-447-4202	
Fax # 319-526-2358	Fax # 4302	

Date: Wednesday, 23 August 1995 11:58am CT
 To: Emc2-News
 From: PXBB1
 Subject: PUBLIC RELATIONS

The following release was received from the ICC today:

Interstate Commerce Commission
 ICC NEWS
 Wednesday, August 23, 1995

Contact: Dr. Dennis Watson
 (202) 927-5250
 TDD (202) 927-5724

ICC ISSUES WRITTEN DECISION IN "BURLINGTON NORTHERN" - "SANTA FE"
 RAILROAD MERGER

Interstate Commerce Commission Chairman Linda J. Morgan today announced the issuance of the Commission's written decision approving, with certain conditions, the merger of Burlington Northern Inc. and its subsidiary, the Burlington Northern Railroad Company (collectively, "BN"), and Santa Fe Pacific Corporation and its subsidiary, The Atchison, Topeka and Santa Fe Railway Company (collectively, "SF").

The four ICC Commissioners voted unanimously to approve the BN-SF merger during a July 20, 1995 voting conference open to the public at the ICC's Washington, D.C., headquarters. As Chairman Morgan stated at the voting conference, the Commission is issuing a final decision in this case less than six months from the time when the Commission reinstituted the proceeding under a new procedural schedule. The Commission has indicated a commitment to handling not only this merger but future mergers under a more responsive, expedited schedule.

The written decision issued today includes a description of the merger proposal, a discussion of major issues and conditions that either were sought or were imposed on the merger, and the rationale behind the Commission's July 20 vote. The decision also exempts BN-SF control of the Wichita Union Terminal Railway and proposed BN-SF rail-line construction projects in Illinois, Oklahoma, and Texas.

The decision imposes specific conditions designed to prevent competitive harm that would otherwise result from the merger. These conditions include trackage rights and access rights - consistent with the terms of an agreement between BN-SF and the National Industrial Transportation League - that would preserve competition over specified routes and at specified points, including Superior, Nebraska; the Pueblo, Co-Fort Worth, TX Corridor and Amarillo, Plainview, and Lubbock, TX; Galesburg, IL; and Keokuk and Fort Madison, Iowa.

The conditions also included relief sought by the Grainbelt Corporation to allow an interchange for Grainbelt at Quanah, TX, and to require BN-SF to carry out a commitment not to use a provision in the 1987 BN-Grainbelt purchase-and-sale agreement to set new limitations on competition. Also included is relief for the Oklahoma Gas and Electric Company and the Phillips Petroleum Company that would maintain those companies' options to preserve a competitive alternative to current service through a possible build-out to connect with service that could be provided by a railroad other than BN or SF.

*Put in UP file
 SP Merger
 WRM*

The written decision provides that the merger approval is also subject to the standard New York Dock labor-protective conditions and to certain environmental mitigating conditions. The Commission denied all other conditions sought by various parties involved in the merger proposal.

The merger as approved by the Commission in Burlington Northern Inc. and Burlington Northern Railroad Company -- Control and Merger -- Santa Fe Pacific Corporation and the Atchison, Topeka and Santa Fe Railway Company, Finance Docket No. 32549, will create the nation's single largest rail carrier, operating in excess of 35,000 miles of main and secondary track in the United States and Canada. In 1994, the two railroads generated more than \$7.5 billion in operating revenues. It has been estimated that this predominately "end-to-end" merger will result in public benefits from direct cost savings amounting to approximately \$450 million.

###

The effective date of the order is September 22, 1995.



Southern Pacific

Transportation Company

Merger Team

P. O. Box 5482

Denver, Colorado 80217



April 25, 1995

Mr. William R. Mudd - Director-Logistics
Roquette America, Inc.
P.O. Box 6647
Keokuk, IA 52632-6647

Dear Mr. Mudd:

This is in reference to your letter to Mr. Greg Martin dated April 24, 1995.

SP Lines are now developing their service plan for implementation of new trackage rights operations which have been agreed to by Burlington Northern and Santa Fe upon approval of their merger. This process involves formulation of our service plan, confirming that it will harmonize with the post merger operations of BN-Santa Fe, and gearing for our start-up when BN-Santa Fe have regulatory clearance to put their operations together.

In this process we are developing traffic estimates and planning the level of service appropriate to handle the needs of our new customers. We realize that actual traffic volumes will depend upon a number of factors, including general economic conditions, and the shippers' perception of our service capabilities and rates or charges as compared to those of our competition.

At this stage in our planning I am now confident that we shall be able to inaugurate our service to the TP&W connection at Bushnell with at least daily service, six days per week. The service will be provided by a westward through train, which will stop at

April 25, 1995

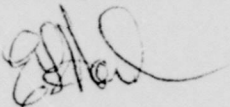
Mr. William R. Mudd - Director-Logistics

page 2

Bushnell to provide a connection coordinated with TP&W's operations. We are now working on development of a similar program to provide a daily eastward pickup to avoid reverse handling of eastward cars that will be tendered to us. As soon as we can determine that the necessary traffic volumes to support a daily stop will be available on the day we start, I am confident that in time a sufficient solid base of traffic will develop so that there will be no question but that there will be direct daily pickups provided in both directions.

You have our assurance that SP plans to serve Roquette America via TP&W - Bushnell for well beyond the five year mentioned in your letter. You are part of an important new market for us, and we want to handle this business. If Roquette America is now in a position to commit specific volumes of business to SP Lines for this service, that would be very helpful in firming up a good service plan for the start-up date. Even if Roquette America is not yet in a position to make a commitment, I would urge you to stay in close contact with SP Lines' Distribution Services Representative, Greg Martin, and keep him/her apprised of your needs, and we will do our best to satisfy them.

Sincerely,



E.L. Hord

ELH/rr

CC: Mr. Greg Martin
Mr. J.M. Smith
Mr. K.H. Adams
Mr. Joel Gesink



Southern Pacific Lines

1860 Lincoln Street ■ 14th Floor ■ Denver, Colorado 80295 ■ Phone (303) 812-5180

E. L. Hord
Assistant to Executive Vice President - Operations

*Copy to L. Flanders
S. Forney
W. Carlson.*

E

F/u - 4/22/96

April 1, 1996

Please put in UP-SP file

Mr. William R. Mudd
Roquette America, Inc.
P. O. Box 6647
Keokuk, IA 52632-6647

Dear Bill:

I received your letter of March 8, 1996. We at the Southern Pacific are concerned, as are you, with our performance to date in handling Roquette traffic from the interchange with TPW at Bushnell.

Originally it was planned to use the BN trackage at Bushnell to accomplish the interchange. Eventually that will occur, but the BNSF has not yet consolidated their traffic with the ATSF operation at Galesburg and thus are still using that trackage at Bushnell. This necessitates SP to interchange through the TPW connection at Bushnell.

I will be meeting with R. D. Bredenberg, BNSF's VP Transportation, this week regarding this and other matters. Based on these discussions we at Southern Pacific will work out an interim solution.

I will be further responding to you within the next two weeks to advise action plans to meet your requirements as to transit times until such time as we can utilize the trackage at Bushnell as originally contemplated.

Thank you for your patience in this matter.

Sincerely,

E. L. Hord

E. L. Hord

19 Apr 1995

Mr. John Heffner

Re: Interchange at Bushnell, IL

I apologize for giving you bum information regarding the south end of the Bushnell interchange. The double BN interchange tracks have switches at both the north and south ends (my previous statements to the contrary, notwithstanding).

According to Ed Wyss, TP&W Supt, the BN, instead of using a "road" train, currently uses a southbound local from Galesburg, which usually is less than 3,000 ft long, to bring TP&W cars down to Bushnell. As a consequence, they can do the switching south of the TP&W interlocking, which is at the south edge of town. Therefore the several grade crossings over the BN Main, north of the TP&W plant, are unaffected while they are setting out/picking up at the interchange.

However, the SP operates very large trains (longer than 3,000 ft). and the situation will be quite different. Westbound SP trains would have to cut off their motors north of town, then run light south to pickup their TP&W (& KJRY) interchange cars off the BN interchange tracks (the two tracks parallel to the BN Main). The SP would then have to push these cars northbound over these crossings, all of which are protected, to couple onto their train.

Furthermore, provided SP trains stay north of the south BN interchange switch and not foul the double set of crossovers location at the Quincy/Paducah junction, Amtrak and BN trains destined to Quincy and or Paducah are unaffected because they can operate on the east Main line track. However, if they have to use the Quincy Main line (or alternately the Paducah Main) as tail track, which would be the normal operating practice, the Quincy (or Paducah) Main will be blocked.

The only way to prevent the SP from fouling the BN Quincy Main would be to have the Motors push the interchange cars north through the interchange track, a very cumbersome move if the SP only has a two man crew on their road trains. (The Conductor would get off at the north switch, line it for the BN main, and then remain there to ride the point; the Engineer would then have to line the south interchange switch, pull onto the interchange track and line the switch back, couple onto the cars and make the air joint, and then at the north end of the interchange track, stop the move and restore the north interchange switch back to its normal position--I somehow just don't think the Brothers are going to do all that! Plus, all these elaborations would probably take a good 60 to 90 minutes.)

Eastbound SP trains, if longer than 3,000-ft, could stop south of the TP&W plant (but not in the track circuit affecting the grade crossing signals - that is unless they have timers), cut off the motors and make the interchange. However, note: if the eastbound SP train is longer than 3,000-ft it will foul the BN's Main Line to Quincy which is single track.

At best, Bushnell is not a practical interchange point for long trains such as the SP will probably be running.

Sometimes, the BN when delivering to TP&W will push cars around the curve onto the TP&W Transfer Track (the track south and parallel to the TP&W Main); however it appears to me this could only be done by westbound BN train, otherwise the Motors would have to run around the cars. I don't think SP would even consider it.

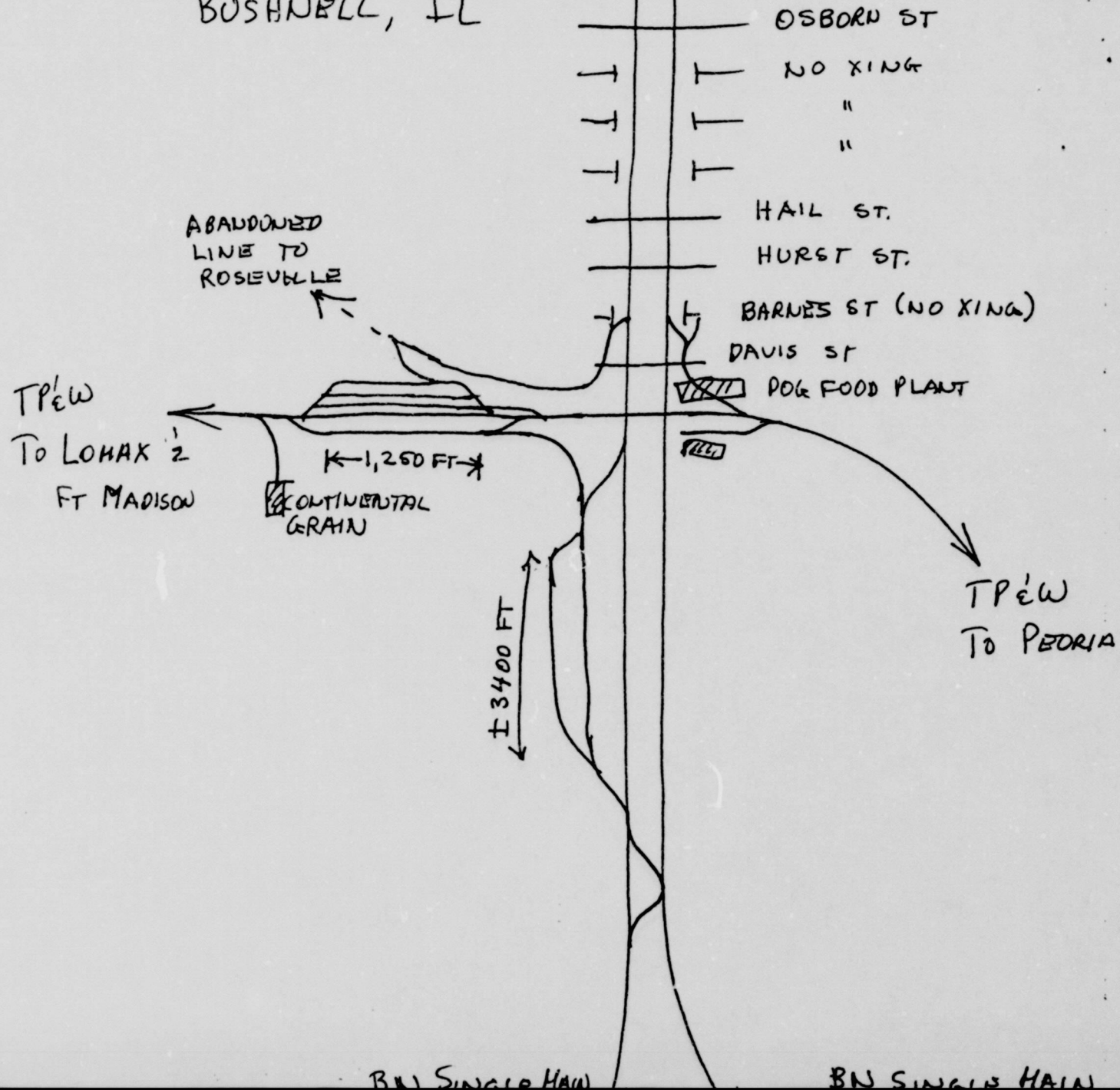
I got this information from TP&W Supt, Ed Wyss, this morning.

Happy negotiations!

R.L. Taylor
KURY

(319) 524-7313
524-2410 FAX

BUSHNELL, IL



Hatzembuehler (BN/ATSF verified statement)

interchange. Reasonable TPW-SP interchange arrangements and practices -- which would obviously be in the interest of each of those parties as well as the interests of KJRY -- should eliminate any theoretical issues regarding grade crossings or scheduling.

The Bushnell interchange in fact is a more efficient one than the West Quincy interchange that KJRY is seeking. At Bushnell, the interchange should involve only a straight set-out and pick-up of cars on the side tracks; I would expect KJRY, TPW and SP to preblock eastbound and westbound cars, so that no classification would be required there. By contrast, at West Quincy, KJRY proposes to bring traffic in for interchange with several carriers in several directions. That would require either much more complicated preblocking or, more likely, classification of KJRY traffic in West Quincy Yard.

Finally, while KJRY claims that the SP route via Bushnell will not be competitive, its principal shipper thinks otherwise. In a letter that KJRY itself submitted with its Responsive Application, Roquette America states that KJRY-TPW-SP service over Bushnell "will provide a competitive alternative to the merged B.N.-ATSF." KJRY R.A., Exh. 24 at 2. The fact that the principal shipper from Keokuk views the new SP route via Bushnell as competitive says far more than KJRY's own statements.

2. KJRY's Proposed Trackage Rights and Switching

As I have explained, given the new SP interchange at Bushnell, there will be no reduction in the number of railroads

providing service to or from the Keokuk area as a result of the consolidation and merger of BN and Santa Fe. In any event, the conditions KJRY is seeking go far beyond even what it wrongly claims will be the competitive impact of this transaction.

KJRY seeks unrestricted local trackage rights over BN's line from Keokuk to West Quincy to interchange with BN/SF, Norfolk Southern Railway ("NS") and SP, and overhead trackage rights over BN's line from West Quincy to Hannibal, Missouri for interchange with NS and on to Louisiana, Missouri for interchange with Gateway Western. KJRY contends that it would not exercise the overhead trackage rights to Hannibal and Louisiana so long as it has acceptable interchanges with NS and SP at Quincy/West Quincy.

While KJRY claims that it will lose at most one option -- the route via TPW and Santa Fe -- it is seeking trackage rights that would give it access to two additional carriers -- NS and SP or Gateway Western. Moreover, the rights KJRY seeks would give it additional access to eastern carriers with which KJRY already has numerous routes via Bushnell and Peoria -- including NS, Chicago and North Western (now part of the Union Pacific system), Conrail, CSX, Illinois Central and Iowa Interstate. The trackage rights requested would go far beyond addressing the loss of competition KJRY claims and would give it many more routes than it has today.

KJRY's request for unrestricted local trackage rights from Keokuk to West Quincy reaches even further. The shippers on that line are currently served by only one railroad -- BN -- and

that fact will not change as a result of the consolidation and merger of BN and Santa Fe. The same is true with regard to KJRY's request that the Commission require BN to grant it reciprocal switching rights at Quincy, Illinois. See KJRY R.A. at 3. Those rights would give KJRY access to shippers that are currently served by BN and/or NS -- shippers that are not served by Santa Fe and that will lose no service as a consequence of this transaction.

KJRY's request for overhead trackage rights conceals another effort to redraw the railroad map. While KJRY states that it will not exercise the requested trackage rights to Hannibal and Louisiana so long as it can interchange with NS and SP at West Quincy, the fact is that SP reaches West Quincy only by means of its existing trackage rights over BN's line from Kansas City to Chicago, and SP neither has the right to interchange traffic with other railroads at West Quincy nor will acquire a West Quincy interchange as part of its settlement with Applicants. KJRY's assertion that it will not exercise the overhead trackage rights so long as KJRY and SP have "a mutually satisfactory interchange at West Quincy" simply means that it would exercise those rights unless BN granted SP new interchange access there. Here again, combining BN and Santa Fe will not in any way reduce the number of railroads serving the points that KJRY is seeking to reach -- West Quincy, Hannibal or Louisiana.

Finally, the request for trackage rights over BN to interchange with NS, SP and Gateway Western would simply expand KJRY's already substantial access to eastern points, which will

Hatzenbuehler (BN/ATSF verified statement)

not be affected by this transaction. The existing TPW connection gives KJRY access through Illinois and into Indiana, where its traffic can be interchanged with NS, Chicago and North Western, Conrail, CSX, Illinois Central and Iowa Interstate. Indeed, KJRY itself stresses the importance of its east-bound movements with NS, which currently take place via interchange with TPW at La Harpe. See KJRY R.A. at 6-7. KJRY will also have a much better route to Chicago with TPW and SP over Bushnell than it has with TPW and Santa Fe today. I can see no reason -- and certainly no justification flowing from this consolidation and merger -- for KJRY to require additional interchanges with eastern carriers.

3. KJRY's Proposed Forced Sale of the
BN Keokuk Yard and Related Lines

The second condition KJRY seeks -- the forced sale of BN's Keokuk Yard and related tracks (including a major industrial track known as the Mooar line, which provides BN's switch access to most of the shippers at Keokuk) -- likewise has no connection to any reduction in competition resulting from the proposed transaction. There are presently two rail yards serving Keokuk -- BN's and KJRY's. The consolidation and merger of BN and Santa Fe will not change that fact. Moreover, KJRY already has access, under existing reciprocal switching agreements, to all facilities that BN serves at Keokuk, and thus does not need to own the BN yard in order to obtain such access.

What KJRY is seeking is ownership of both of the two railroad yards at Keokuk, giving it complete control of switching operations there, eliminating the competition that exists today.

ROQUETTE AMERICA
1417 EXCHANGE STREET
KEOKUK, IOWA 52632
319-526-2204
FAX: 319-526-2358

August 4, 1997

Mr. Jim Shattuck
Exec. V.P. Sales & Marketing
Union Pacific Railroad
1416 Dodge Street
Omaha, Ne. 68179

Dear Mr. Shattuck:

Under Finance Docket No. 32549 Burlington Northern, Inc. --Control and Merger--Santa Fe Pacific Corporation the Interstate Commerce Commission denied the request of the Keokuk Junction Railroad for Trackage Rights between Keokuk and West Quincy ,Mo. With full right of interchange with the SP.

In the final decision the I.C.C. denied these request since the SP agreed to provide competitive access thru the KJ-Laharpe-TPW-Busnell, Ill. Connection. I have also attached excerpts from the Verified Statement of The BN/ATSF's Mr. Hatzenbuhler outlining this proposed service. In addition I have attached a letter from E.L. Hord outlining the service to be offered.

As of this writing we have never had the service that was to be provided and feel that in the near future RAI will indeed become a captive shipper to west coast destinations. There were attempts made to provide the service but the service provided was so inferior that it could not be utilized. The original contract that was negotiated with the BN/SF was done when they felt there would be competition. That contract will be complete at the end of '98.

I have had discussions with various people with the UP on establishing this service and have not had an answer that meets the criteria that was presented to the I.C.C. at the time of the hearing. I would request that you discuss this with the proper people to determine what solution can be can be formulated in order

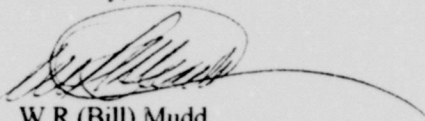
Mr. Jim Shattuck
Page 2
August 4, 1997

to insure that the competitive service promised is delivered.

I would ask that thru copy of this letter the appropriate parties on the Keokuk Junction and the TPW are involved in formulating the a successful conclusion to the problem.

Thank You in advance for your help.

Sincerely,



W.R. (Bill) Mudd
Director Logistics

Enclosures (2)

Copies to:

Mr. Guy L Brinkman
Chairman-CEO
Pioneer Railcorp
1318 S. Johanson Road
Peoria, Ill. 61607

Walter G. Rich
President
Toledo, Peoria and Western Railway Corp
1 Railroad Ave.
Cooperstown, N.Y. 13326

402-271-6016

UNION PACIFIC RAILROAD COMPANY

Jim Hanrahan

Manager-Short Line
Development

Chuck Lane



1416 Dodge St
Room 1110
Omaha, NE. 68179
Tel: (402)271-3865
Fax: (402)271-2438

October 28, 1997

Mr. W.R. Mudd
Director Logistics
Roquette America
1417 Exchange Street
Keokuk, IA. 52632

Dear Mr. Mudd.

This has reference to our telephone conversation of Monday, October 20, 1997 pertaining to your inquiry as to where Union Pacific stood on the issue of establishing an interchange at Bushnell Jct., Illinois.

As I indicated in our conversation, up until recently I had been working with my local operating personnel as well as Service Design, in an effort to develop a solution which would be beneficial for both of our companies and allow us to move your traffic in the most expeditious way possible.

As you are aware, we inherited a very complicated situation from the Southern Pacific Railroad. The Burlington Northern Santa Fe dispatches this segment of trackage between Bushnell and Kansas City. BNSF does not normally give us sufficient time to perform scheduled set-outs and pickups along this line. This makes it extremely difficult to schedule pickups and set-outs of your traffic as SP had anticipated it would be able to when it agreed to this arrangement. This crew district is also extremely large and our crews tend to run out of hours of service time to perform their work. This also prevents them scheduled stops for set-outs or pickups.

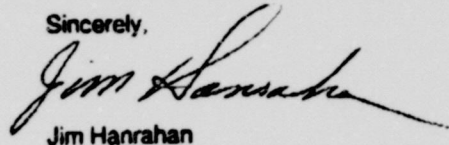
I had been working with Service Design in an effort to try and establish service for your traffic in two fashions:

- 1) Traffic destined to Chicago or east would possibly move KJRY-La Harpe-TPW-Peoria-UF on to Chicago.
- 2) Traffic destined to former Southern Pacific destinations in the southwest, we were trying to establish a regular southbound pickup at Bushnell.

As this proposal was beginning to develop, Union Pacific began experiencing severe congestion and service delays throughout our system. The immediacy of those service problems and our need to correct them as quickly as we could has required that we defer action on establishing different interchange points until our Service Recovery Program begins to make our system more fluid once again. We filed that Service Recovery Plan with the STB on October. We are beginning to see significant improvement in the operations on our system.

Hopefully within the next 45 - 50 days I will be able to revisit this matter and bring it to a mutually satisfying conclusion for both of our companies. I appreciate your continued patience despite the delays that we have faced. We look forward to finding and implementing a solution to these issues. Should you have any further questions, please feel free to contact me on (402) 271-3865.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jim Hanrahan", with a long, sweeping horizontal stroke extending to the right.

Jim Hanrahan

cc: Mr. B. Allen Brown
Director of Marketing
Pioneer RailCorp
1318 South Johanson Road
Peoria, IL 61607

STB

FD

32760

2-25-98

J

185992

185992

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

J. MICHAEL HEMMER

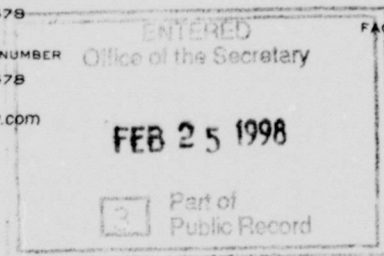
DIRECT DIAL NUMBER

(202) 662-5578

DIRECT FACSIMILE NUMBER

(202) 778-5578

mhemmer@cov.com



FACSIMILE: (202) 662-6291

February 25, 1998

J

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LONDON W1Y 8AS

ENGLAND

TELEPHONE: 44-171-495-5655

FACSIMILE: 44-171-495-3101

KUNSTLAAN 44 AVENUE DES ARTS

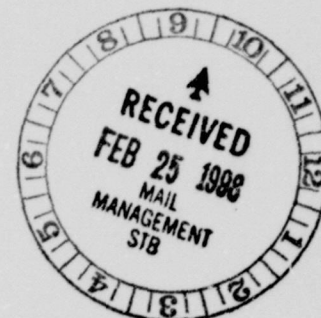
BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-549-5230

FACSIMILE: 32-2-502-1598

HAND DELIVERY

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



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

Dear Mr. Williams:

We have received Mr. Lambole's letter dated February 24, 1998, which asks the Board to defer final action on the Reno Mitigation Plan for eight months to allow Reno to continue to pursue funding for a depressed trainway. Union Pacific Railroad Company concurs in this request and, for its part, agrees to abide by the train limit and reporting requirements established in Decision No. 44 during this deferral.

Sincerely,

Mike Hemmer

J. Michael Hemmer,
Attorney for Union Pacific
Railroad Company

cc: The Honorable Linda J. Morgan (courtesy copy)
The Honorable Gus A. Owen (courtesy copy)
Elaine K. Kaiser, Chief
Section of Environmental Analysis
Paul H. Lambole, Esq.

STB

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32760

1-6-98

J

185084

185084



united transportation union

CALIFORNIA STATE LEGISLATIVE BOARD, AFL - CIO

1005 - 12th STREET, SUITE 4, SACRAMENTO, CALIFORNIA 95814-3920 • (916) 441-2051 • FAX: (916) 441-2054

December 22, 1997

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



J

Dear Mr. Williams:

FD32760

I am writing with regard to my original letter, dated September 10, 1997 (copy enclosed) regarding the improper procedure for car movement interchange being done in the Southern California area prior to any formal implementation of an operating agreement being in place due to the merger between the Southern Pacific Transportation Company (SPTC)/Union Pacific Railroad Company (UPRR).

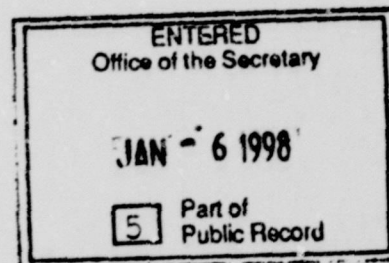
Thank you for your assistance in this matter and I shall await your reply.

Very sincerely,

James (J.P.) Jones
State Legislative Director

/bt

Enclosure





united transportation union

CALIFORNIA LEGISLATIVE BOARD, AFL - CIO

1005 - 12th STREET, SUITE 4 • SACRAMENTO, CALIFORNIA 95814-3920 • (916) 441-2051 • FAX (916) 441-2054

September 10, 1997

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



Dear Mr. Williams:

I am writing to you concerning the merger between the Southern Pacific Transportation Company (SPTC)/Union Pacific Railroad Company (UPRR) and your agency retaining jurisdiction over said merger for five (5) years.

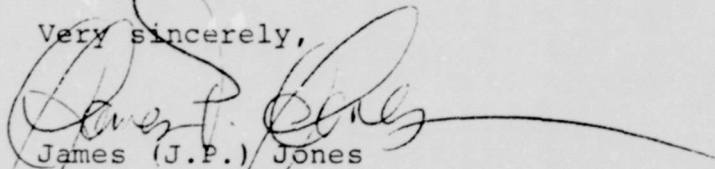
Prior to the approval of the merger, all interchange between UPRR and SPTC, in the greater Southern California area, was done at West Colton, California. This was accomplished by movements West Colton to Yermo and visa versa by UPRR operating crews. Now all of the UPRR traffic for Los Angeles is interchanged at Los Angeles. The SPTC is performing the car movement work which previously was done by UPRR operating crews between Los Angeles and West Colton.

I believe this procedure to be improper until after the merger has been fully consummated and a formal implementing operating agreement is in place.

I would like to request your investigation of the above-identified matter.

I shall await your reply to this request.

Very sincerely,


James (J.P.) Jones
State Legislative Director

JPJ/lw

STB

FD

32760

12-12-97

J

184777

184777

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ARVID E. ROACH II

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December 12, 1997

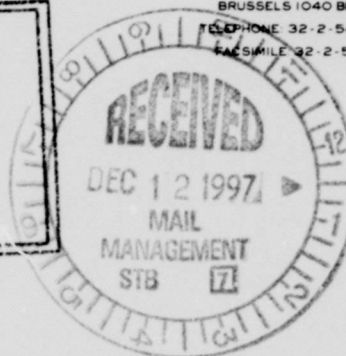
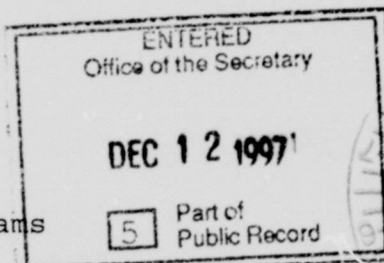
LECONFIELD HOUSE
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BRUSSELS OFFICE
KUNSTLAAN 44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
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FACSIMILE 32-2-502-1598

BY HAND

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



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

Dear Secretary Williams:

The Applicants are in receipt of Continental Grain Company's verified statement, dated December 5, 1997, supporting BNSF's recent petition for new access to Applicants' New Orleans-area shippers.

Continental's statement, which focuses on a Continental terminal facility in Westwego, Louisiana, adds nothing to BNSF's request for new access. In fact, Continental's statement strongly supports Applicants' position that the points in question are not "2-to-1" points and that competition to these points has not been harmed as a result of the UP/SP merger.

Continental's statement demonstrates that its Westwego terminal is not a "2-to-1" point, as the term has been used throughout the UP/SP merger proceeding. Continental repeatedly refers to the facility as a "2-to-1" point, but this is belied by Continental's acknowledgement (pp. 2-3) that the Westwego terminal remains open to switching for the same New Orleans-area carriers that had been able to serve the facility prior to the UP/SP merger, and thus is actually a "6-to-5" point that can presently be served by CSX, IC, KCS and NS, as well as UP/SP.

The remainder of Continental's statement is equally unavailing as support for BNSF's petition. Continental provides no support for BNSF's claims that Applicants misled shippers about the nature of the BNSF settlement agreement. Continental

Hon. Vernon A. Williams
December 12, 1997
Page 2

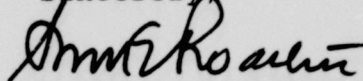
does not assert that it expected the BNSF settlement agreement to allow BNSF to serve its Westwego terminal, much less that it justifiably relied on such an expectation in deciding whether to seek merger conditions.

Nor does Continental's statement supply the proof missing from BNSF's petition that the merger has harmed competition in the New Orleans area. Continental makes no claim that it has suffered, or that it is likely to suffer, any competitive harm as a result of the merger. In fact, Continental indicates that it "did not receive any grain from SP origins before the UP/SP merger" and that "both before and after the UP/SP merger, UP acted solely as a switching carrier to deliver other railroads' grain shipments to Westwego" (p. 2). This UP/SP switching remains available for the same carriers that had access to the New Orleans-area before the UP/SP merger. Moreover, Continental's statement clearly demonstrates that UP/SP faces competition from the other rail carriers that have access to its Westwego terminal today.

Finally, Continental's statement (p. 1) provides additional support for Applicants' showing that New Orleans-area shippers will not suffer competitive harm as a result of the merger because most of the shipments theoretically at issue move to or from New Orleans by water and could easily be rerouted to other ports. Continental's description of its sources of grain for its Westwego terminal demonstrates that rail rates are constrained, and will continue to be constrained, by strong intermodal and geographic competition.

Continental argues that BNSF access would provide new competition at Continental's Westwego facility, but outside of the narrow "2-to-1" context in which Applicants agreed to grant BNSF access to every "2-to-1" shipper, including those who had never actually shipped a single carload on UP or SP, the Board has repeatedly rejected requests for merger conditions designed to create new competition.

Sincerely,



Arvid E. Roach II

cc: All Parties of Record

STB

FD

32760

11-19-97

J

ED-32760

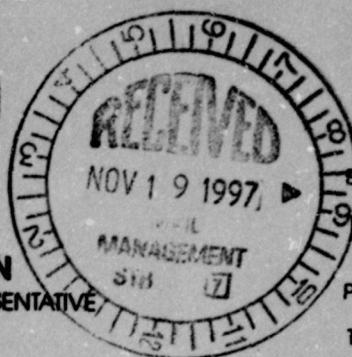
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Jefferson City, MO 65101-6806
573-751-1484
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EMail: jhowerto@services.state.mo.us

DISTRICT ADDRESS
702 E. Ohio, Suite 16
Clinton, MO 64735
Phone/FAX 816-885-3825

HOME ADDRESS
535 NW 1250
Chilhowee, MO 64733
Phone/FAX 816-678-4501



JIM HOWERTON
120th DISTRICT STATE REPRESENTATIVE



COMMITTEES

Agri-Business
Banks & Financial Institutions
Energy & Environment
House Automation & Internet
Public Health & Safety
Tourism, Recreational & Cultural Affairs

November 13, 1997

Mr. Vernon Williams
Secretary, Surface Transportation Board
1925 K Street NW, Suite 715
Washington, D.C. 20423-0001

Dear Mr. Williams:

I have been contacted by constituents regarding the grain dumping situation caused by the merger of the Union Pacific and Southern Pacific Railroads. I will take it for granted that steps are being taken to correct this intolerable situation.

Corn growers should not be subjected to the potential loss of revenue that this situation has created. Please do all you can to expedite the correction this situation.

Thank you for your attention to this matter.

Sincerely,

Jim

Jim Howerton
State Representative
District 120

JH/nv

STB

FD

32760

11-4-97

J

E. W. Wotipka
6388 Terrace Lane
Salida, CO 81201



October 31, 1997

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

Re: Finance Docket No. 32760 (Merger Southern Pacific
Transportation Co. - Union Pacific Railroad) Specifically:
Dockets AB-3 (Sub 130), AB-8 (Sub 38), AB-3 (Sub 131), AB-8
(Sub 37), AB-8 (Sub 36x), AB-8 (Sub 39) AB-12 (Sub 188) All
abandonments within State of Colorado

Dear Secretary Williams:

During the course of the UP-SP merger proceedings I
submitted three formal Comments to the Board protesting the
subject abandonments.

The attached letter for the Board's information was written
to Governor Romer of Colorado in support of Mile Hi
Transportation Co., which is currently negotiating with the Union
Pacific Railroad for purchase and operation of these lines.

The Board is now engaged in an oversight process to review
effects of this merger upon shipping in the western half of the
United States. It has recently held a public hearing to augment
this process.

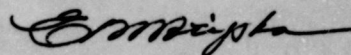
As the attached letter will attest, Union Pacific's actions
in western Colorado have, in my opinion, seriously compromised
this State's economic and competitive future. Furthermore, I am
firmly convinced that recent diversion of traffic over the
Central Corridor from lines formerly operated by Southern Pacific
to its own lines through Nebraska, Wyoming and the Northwest has
contributed significantly to many of the problems Union Pacific
is currently experiencing on the Central Corridor.

My purpose in writing this letter is to make the Board aware
of developments in Colorado including Mile Hi Transportation's
efforts to purchase former main lines subject to abandonment.

Vernon A. Williams
October 31, 1997
Page 2

Should it become necessary, I trust that the Board will not hesitate to exercise remedial options available to it, including possible divestiture, to insure the protection of competitive transportation in the Central Corridor.

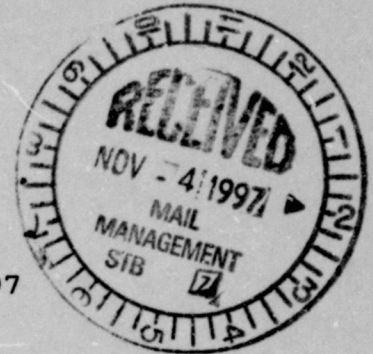
Very Truly Yours,



E. W. Wotipka

EWV/dy
Attachment

E. W. Wotipka
6388 Terrace Lane
Salida, CO 81201



October 31, 1997

Hon. Roy Romer
Governor, State of Colorado
State Capitol, Room 136
Denver, CO 80303-1792

Re: Proposed Abandonments in Colorado in connection with Union
Pacific-Southern Pacific Merger (STB Finance Docket No.
32760)

Dear Governor Romer:

On September 4, 1996, I wrote as a retired railroader and concerned citizen in support of Western Rails' proposal to operate former Southern Pacific lines in Colorado proposed for abandonment by the Union Pacific railroad. I am now writing in support of Mile Hi Transportation Co., which is currently negotiating with Union Pacific for purchase and operation of these lines.

In view of the severe service and operating problems which Union Pacific has experienced since implementation of the merger, it would seem to be an opportune time for an able regional carrier to assume operation of the lines thus assuring continued rail service for a large area of Colorado. Adequate rail service has long been recognized as a necessity for the orderly growth of any region.

Since the merger, Union Pacific has been quickly fulfilling its publicly announced intention to decimate all former D&RGW lines in Colorado west of the front range, reducing those portions of the former railroad to branch line status or outright abandonment. Prior to the merger, these lines comprised Southern Pacific's only routing over the Central corridor between Kansas City, on the east, and Oakland and Portland on the west. This traffic has all been re-routed over U.P. lines to the north. It also seems obvious that Burlington Northern Sante Fe has little interest in any serious development of the corridor. Thus, this issue involves the economic well being and future of a major portion of the State of Colorado, and not merely the territory covered by the Tennessee Pass and Towner lines.

Honorable Roy Romer
October 31, 1997
Page 2

The Governor acted wisely in reversing an earlier decision to limit line purchase to a short segment west of Canon City, and by allowing Mile Hi Transportation to negotiate directly with Union Pacific for all of the lines. It is now incumbent upon him to follow through with this action by providing full support to Mile Hi Transportation, and by doing whatever is necessary to insure the resumption of full rail service in Colorado.

Sincerely,

E. W. Wotipka

EWV/dy

pc: Mile Hi Transportation
Surface Transportation Board
Western Shippers Coalition
Economic Development Dept., State of Colorado
Mountain Plains Communities & Shippers
Club 20, Grand Junction
City of Pueblo
Board of County Commissioners:
Chaffee, Lake, Fremont
Kiowa, and Crowley

STB

FD

32760

10-28-97

J

183622

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N.W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

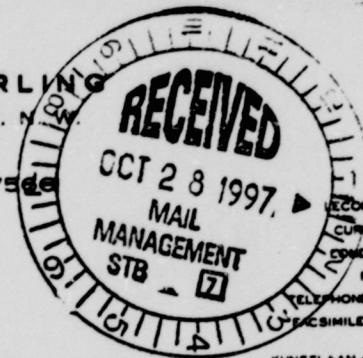
TIMOTHY C. HESTER

DIRECT DIAL NUMBER

(202) 662-5324

DIRECT FACSIMILE NUMBER

(202) 778-5324



RECONFIELD HOUSE
CURSON STREET
LONDON W1T 6AS
ENGLAND

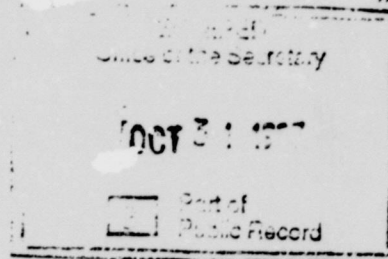
TELEPHONE: 44-171-496-5656
FACSIMILE: 44-171-496-3101

KUNSTLAAN 44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-548-5230
FACSIMILE: 32-2-502-1598

October 28, 1997

By Hand

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



Re: Finance Docket Nos. 32760 & 32760 (Sub-No. 21)

Dear Secretary Williams:

183622

183623

We are in receipt of ESI-28, the Petition of Entergy Services, Inc. and Entergy Arkansas, Inc. for Modification of Decision No. 44 or, In the Alternative, for Additional Condition. Union Pacific intends to respond to the petition within 20 days of its filing, by November 12, 1997.

If you have any questions, please feel free to contact me at the above telephone number.

Thank you for your assistance.

Sincerely,

Timothy C. Hester
Timothy C. Hester

cc: O.H. Storey, Esq.
C. Michael Loftus, Esq.

STB

FD

32760

10-28-97

J

183622

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

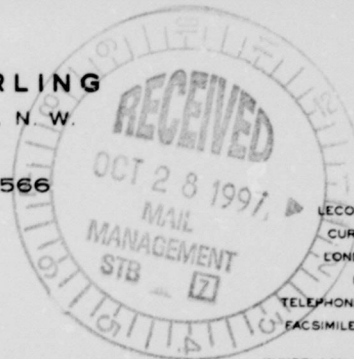
TIMOTHY C. HESTER

DIRECT DIAL NUMBER

(202) 662-5324

DIRECT FACSIMILE NUMBER

(202) 778-5324



LECONFIELD HOUSE
CURZON STREET
LONDON W1Y 8AS
ENGLAND

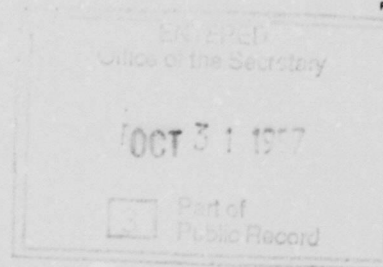
TELEPHONE: 44-171-495-5655
FACSIMILE: 44-171-495-3101

KUNSTLAAN 44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-549-5230
FACSIMILE: 32-2-502-1598

October 28, 1997

By Hand

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



J

Re: Finance Docket Nos. 32760 & 32760 (Sub-No. 21)

Dear Secretary Williams:

183622

183623

We are in receipt of ESI-28, the Petition of Entergy Services, Inc. and Entergy Arkansas, Inc. for Modification of Decision No. 44 or, In the Alternative, for Additional Condition. Union Pacific intends to respond to the petition within 20 days of its filing, by November 12, 1997.

If you have any questions, please feel free to contact me at the above telephone number.

Thank you for your assistance.

Sincerely,

Timothy C. Hester
Timothy C. Hester

cc: O.H. Storey, Esq.
C. Michael Loftus, Esq.

STB

FD

32760

10-3-97

J

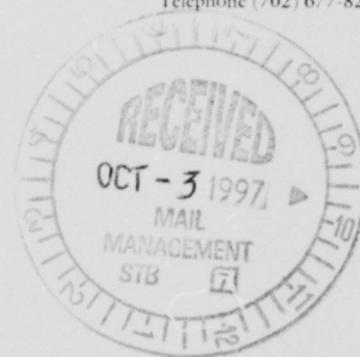
182333

RR DONNELLEY & SONS COMPANY

Reno Division

182333
14100 Lear Boulevard
Reno, Nevada 89506-1657
Telephone (702) 677-8200

J



September 30, 1997

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street, NW Room 171
Washington, DC 20423

FD-32760

Dear Secretary Williams,

We would appreciate your expediting resolution of the recent joint petition that we filed with The Burlington Northern and Santa Fe Railway Company (BN/SF - 81/RRD-1) on August 8, 1997. In that petition, we asked the Board to enforce the transload condition, which was imposed in the UP/SP merger proceeding, and issue an order stating that a facility at Sparks, Nevada, which R.R. Donnelley and Sons intends to use to transfer paper products from rail to truck for shipment to its Reno commercial printing plant, is a new "transload facility" that may be served by BNSF via the trackage rights granted to it in the UP/SP proceeding.

The reason that we are requesting an expedited decision is that the current lease of the Sparks facility, which is held by Rubbermaid, expires on October 31, 1997, as noted in our petition. The owner of the facility has agreed to honor our option on this facility until October 31, 1997, but will market it after that date if we have not exercised our option. We cannot exercise our option on the facility before the Board decides on our petition. Therefore, if the Board does not rule on our petition before October 31, 1997, we may lose the opportunity to use the facility, even if the Board subsequently grants the petition. The lost opportunity would be significant because, to our knowledge, there is no similar facility that could be used as a transload at a cost comparable to that of the Sparks facility.

Your consideration of this request for an expedited decision would be greatly appreciated.

Sincerely,

Bill Staab

Bill Staab
Operations Support Manager

BS:tb

cc: Arvid E. Roach II
Erika Z. Jones

STB

FD-32760

8-28-97

J

GRANGER FARM PRODUCTS, LTD.
FAX (512) 859-2309DATE: 8/28/97

FAX TO:

FIRM: Surface Transportation Board

ATTN.: _____

TOTAL PAGES INCLUDING THIS COVER SHEET 4IF YOU DO NOT RECIEVE ALL PAGES OF THIS TRANSMITTAL, OR
IF IT IS NOT LEGIBLE, PLEASE CALL (512) 859-2877FROM: Ryan

COMMENTS:

Please note the article on the Union Pacific Railroad. The service I've received from the UP this year has been terrible. No one knows how we're supposed to order cars, if there are any available or even when you might see them if you do get an order placed.

Not only does it affect my ability to move grain but it also affects the price I'm able to offer the farmer for their grain. The Union Pacific Railroad is about as consistent as a slot Machine in Las Vegas

Quite frankly, I believe it's out of control, and we definitely ~~we~~ need to get it in control before next year rolls around. Please help us as we try to help our farmers.

Sincerely,

Ryan Ford

Cattle Train That Couldn't

By DAVID RUISARD
R — The train was late. en with Amtrak's president and chief officer on board, with Amtrak's public staff entertaining politicians and news a special edition, milk run, publicity ot even then could the crews make the t Austin to Temple run on time Wednes-

ed to arrive at Temple's Santa Fe depot p.m., the special train carrying Amtrak and CEO Tom Downs and Temple N. Perry was stranded on a siding in er 11 p.m. Wednesday. blamed the delay — and other chronic trank has experienced — on scheduling with Union Pacific rail lines. Union Pacific) know that the president of Amtrak, the mayor of Temple and

the media are on board this train," a frustrated Downs said late Wednesday. He said it "might take legal action" to resolve the problem. Amtrak trains have been known to be up to 14 hours late because of the Union Pacific scheduling problems, he said. "The schedule between San Antonio and Dallas used to be four hours shorter than it is now," he said. The special train was part of the Whistle Stop Tour promoting renovated and soon-to-be renovated train stations across the country. Temple was scheduled as the 56th stop on a 100-city tour. The special eight-car train containing sleepers, promotional displays on the history of railroads, gourmet dining facilities and an ornate theater

Please See TRAIN, Page 10A

Killeen Enrollment approaches 29,000

By JOHN CLARK
KILLEEN — Enrollment in the Killeen school district has surpassed last year's peak enrollment and is approaching a record 29,000 students, according to figures released Wednesday. Classes began here two weeks ago and enrollment was counted Tuesday at 28,620 students. That is 151 more students than last year's peak enrollment of 28,469. School enrollment historically peaks in Killeen around mid-September, then drops off some-

what and fluctuates throughout the year, mostly due to the high number of children from military families. The projected peak for this year is 29,000. Fifty-two percent of the students in Killeen schools have parents who are soldiers assigned to nearby Fort Hood, or employees at the military post. With an operating budget of about \$140 million, the Killeen district includes students from

Please See KILLEEN, Page 9A

Crossings Shutdown

Border Patrol Chief
In California, Page 7A
Advisor Herb Monette.
less, concern about the
five is growing across

foreign ministry, ex-
profound worry" over
own, scheduled an ur-
g of its border consuls
and Friday in San An-
consuls are expected to
a plan to ensure the
Mexican citizens are
is the operation pro-

can consul in Browns-
ot return a telephone
rom The Associated

1 Rio Grande began
th beefed-up patrols in
Brownsville and along
section of river just
wntown.

BORDER, Page 9A

Telegram Today

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Editorials.....	4A	TV Listings.....	9A
Heloise.....	6A	Weather.....	11B

Bible Verse

"And He said, My presence shall go with thee, and I will give thee rest." — Exodus 33:14

Weather

Temple area forecast: mostly sunny; breezy and warm; high, 96; low, 68; southeasterly winds 5-15 mph.
Sunrise, 7:03 a.m.; sunset, 7:57 p.m.; moonrise, 4:08 a.m.; moonset, 5:11 p.m.
Temple airport: high, 95; low, 66; no rain fell in the 24-hour period ending at 5 p.m. Wednesday.
Lake levels: Stillhouse Hollow, 622.10 feet above sea level; Lake Belton, 594.23 feet above sea level.

Agency: Union Pacific uses dangerous train maneuvers

OMAHA, Neb. (AP) — Dangerous train maneuvers, 90-hour work weeks and missing freight information are undermining safety on the nation's largest railroad, the Federal Rail Administration chief said Wednesday. Jolene M. Molitoris' grim assessment came midway through her agency's 10-day, systemwide safety review of Union Pacific Railroad, which was prompted by a recent series of train wrecks that killed seven people. Eighty inspectors are riding the rails, talking to work crews and hovering over dispatchers, she said. They found serious dispatcher errors, including one impromptu decision to run a train against the flow of rail traffic. Molitoris met with Union Pacific President Jerry Davis for almost three hours Wednesday to discuss changes. "He gave us his full commitment to develop an action plan, with a timeline to address all of our concerns," she said. They plan to meet again within the week. Union Pacific officials said they would organize a safety team to address the

agency's concerns and appreciated the review of the company, which has 36,000 miles of track stretching west from the Mississippi River. They also said they would hold a safety summit with managers, agency officials and labor unions to deal with the concerns. "Union Pacific's commitment to preventing accidents and injuries to our people has never been stronger," Davis said. "This team re-enforces that commitment and also sends the clear message that we will do whatever it takes for as long as it takes until we are running the safest railroad in the United States." Many of the safety problems are due to fatigue, Molitoris said. "You have people who are working seven days a week, 12 plus hours a day with no time off. When you are that tired it makes top performance and safety assurance impossible," she said. "And that schedule isn't just for a week or so, it's constant. That is something the railroad is going to have to evaluate —

Please See RAIL, Page 10A

Fair

(Continued From Page One)

Tickets to enter the fair grounds remain the same as last year — \$2 for adults, and \$1 for children 12 and younger.

Advance bull riding tickets are \$13, \$10, and \$7 for adults; and \$11, \$8 and \$5 for children ages 3-12.

Those with bull riding tickets can enter the fair grounds free of charge.

The fair is beginning two weeks earlier than its traditional mid-September line up in an effort to prevent conflict with area Friday night football games.

Rail

(Continued From Page One)

just how many people do they need to run the railroad safely."

Molitoris said inspectors discovered that one dispatcher talked a train through moves against the current of traffic without written authority, a direct violation of federal and Union Pacific rules.

Davis said that mistake was immediately corrected and would not happen again. He also said the railroad planned to hire 1,500 people by the end of the year to help ease the heavy work schedules.

Supervisors were so overloaded with administrative duties that they were not performing required routine safety checks on trains, Molitoris said.

Correction

OMAHA, Neb. (AP) — The Associated Press, in an Aug. 26 story about a nationwide safety review of the nation's largest railroad, erroneously reported that 12 people were killed in eight months in Union Pacific train wrecks.

Seven people have died in train collisions in the past three months.

In addition, the Federal Railroad Administration says five Union Pacific employees died this year in other types of accidents. The railroad says an autopsy showed one of those workers died of natural causes and should not be included in the total.



Dillard's

STB

FD-32760

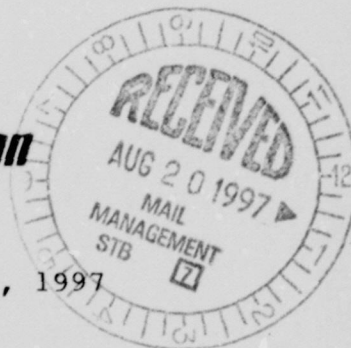
8-20-97

J



united transportation union

1301½ Morrissey Drive
Bloomington, IL 61701



August 13, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Clinton Miller,
Legal Counsel
United Transportation Union
14600 Detroit Ave.
Cleveland, Ohio 44107

Dear Sir:

I am in receipt of your letter dated August 8, 1997 and would assume that paragraphs two (2) thru five (5) would apply to the SPCSL.

The SPCSL was purchased by the Rio Grande Acquisition Corporation and operated as a separate Corporation (SPCSL Corp.) until the UP-SP merger. Enclosed is a document dated July 29, 1997. The SPCSL has seniority on the SSW as well as being a separate corporate entity.

1. Question: Did this July 29, 1997 document change SPCSL's identity? Reference to page 3 - paragraph 3, third and fourth sentences "these companies might retain their separate existence for some time".

2. Question: Why then has the UP had the right to (a) divert our traffic; (b) force the UPGRADE (National) UP Discipline Rule down our throats; (c) force payroll changes; (d) force changes in deadheading payments; (e) computer use, eliminating Clerks by forcing Conductors to do clerical work; (f) change operating rules; (g) deny health incentive payments; (h) time and one-half for vacations as per SPCSL Agreement; (i) First in First Out Pool Rule; (j) jurisdiction of work (nearest supply point). If the GWWR (as per your August 8th letter) can retain their agreements and identify with the KCS, the CCP can retain their identity and agreements with the IC, why then can't the SPCSL retain their identity and agreements with the UP? At least until an Implementing Agreement has been consummated.

The UP has been diverting more and more traffic without paying any attention to the devastating effect diversion of traffic has on SPCSL. The Carrier should be made to cease and desist diversion of traffic immediately! At the



united transportation union

Page Two
Mr. Clinton Miller
August 13, 1997

Quincy work location, train operations have ceased to exist in the eastward mode.

Question: In closing, what was the context of the meeting held between President Charlie Little and Assistant President Byron Boyd and the STB on June 12, 1997 between the hours of 10:20 am. - 11:30 am.? Are we trying to get some of these premature implementations stopped?

Reply requested.

Yours truly,

C.W. Downey
General Chairman
United Transportation Union

cc: Dan Johnson
SP Local Chairmen
STB

STB

FD-32760

8-15-97

J



THE TERRY COMPANIES
LUMBER AND BUILDING PRODUCTS



August 12, 1997

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

FD 3276d

Dear Mr. Williams:

Last year I wrote a letter in support of the Union Pacific and Southern Pacific merger based on assumptions that such a union would create certain efficiencies and benefits to new and existing customers. It has been our experience in almost a year of doing business with the "new company" that the service we receive has deteriorated beyond what was already mediocre service provided by Southern Pacific Railroad. We are presented daily with equipment failure, equipment shortages, indifferent and confused operations personnel and a marketing staff that is struggling to serve its customer base. We were led to believe that this merger would benefit all those parties involved, but to date, this merger has cost our company thousands of dollars in late shipments, money tied up in unreceived inventory and, damaged goodwill with our customers.

I understand there is a three-year "window" in which this merger may be rescinded for appropriate reasons. I can't say that we are at that point yet, but someone needs to take a hard look at the "wisdom" of this merger and determine who is really benefiting from this consolidation.

Sincerely,

Pete Meichtry
Purchasing Manager
The Terry Companies

PM/nf

cc: Tom Mullin
Eric Hanson - Union Pacific
Brian McDonald - Union Pacific

ADMINISTRATIVE OFFICES: 18551 Oxnard Street, Tarzana, California 91356 (818) 776-3200
FAX (818) 776-3254

TERRY LUMBER CO. GROUP:

ASSOCIATED COMPANIES:

Los Angeles • Bakersfield • Burbank • Camarillo • Hollywood • Lancaster
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Inland Timber Co. • Pacific International Millwork Co. • Precision Mill & Lumber Co.
Terry Builders Hardware Co. • Terry Investment Co. • Terry Ocean Cargo Co. • Terry Roof Truss Co.
Terry Sash & Door Co. • Terry Wholesale Hardware Co. • Terry Wholesale Lumber Co.

STB

FD

32760

2-15-96

J

61251

Item No. _____

Page Count 4

Feb 11

Office of the Secretary

FEB 16 1996

5 Part of
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LAW OFFICES

F. RITZ R. KAHN, P.C.

SUITE 750 WEST

1100 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-3934

(202) 371-8037

FAX (202) 371-0900



February 9, 1996

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

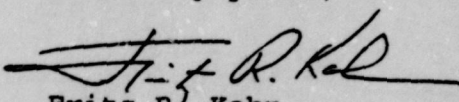
In Finance Docket No. 32760, Union Pacific Corp., et al.--
Control and Merger--Southern Pacific Rail Corp., et al., please
enter the appearance of an additional attorney for Mountain Coal
Company, namely:

Russell S. Jones, III
Mountain Coal Company
555 17th Street (22nd fl.)
Denver, CO 80202
Tel.: (303) 293-4200

Twenty copies of this letter are enclosed.

By copy of this letter, I am advising counsel for Applicants
that Mr. Jones anticipates attending the deposition of Mr. Richard
G. Sharp, which is scheduled for February 13, 1996.

Sincerely yours,


Fritz R. Kahn

enc.

cc: Arvid E. Roach II, Esq. (fax 737-0528)
Paul A. Cunningham, Esq. (fax 973-7610)
Hon. Frank E. Kruesi
Michael D. Billiel, Esq.
Hon. Jerome E. Nelson
Russell S. Jones, III, Esq.

STB FD

32760

2-15-96

J

61250

61250

Item No. _____

ENTER
Office of the

Page Count 1 / N & PLATT -

Feb 11 9

A AVENUE, N.Y.

WASHINGTON, D.C. 20006-1882

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

CHICAGO
IRLIN
RUSSELLS
HOUSTON
LONDON
LOS ANGELES
NEW YORK
TOKYO

FEB 1

Part of
Public Record

MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARRETE, NADER Y ROJAS

WRITER'S DIRECT DIAL NUMBER

(202) 778-0124

February 15, 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 (i) the original and twenty (20) copies of a letter from Erika Z. Jones to All Counsel on the Restricted Service List and (ii) the original and twenty (20) copies of Responses and Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Arizona Electric Power Cooperative, Inc.'s First Set of Interrogatories and Document Production Requests to BN/Santa Fe (BN/SF-19). Also enclosed is 3.5-inch disk containing the text of BN/SF-19 in Wordperfect 5.1 format.

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

Sincerely,

Ted R. Bardach

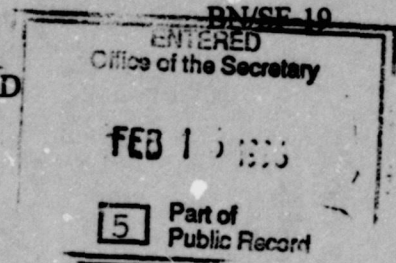
Ted R. Bardach

Enclosure



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760



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

-- CONTROL AND MERGER --

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

RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO ARIZONA ELECTRIC POWER COOPERATIVE, INC.'S
FIRST SET OF INTERROGATORIES AND DOCUMENT
PRODUCTION REQUESTS TO BN/SANTA FE

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

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

and

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

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

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

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

February 15, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

RESPONSES AND OBJECTIONS OF BURLINGTON NORTHERN RAILROAD
COMPANY AND THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
TO ARIZONA ELECTRIC POWER COOPERATIVE, INC.'S
FIRST SET OF INTERROGATORIES AND DOCUMENT
PRODUCTION REQUESTS TO BN/SANTA FE

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

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

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

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

GENERAL OBJECTIONS

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

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

BN/Santa Fe beyond those imposed by the General Rules of Practice of the Interstate Commerce Commission ("Commission"), 49 C.F.R. § 1114.21-31, the Commission's scheduling orders in this proceeding, or the Administrative Law Judge assigned to this case.

5. Definitions. BN/Santa Fe makes the following objections to AEPCO's definitions contained in Attachment 1:

6. "Communication" means the transmittal of information of any kind.

BN/Santa Fe objects to the definition of "communication" to the extent that it is overly broad and would require an unreasonable search.

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

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

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

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

6. Instructions. BN/Santa Fe makes the following objections to AEPCO's instructions:

5. All requests for production of documents should be understood to seek only those documents created on or after January 1, 1991.

BN/Santa Fe objects to Instruction No. 5 to the extent that it calls for the production of documents created on or before January 1, 1993, on the ground that such documents are not relevant to this proceeding and not calculated to lead to the discovery of admissible evidence.

RESPONSES AND OBJECTIONS TO INTERROGATORIES

1. Identify any operational or economic constraints that prohibit BNSF from participating in the rail transportation of coal from the Powder River Basin to AEPCO's Apache Station.

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. 1 to the extent that it is vague and ambiguous and calls for speculation.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that it is not aware of any operational or economic constraints that prohibit BN/Santa Fe from participating in the rail transportation of coal from the Powder River Basin to AEPCO's Apache Station.

RESPONSES AND OBJECTIONS TO DOCUMENT PRODUCTION REQUESTS

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

Response: See Response to Interrogatory No. 1.

2. Produce all documents which discuss or relate to BNSF's potential participation in the rail transportation of coal from origins in the Powder River Basin to AEPCO's Apache Station.

Response: Subject to and without waiving the General Objections stated above, in particular the relevance, burden and scope objections, BN/Santa Fe objects to Document Production Request No. 2 to the extent that it would require an unreasonably burdensome search of BN/Santa Fe's files.

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

3. Produce all documents which discuss, analyze or compare: (i) AEPCO's current coal supply and rail service arrangements for coal originating on BNSF's line near Gallup, New Mexico; with (ii) potential rail service that BNSF could participate in from coal origins in the Powder River Basin to AEPCO's Apache Station.

Response: Subject to and without waiving the General Objections stated above, in particular the relevance, burden and scope objections, BN/Santa Fe objects to Document Production Request No. 3 to the extent that it would require an unreasonably burdensome search of BN/Santa Fe's files.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe has not identified any responsive documents.

4. Produce all documents which discuss, analyze or compare: (i) AEPCO's current coal supply and rail service arrangements for coal originating on BNSF's line near Gallup, New Mexico; with (ii) potential rail service that Applicants could provide from coal origins in either Colorado or the Powder River Basin to AEPCO's Apache Station via Stratford, Texas.

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

Production Request No. 4 to the extent that it would require an unreasonably burdensome search of BN/Santa Fe's files.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe has not identified any responsive documents.

5. Produce all documents which discuss, analyze or compare: (i) potential rail service to AEPCO's Apache Station that BNSF could participate in from origins in the Powder River Basin; with (ii) potential rail service from origins in either Colorado or the Powder River Basin that the Applicants could provide to AEPCO's Apache Station via Stratford, Texas.

Response: Subject to and without waiving the General Objections stated above, in particular the relevance, burden and scope objections, BN/Santa Fe objects to Document Production Request No. 5 to the extent that it would require an unreasonably burdensome search of BN/Santa Fe's files.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe has not identified any responsive documents.

6. Produce all documents relating to AEPCO's ability to substitute natural gas for any or all of the coal that it uses to generate electricity.

Response: Subject to and without waiving the General Objections stated above, in particular the relevance, burden and scope objections, BN/Santa Fe objects to Document Production Request No. 6 to the extent that it would require an unreasonably burdensome search of BN/Santa Fe's files.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe has not identified any responsive documents.

7. Produce all documents relating to AEPCO's ability to displace any or all of the power that it generates with purchased power.

Response: Subject to and without waiving the General Objections stated above, in particular the relevance, burden and scope objections, BN/Santa Fe objects to Document Production Request No. 7 to the extent that it would require an unreasonably burdensome search of BN/Santa Fe's files.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe has not identified any responsive documents.

8. Produce all documents relating to AEPCO's ability to displace any or all of the power that it generates with so-called "coal-by-wire."

Response: Subject to and without waiving the General Objections stated above, in particular the relevance, burden and scope objections, BN/Santa Fe objects to Document Production Request No. 8 to the extent that it would require an unreasonably burdensome search of BN/Santa Fe's files.

Subject to and without waiving the foregoing objections, BN/Santa Fe states that BN/Santa Fe has not identified any responsive documents.

Respectfully submitted,

Erika Z. Jones ^{KEO}

Erika Z. Jones

Adrian L. Steel, Jr.

Roy T. Englert, Jr.

Kathryn A. Kusske

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

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

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

and

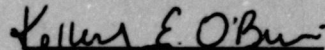
The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6887

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

February 15, 1996

CERTIFICATE OF SERVICE

I hereby certify that copies of Responses and Objections of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to Arizona Electric Power Cooperative, Inc.'s First Set of Interrogatories and Document Production Requests to BN/Santa Fe (BN/SF-19) have been served this 15th day of February, 1996, by fax and by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by hand-delivery on counsel for Arizona Electric Power Cooperative, Inc.



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

STB FD 32760

2-12-96

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Item No. _____

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LAW OFFICES

SPENCER, McFARLAND & HERMAN

100 NORTH WACKER DRIVE - SUITE 3118

CHICAGO, ILLINOIS 60606-3101

TELEPHONE (312) 236-0204

FAX (312) 201-9695

THOMAS F. McFARLAND, JR.
STEPHEN C. HERMAN

February 8, 1996



Vernon A. Williams, Secretary
Surface Transportation Board
U.S. Department of Transportation, Rm. 1324
12th & Constitution Avenue, NW
Washington, DC 20423

Re: Docket No. AB-33 (Sub-No. 96), *Union Pacific Railroad Company --
Abandonment -- Barr-Girard Line in Menard, Sangamon and Macoupin
Counties, IL*

and

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

Dear Mr. Williams:

This is to enter the additional appearance of the undersigned in the above proceedings in
behalf of Springfield Plastics, Inc., Rural Route 1, P.O. Box 171, Auburn, IL 62615, and Brandt
Consolidated, Inc., P.O. Box 277, Pleasant Plains, IL 62677."

Very truly yours,

Tom McFarland

Thomas F. McFarland, Jr.
Attorney for Springfield Plastics, Inc. and
Brandt Consolidated, Inc.

FEB 14 1996

TMCF:kl:526

1/ Brandt Consolidated, Inc. is incorrectly described in the abandonment application as
"Brandt Fertilizer" and its address is incorrectly stated (Document No. UP-SP-26, p. 407). Brandt
Consolidated, Inc. is affiliated with Springfield Plastics, Inc. The prior appearance in behalf of
Springfield Plastics, Inc., before retention of counsel, was intended to encompass its affiliate,
Brandt Consolidated, Inc.

BELNAP, SPENCER, McFARLAND & HERMAN

Vernon A. Williams, Secretary

February 8, 1996

Page 2

cc: Arvid E. Roach, II
Paul A. Cunningham
Robert T. Opal

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Feb II 83

SOURCES

Office of Water Resources

524 South Second Street, Springfield 62701-1787

Jim Edgar, Governor • Brent Manning, Director

February 8, 1996

SUBJECT: Union Pacific and Southern Pacific Railroads
Potential Construction Projects

Ms. Elaine K. Kaiser
UP/SP Environmental Project Director
Section of Environmental Analysis
Surface Transportation Board
12th and Constitution Avenue, Room 3219
Washington, D.C. 20423-0001



ATTENTION: Finance Docket No. 32760 - Comments

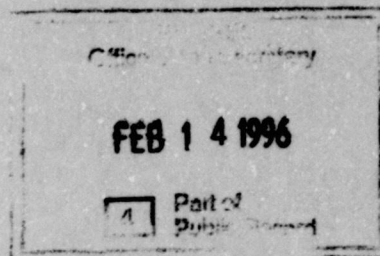
Dear Ms. Kaiser:

Enclosed for your information is a copy of our comments to Dames & Moore, Inc. regarding the impacts of the potential construction projects proposed as a part of their merger. I hope this information assists you in completing the Environmental Assessment. If you have any further questions for our office, please feel free to contact me at 217/782-3863.

Sincerely,

A handwritten signature in cursive script that reads "Robert H. Dalton".

Robert H. Dalton, P.E.
Chief, Downstate Regulatory Programs



RHD:cm
Enclosure



ILLINOIS
DEPARTMENT OF
NATURAL RESOURCES
Office of Water Resources

524 South Second Street, Springfield 62701-1787

Jim Edgar, Governor • Brent Manning, Director

February 8, 1996

SUBJECT: Union Pacific and Southern Pacific Railroads
Potential Construction Projects



Ms. Elaine K. Kaiser
UP/SP Environmental Project Director
Section of Environmental Analysis
Surface Transportation Board
12th and Constitution Avenue, Room 3219
Washington, D.C. 20423-0001

ATTENTION: Finance Docket No. 32760 - Comments

Dear Ms. Kaiser:

Enclosed for your information is a copy of our comments to Dames & Moore, Inc. regarding the impacts of the potential construction projects proposed as a part of their merger. I hope this information assists you in completing the Environmental Assessment. If you have any further questions for our office, please feel free to contact me at 217/782-3863.

Sincerely,

Robert H. Dalton, P.E.
Chief, Downstate Regulatory Programs

FEB 14 1996

4 Post

RHD:cm
Enclosure



ILLINOIS
DEPARTMENT OF
NATURAL RESOURCES
Office of Water Resources

524 South Second Street, Springfield 62701-1787

Jim Edgar, Governor • Brent Manning, Director

November 16, 1995

SUBJECT: Union Pacific and Southern Pacific Railroads
Potential Construction Projects

Ms. Julie Donsky
Dames & Moore, Inc.
One Continental Towers
1701 Golf Road, Suite 1000
Rolling Meadows, Illinois 60008

Dear Ms. Donsky:

Enclosed for your information are copies of our rules for "Construction in Floodways of Rivers, Lakes and Streams" and "Floodway Construction in Northeastern Illinois." These rules appear to be the ones which would be relevant to the types of work you are proposing for the merger of the Union Pacific and Southern Pacific Railroads. This office also regulates construction in the public waters of the state and the construction and modification of dams. From the information included in your September 30, October 23, 24, and 31 and November 6, 1995 letters it did not appear that our public water or dam safety rules would be applicable.

From the general location and project description information included with your letters I have made the following determinations:

- Barr (October 23 letter) - The drainage area of the stream at the Barr site is less than 10 square miles in a rural area, therefore, an IDNR/OWR permit is not required. If work other than the removal of the rails and ballast is proposed for the rail line south of Barr more detailed information should be submitted for our review.
- Buda (October 31 letter) - It appears that the construction of new siding west of Buda could involve the crossing of a waterway with a drainage area greater than 10 square mile in an rural area. Therefore, a permit would be required from this office for the proposed construction. The other proposed work in the Buda vicinity does not involve streams under our jurisdiction. Therefore, a permit is not required for that work.

- ● -

Effective July 1, 1995, the Illinois Department of Natural Resources was created through the consolidation of the Illinois Department of Conservation, Department of Mines and Minerals, Abandoned Mined Lands Reclamation Council, the Department of Transportation's Division of Water Resources, and the Illinois State Museum and Scientific Surveys from the Illinois Department of Energy and Natural Resources.

[printed on recycled and recyclable paper]

Ms. Julie Donsky
Page 3
November 16, 1995

- Springfield (September 30 and October 23 letters) - The location of the proposed "wye" connections do not cross waterways with drainage areas greater than 1 square mile in an urban area. Therefore, a permit is not required.

Your Earlville and Valley Jct. site projects were canceled as noted in your letters of November 6 and October 24 respectively. The other information you have requested would come from other agencies, such as the Illinois Environmental Agency, or other offices of the Department of Natural Resources. The Office of Realty and Environmental Planning, 524 South Second Street, Springfield, Illinois 62701-1787 may be able to respond to some of your information requests more specifically. I hope this information has assisted you in the preparation of your Environmental Report.

Sincerely,

S/S 11/16/95

Robert H. Dalton, P.E.
Chief, Downstate Regulatory Programs

RHD:cm
Enclosures
cc: Gary Jereb

STB FD 32760

2-9-96

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Item No. 61224

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RLEA-8

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



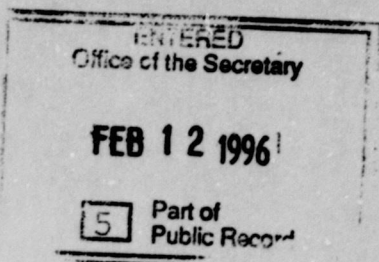
FIRST REQUEST FOR PRODUCTION OF DOCUMENTS
OF RAILWAY LABOR EXECUTIVES' ASSOCIATION
AND UNITED TRANSPORTATION UNION DIRECTED TO APPLICANTS

William G. Mahoney
Richard S. Edelman
Donald F. Griffin

HIGHMAN, MAHONEY & CLARKE, P.C.
1050 17th Street, N.W.
Suite 210
Washington, D.C. 20036
(202) 296-8500

Counsel for Railway Labor
Executives Association, Its
Affiliated Organizations and
United Transportation Union

Dated: February 9, 1996



**FIRST REQUEST FOR PRODUCTION OF DOCUMENTS
OF RAILWAY LABOR EXECUTIVES' ASSOCIATION
AND UNITED TRANSPORTATION UNION DIRECTED TO APPLICANTS**

The Railway Labor Executives' Association, its affiliated organizations and the United Transportation Union ("RLEA") serve through counsel, pursuant to 49 C.F.R. §1114.26, the following request for production of documents upon the Applicants. Answers to these document requests should be served upon counsel for RLEA: HIGHS AW, MAHONEY & CLAREK, P.C., 1050 17th Street, N.W., Suite 210; Washington, D.C. 20036; fifteen (15) days after service thereof.

Please produce for inspection by counsel for RLEA/UTU the following:

1. Copies of any contracts identified by Applicants in response to RLEA/UTU interrogatory no. 85.
2. A copy of a typed version or clearly handwritten version of the handwritten notes pertaining to the March 2, 1995 UP-SP meeting with explanations of abbreviations or replacement of abbreviations with the words which are abbreviated) which are reproduced at the UP/SP document depository at HC52-000026-HC52-00032.

--2--

Respectfully submitted,



William G. Mahoney
Richard S. Edelman
Donald F. Griffin

HIGHSAW, MAHONEY & CLARKE, P.C.
1050 17th Street, N.W.
Suite 210
Washington, D.C. 20036
(202) 296-8500

Counsel for Railway Labor
Executives Association, Its
Affiliated Organizations and
United Transportation Union

Dated: February 9, 1995

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be served one copy of the First Request For Production Of Documents Of Railway Labor Executives' Association And United Transportation Union Directed to Applicants by hand-delivery to the offices of the following:

Paul A. Cunningham
HARKINS CUNNINGHAM
1300 19th Street, N.W.
Suite 600
Washington, D.C. 20036

Arvid E. Roach, II
COVINGTON & BURLING
1201 Pennsylvania Avenue, N.W.
P. O. Box 7566
Washington, D.C. 20044

and by first-class mail, postage prepaid, to the offices of the parties on the restricted service list.

Dated at Washington, D.C. this 9th day of February 1996.

A handwritten signature in dark ink, appearing to read 'R. S. Edelman', is written over a horizontal line.

Richard S. Edelman

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Item No. _____

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Feb 2 61

61203

Oregon

PUBLIC
UTILITY
COMMISSION



February 2, 1996

Elaine K. Kaiser
UP/SP Environmental Project Director
Section of Environmental Analysis
Surface Transportation Board
12th and Constitution Avenue, Room 3219
Washington, D.C. 20423-0001

Re: Finance Docket No. 32760 - Comments

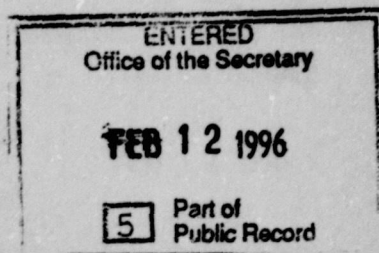
In regards to your letter of January 29, 1996 requesting comments on Finance Docket No. 32760, the Public Utility Commission was reorganized as of January 1, 1995. The reorganization resulted in the regulation of the trucking and rail industries being transferred to the Oregon Department of Transportation. We no longer have the staff or the information available to us to provide relevant comments on this issue.

In light of your February 15th reply date, the request package will be routed to the appropriate personnel at the Oregon Department of Transportation.

Sincerely,

Rick Willis, Executive Director
Public Utility Commission

/smb



John A. Kitzhaber
Governor



550 Capitol St. NE
Salem, OR 97310-1000
(503) 378-5849

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2-6-96

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Item No. _____

Page Count 1

Feb # 39

PACIFIC LUMBER COMPANY

P.O. Box 37, Scotia, CA 95565 (707) 764-2222



January 31, 1996



Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

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

Dear Mr. Williams:

Our company produces lumber products and ship them worldwide. Over the years we have shipped thousands of board feet of lumber from Northern California to Texas and to Mexico via Laredo.

To maintain competition we believe that The Texas Mexican Railway Company should be granted trackage rights over the UP-SP line from Houston to Corpus Christi. This will help provide competition on shipments to southern Texas and Mexico.

We have found that competition in the open market is the best way to get the most for your dollar, be it raw materials, products or transportation. By granting the Tex-Mex trackage rights from Corpus Christi to Houston, the added competition for the rail business will keep the level of service high and rates low.

**ADVISE OF ALL
PROCEEDINGS**

Sincerely,

THE PACIFIC LUMBER COMPANY

RODNEY W. WOOLLEY
Manager, W.C.

ENTERED
Office of the Secretary

FEB 07 1996

3 Part of
Public Record

"Recipient of 1994 Wildlife Stewardship Award of the Forest Products Industry"

STB FD

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61180

MARK D. STUBBS
DISTRICT 23
TWIN FALLS COUNTY

ENTERED
Office of the Secretary

HON Item No. _____
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Feb # 38



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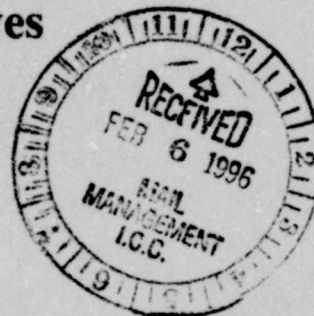
COMMITTEES

VICE CHAIRMAN
JUDICIARY RULES &
ADMINISTRATION

REVENUE & TAXATION

ENVIRONMENTAL AFFAIRS

House of Representatives
State of Idaho



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

32760
Finance Docket No. 327650, Union Pacific Corp., et al -- Control & Merger --
Southern Pacific Rail Corp., et al.

Dear Mr. Williams:

I, Mark Stubbs, am a member of the House of Representatives, representing Twin Falls County in the Idaho legislature. I am the Vice-chairman of the House Judiciary, Rules/Administration Committee.

I support the proposed merger of the Union Pacific Railroad and the Southern Pacific Lines. The merger of the UP and SP will enhance rail competition, strengthen the Idaho transportation system and help fulfill the potential for increased economic development within the State of Idaho.

In particular, this merger will provide faster, more direct and new single-line routes for many of the areas that trade by rail with Idaho. For example, eastern and northern Idaho will obtain much shorter single-line routes to many points in California and Oregon. In addition there will be a new single-line route for the single-line service from all UP-served points in Idaho to numerous points now served only by SP in Colorado, New Mexico, Louisiana, and the Midwest. Both shippers and receivers in Idaho will benefit from this streamlining.

Also important is the fact that merger will enable UP to provide a ready supply of railcars, particularly the refrigerated equipment that Idaho shippers need. By making use of backhaul opportunities and taking the best advantage of seasonal patterns, the UP could provide more reefer cars for Idaho potatoes, for example, without any corresponding increase in its fleet and the cost that would entail. In addition, more capital investment for expanded capacity would be possible with the additional cost savings from combining the operations of two railroads.

**ADVISE OF ALL
PROCEEDINGS**

A merged UP/SP will strength competition with the now-merged BN/Santa Fe and its new single-line routes. It is important to Idaho that UP/SP be permitted to compete by merging because of the benefits outlines above, and so that the UP will remain a financially strong match for BN/Santa Fe in Idaho.

For these reasons, the undersigned fully supports the merger and urges the Surface Transportation Board to approve the merger promptly.

Feb 1, 1996
Date

Mark Stubbs
Mark Stubbs

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2-6-96

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Feb # 37

ENTERED
Office of the Secretary

FEB 07 1996

3 Part of
Public Record

January 31, 1996

61179

Roxanne Qualls, President
James Q. Duane, Executive Director

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

RE: Finance Docket 32760

Dear Secretary Williams:

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) has formed a Freight Transportation Advisory Committee and is studying freight movement and operations within and through the Greater Cincinnati metropolitan area. The purpose of this initiative is to remove impediments to the efficient flow of freight through our area. In this regard, we are concerned about the proposed acquisition of the Southern Pacific (SP) by the Union Pacific (UP). While we are familiar with the proposed agreement between UP and the Burlington Northern-Santa Fe (BNSF), we are not convinced that this arrangement would be to the best interest of our area and rail traffic originating or terminating in the Mid-South region of the United States.

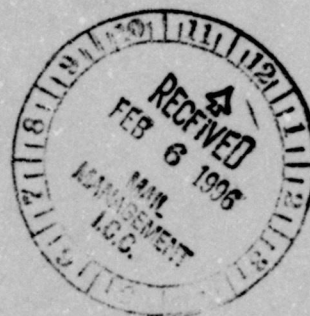
We also have reviewed Conrail's proposal to acquire the SP lines running from Chicago and St. Louis to Arkansas, Texas, and Louisiana in connection with the merger. We find this proposal far more effective in addressing the above stated concerns. The Conrail proposal calls for ownership of the lines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

Conrail's proposal is that it would provide efficient service for rail customers in our area for movement of goods and raw materials to and from the Texas Gulf. Conrail's proposed "one-line" service to these markets would be the fastest; most direct and involve the fewest car handlings. As you may already know, Proctor and Gamble's (P&G) headquarters is in Cincinnati. Conrail provides service to P&G's Ivorydale Facility by delivering railroad cars carrying raw materials used in making the various products manufactured there.

Along with CSX and Norfolk Southern, Conrail is a Class I railroad which links the Greater Cincinnati Metropolitan area with other parts of the country. Given Conrail's network and scale of operations, we would not like anything to occur which would jeopardize the efficient flow of freight on Conrail's lines through the Greater Cincinnati metropolitan area.

Serving the Counties of

Boone • Butler • Campbell • Clermont • Dearborn • Hamilton • Kenton • Warren

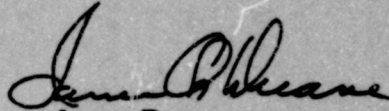


ADVISE OF ALL
PROCEEDINGS

For all of the reasons above, OKI does not feel the UP-SP merger is in the best interest of this metropolitan area.

We appreciate the opportunity to comment on this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "James Duane", written in a cursive style.

James Duane
Executive Director

CT: David M. Levan
President and Chief Executive Officer
Conrail

STB

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2-6-96

J

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Item No. _____

Page Count 1

Feb #36



41178
ENTERED
Office of the Secretary

FEB 07 1996

3 Part of
Public Record

**State of Texas
House of Representatives**

Leticia Van de Putte, R. Ph.

State Representative
District 115

3718 Blanco Rd., Suite 2
San Antonio, Texas 78212
210-733-6604

P. O. Box 2910
Austin, Texas 78768-2910
512-463-0532

January 31, 1996

The Honorable
Vernon A. Williams, Secretary
Surface Transportation Board
12th Street and Constitution Ave.
Washington, DC 20423



RE: Finance Docket 32760

Dear Secretary Williams,

Putting before your Board is the merger proposal between the Union Pacific Railroad (UP) and the Southern Pacific Lines. I am very concerned that the merger proposal currently offered by these two railroads will significantly reduce rail competition in Texas, seriously impacting Texas businesses and our States economy.

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

A trackage rights agreement, however, simply does not solve the problem. Owners of rail lines have incentives to invest in the track and to work with local communities to attract economic development. Owners have control over the service they provide--its frequency, its reliability, its timeliness. None of these things can be said about railroads that operate on someone's else's tracks, subject to someone else's control.

Texas needs another owning railroad, not another merger, to ensure effective rail competition. An owning railroad willing to provide quality service and investment is the best solution for shippers, communities, and economic development officials. An owning railroad also offers the best opportunity to retain employment for railroad workers who would otherwise be displaced by the proposed merger.

I appreciate your consideration of these complicated issues as the Board reviews the current proposal for the UP/SP merger. I offer my recommendation for an owning railroad to ensure adequate and equitable rail service in Texas.

Sincerely,

Leticia Van de Putte

Leticia Van de Putte, R.Ph.

ADVISE OF ALL

PROCEEDINGS

LVP/M

Committees: Economic Development • Juvenile Justice & Family Issues

STB FD 32760

2-6-96

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Item No. _____

Page Count 1
Feb # 35



MIKE LYBYER

TOLL FREE

1-800-392-0158

SENATE POST OFFICE
STATE CAPITOL ROOM 333
JEFFERSON CITY, MO 65101
(314) 751-2601
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MISSOURI SENATE

JEFFERSON CITY

January 31, 1996

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Office of the Secretary

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3 Part of
Public Record

COMMITTEES:

APPROPRIATIONS, CHAIRMAN
AGRICULTURE AND LOCAL GOVERNMENT
GUBERNATORIAL APPOINTMENTS
STATE BUDGET CONTROL

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

Re: Union Pacific/Southern Pacific Merger

Dear Secretary Williams:

I have recently become aware of the proposed merger of the Souther Pacific (SP) Railroad and the Union Pacific (UP) Railroad. As a Missouri State Senator and Chairman of the Senate Appropriations Committee, I would like to register my concerns with the competitive effects this merger may have on Missouri's rail traffic.

While the proposed agreement between UP and the Burlington Northern-Santa Fe (BNSF) Railroad, aimed at addressing this competitive issue, may be effective in some parts of the country, it does not address all areas where we may be left with only one or two rail lines. Also of real concern will be BNSF's lack of ownership of the rail lines. As I understand it, trackage rights provide only limited benefits and guarantees with the owning railroad having priority over the lines.

I have reviewed Conrail's proposal to SP to acquire a portion of SF's eastern lines from Chicago and St. Louis to Arkansas, Texas and Louisiana. This proposal appears to offer efficient service for shippers from the Southern markets to the Northeast and Midwest markets. Conrail's offer to SP is also to purchase these rail lines, which only encourages Conrail to invest in their upkeep and will promote economic development activities on its lines.

Thank you for taking the time to hear my concerns with regard to this proposed merger.

Sincerely yours,

MIKE LYBYER
State Senator

cc David M. LeVan
President and Chief Executive
Office, Conrail

**ADVISE OF ALL
PROCEEDINGS**

STB FD 32760

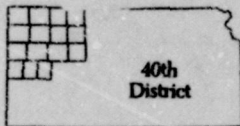
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STATE OF KANSAS



TOPEKA

SENATE CHAMBER

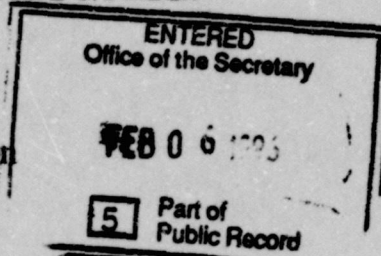
COMMITTEE ASSIGNMENTS

VICE CHAIR: ELECTIONS
MEMBER: AGRICULTURE
ASSESSMENT AND TAXATION
FINANCIAL INSTITUTIONS
AND INSURANCE



February 2, 1996

Interstate Commerce Commission
12th and Constitution, N.W.
Washington, D. C. 20423



- RE: 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., Finance Docket No. 32760.

I represent 15 counties (14,000 square miles) in the heart of wheat country in Kansas. Over 90 percent of our wheat production enters the export market through the shipment of grain by rail. We have witnessed the consolidation of railroads over the past 20 years. This continually moves our marketing practices towards the monopolistic practices of the early 1900's and the mercantilism in England and Europe in the 1600's and 1700's.

These changes have been accomplished by using the rhetoric of the "freemarket" and Adam Smith's economic model. The reality is that we are moving further from Adam Smith's model of countless independent competing firms closer to "corporate monopolies."

Current Union Pacific practices for small independent grain elevators require grain elevators to order cars 3 months in advance which is nearly impossible to predict, particularly during harvest, due to weather conditions. Harvest is the one critical time for an adequate supply of rail cars.

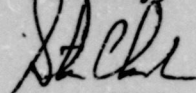
As the trend towards centralization continues, with limited unit train rail service, not only are we seeing a centralization of rail service, but also a centralization of grain elevators that purchase farmers' grain. This further impacts the cash prices paid to farmers because of a limited pool of buyers.

ADVISE OF ALL

PROCEEDINGS

I urge you to stop allowing further consolidation of railroads. A way of life is being destroyed needlessly. I whole-heartedly endorse the Mountain - Plains Communities & Shippers Coalition's position for divestiture of the Missouri Pacific, Western Pacific, Denver and Rio Grande, Southern Pacific and Union Pacific Railroad from St. Louis to Kansas City (Missouri Pacific Line, from Kansas City to Pueblo (Missouri Pacific Line, from Pueblo to Dotsero (Denver and Rio Grande Line) and from Dotsero to the West Coast on all combined entities existing prior to the 1982 merger of Union Pacific - Missouri Pacific/Western Pacific ICC Docket 30,000 Oct. 1982.

Sincerely,



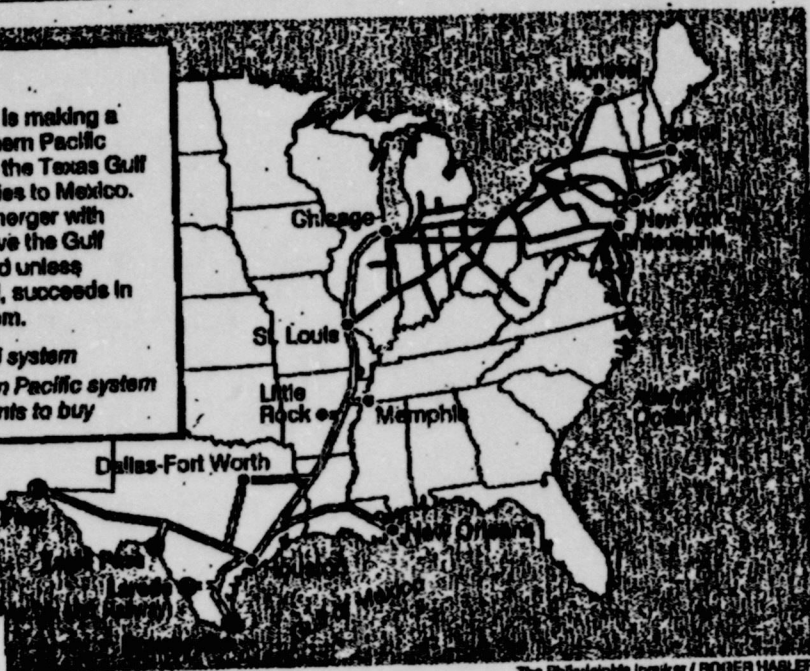
Stan Clark

07:51AM CONRAIL

elderly, fear that these elderly were dependent on
 Ben MEDICARE on E3

Philadelphia-based Conrail is making a bid to buy part of the Southern Pacific railroad system that serves the Texas Gulf Coast and four gateway cities to Mexico. Union Pacific's proposed merger with Southern Pacific would leave the Gulf Coast with only one railroad unless Conrail, or another railroad, succeeds in buying part of the SP system.

Existing Conrail system
Part of Southern Pacific system
that Conrail wants to buy



By Henry J. Holcomb
INQUIRY STAFF WRITER

Union Pacific Corp.'s proposal to take over Southern Pacific Rail Corp. and create the nation's largest railroad is, as one industry insider put it, "in a world of trouble in Texas."

"That's putting it mildly," said another, Edward Emmett, a former Texas legislator who heads a national shippers' lobbying group. "A number of big shippers and elected officials have serious concerns. Anybody with interest in access to Mexico has serious concerns."

Union Pacific and Southern Pacific are the main railroads serving the Gulf Coast, home to about 80 percent of the U.S. petrochemical industry.

This is good news at 2001 Market St. in Philadelphia, headquarters of Conrail, the dominant freight railroad in the Northeastern United States. Conrail hopes to take advantage of UP's troubles and expand for the first time in its 20-year history.

A Conrail team has been in Texas for weeks, lining up support among shippers and politicians for extending its 11,700-mile system, which now terminates in Chicago and St. Louis, by 2,500 miles to New Orleans, Dallas, Houston and El Paso, Texas.

This would give Conrail and shippers one-railroad service between the Northeast and the growing Texas

See CONRAIL on E7

Business Report

our family," Frank Genuardi said in a statement. "My parents were humble immigrants who accomplished so much and founded an American dynasty. Not the dramatic, fantastic dynasty that Hollywood likes to portray, but a real dynasty — based on family ties, love, respect, shared values and experience." Genuardi will sign copies of his book at 2 p.m. Dec. 2 at the Historical Society of Montgomery County, 1654 DeKalb St. Norristown. For information, call 610-272-0297.

The Philadelphia area A-team

■ **Headhunters' Hot List:** Eight senior executives at Philadelphia-area organizations were tabbed as potential chief-executive talent in a national survey of 100 executives.

The local hot properties are:

• J. Michael Adams, dean, Nesbitt College of Design Arts, Drexel University.

• Lawrence T. Babbio Jr., vice chairman, Bell Atlantic Corp. (Arlington, Va. office).

• Robert J. A. Fraser, group vice president, and president of Hercules Food & Functional Products Co., Wilmington.

- David Lovejoy, vice chairman for corporate strategy, Mellon Bank (Pittsburgh office.)

• Martin McGowan, vice chairman for retail financial services, Mellon Bank (Pittsburgh office).

• Beth Owen, executive vice president and chief operating officer, Franciscan Health System, Astoria.

ternational sector, Aramark, Philadelphia.

Helle, job hunters

■ You've lost your job, or are about to. You don't know what to do next. Or you've been looking for a new job without success. You need advice.

Manchester Partners has a deal for you. The career consulting firm will provide free counseling by phone on Wednesday from 9 a.m. to 3 p.m.

Counselors won't make specific job or company recommendations, but they will help callers identify skills and plot job-hunting strategies.

Manchester's customers are corporations that buy this type of assistance for their employees.

Thirty Manchester offices nationwide are offering the free counsel.

Post-it® Fax Note	7671	Date	11/20/95	# of pages	8
To	Alan V'yar	From	Jack Rudnicki		
	Dept Swenson Group	Co.			
		Phone #	(215)	209	7877
Fax #	(414) 276-5574	Fax #	(215)	209	7822

Conrail looking west as a merger may stall

CONRAIL from El cities, the huge petrochemical industry on the Gulf Coast and key gateways to Mexico, which are seeing a surge in traffic under the North American Free Trade Agreement.

Conrail, several Texas sources said, has hired a formidable Texas team to work with its senior vice president, John P. Sammon, and the other Philadelphians in Texas. "They've hired a top lobbyist, Jerry 'Nub' Donaldson; a top politician, Bill Miller; and the best pit-bull political consultant in the state, Brian Epstein," a Texas source said.

And Texas state Rep. Rob Junell of San Angelo, chairman of the powerful House Appropriations Committee and a former linebacker for the Texas Tech Red Raiders, though not specifically backing Conrail, has lined up squarely in opposition to Union Pacific.

The Union Pacific-Southern Pacific merger would leave the West with only one other major railroad, the recently merged Burlington Northern-Santa Fe Railroad.

"If somebody can show me why this [Union Pacific-Southern Pacific] merger is good for Texas... why it's good for the nation to have just two major railroads west of the Mississippi River, I'll try to understand," said Junell.

Despite all this, Conrail, which has built a profitable railroad from the remains of six bankrupt Northeastern lines over the last two decades, remains the underdog.

It is vulnerable to shippers' complaints that it is trying to extend its virtual monopoly in the Northeast, where it controls rail access to the population centers and petrochemical industry, to the huge chemical industry on the Gulf Coast.

And Union Pacific and its politically influential chief executive, Drew Lewis, have lined up support from 1,300 shippers and seven governors for the \$5.4 billion plan it says it will present to the Interstate Commerce Commission on Nov. 30.

Gary F. Schuster, a Union Pacific vice president, said his railroad is waging an all-out effort to win more

shippers with offers of "longer-term contracts, with no bump in rates."

Last week, it won over the huge Port of Houston by promising to resolve a long-term problem, sources say.

By offering access to 4,000 miles of track, it earlier won support of its major rival in the West, Burlington Northern-Santa Fe.

Union Pacific officials hope that retraining track to Burlington will calm the fears of shippers, who otherwise would be left with only one railroad if UP and SP were allowed to merge.

General Motors Corp., which spends \$4 billion annually on freight transportation, supports UP's proposal, said James E. Zamjahn, GM's executive director for logistics operations.

"It is not an issue of competition," he said. "There has got to be more sharing of infrastructure" as UP's agreement with Burlington would provide.

The rail share of GM's business has declined by 10 percentage points in 10 years due to poor service, which mergers such as UP-SP could remedy, he added.

"Yes, they are getting better now, but the railroads are nowhere near the service levels we expect," Zamjahn said. "There is anecdotal evidence that the things we need can be done. But these improvements must be spread across the system."

Junell, the Texas lawmaker, remains unconvinced, calling it "a brother-in-law deal that doesn't preserve competition at all."

Emmett, president of the National Industrial Transportation League, which represents shippers, says Union Pacific's attempt to "create a competitor" by granting trackage rights to Burlington won't work for many shippers.

"Burlington, like UP and SP, basically goes north and west" from Texas, he said. "Shippers would like competition from a railroad going in another direction."

Jim Woodruff, president of the Texas Chemical Council, said Union Pacific's proposal "goes in the opposite direction of competition."

Rail transportation is critical the chemical industry, its principal

way of receiving raw materials and transporting product. The most important routes from Texas are to the population centers in the East.

Conrail initially made a friendly offer to buy the Southern Pacific routes from Chicago and St. Louis to Texas. Conrail argued to Union Pacific that this would preserve competition and make it easier for UP to win regulatory approval of its merger.

Kansas City Southern also expressed interest in buying part of the Southern Pacific system, and its CEO, Michael Haverly, launched a war of words when his offer, like Conrail's, was rejected by Union Pacific.

Meanwhile, Conrail has quietly hired its grass-roots consultants in Texas and started calling on shippers. It told Wall Street analysts Oct. 18 that it had been talking with its current and potential customers, and, in the end, their needs would determine its final course in this matter.

Conrail has been working through the shippers to advance its bargaining position. Substantial pressure from shippers, officials reason, might convince the federal government to make the sale of the Chicago-Texas portion of the Southern Pacific system a condition for approving the UP-SP merger.

Late last week, the Illinois Central Railroad joined the fray, making an offer similar to Conrail's to buy a portion of SP system. Industry experts predict that CP Rail will soon make a bid, perhaps in partnership with Kansas City Southern or the Illinois Central.

For Conrail, expanding to Texas represents an opportunity for substantial growth, said Lester M. Pass, vice president for logistics and corporate strategy.

Conrail expects that with entry into Texas will come significant new traffic from automotive and petrochemical companies. Officials believe that the railroad's growing consumer-products business would benefit from entry into the lucrative Texas markets and access to Mexico.

The road's intermodal service group, which handles cargo in truck-size containers that travels on more than one mode of transport, would get a major boost. Because of the shorter hauls in the congested Northeast, Conrail has faced more competition from trucks than from rival railroads in this rapidly expanding segment of the industry.

A Union Pacific takeover of Southern Pacific would be the most complex in a wave of rail mergers that,



Conrail wants to expand Mexico border by buying

many predict, could leave with only two big railroads.

The Burlington Northern merger was a so-called "merger" that linked two systems, said the shippers' men, while "this is a parallel merger." Scores of factories will go from two to just one, he said.

Creating a competitor for trackage rights, as Union poses to do with Burlington, doesn't solve the problem, said. "My intent rather be dealing with

Maybe your computer's upgraded before you

Better multimedia

11-16

#5

Voices From The Marketplace

Leaders speak out about Union Pacific Corporation's proposed acquisition of Southern Pacific Railroad

In response to shipper requests for more information about the proposed UP SP merger, the following news coverage (compiled by Conrail for its own internal use) is being provided as a service for customers and other stakeholders.

"The shippers feel betrayed by UP -- and for that matter, Southern Pacific (SP) and Burlington Northern Santa Fe (BNSF) -- after negotiating a trackage rights agreement with BNSF than now essentially leaves them out in the cold."

Rail Business

"Our concern is that the proposed merger of the larger railroads will create a duopoly, meaning two large carriers completely dominating rail transportation in the Western United States."

*Shipper comment
Journal of Commerce*

"Doesn't it sound funny that a business would make a deal that would make a strong competitor more competitive?"

Arkansas Business

"Some shippers are far less than excited, the National Industrial Transportation League isn't happy, the Chemical Manufacturers Association has reservations and The Society of the Plastics Industry is concerned."

Rail Business

"My ability to compete will be impaired if UP and SP merge."

*Shipper Comment
Journal of Commerce*

"If Union Pacific does merge with Southern Pacific, that will give them a monopoly;.. having competition is always better."

*Alderman Dale Dixon
Pine Bluff
Pine Bluff Commercial*

UP-SP Plan Has Many Railing Journal of Comm. 11-13-95

By GREGORY S. JOHNSON

Journal of Commerce Staff

Rail shippers have seen the future, and many don't like it.

The proposed merger of the Union Pacific and Southern Pacific railroads continues to dominate the conversations of the traffic and distribution executives who make up the National Industrial Transportation League.

The \$5.4 billion deal, announced in August, would create the United States' largest railroad, with revenue of at least \$9.5 billion this year.

But from the talk of NIT League members, it is evident that despite claims from the two carriers that 1,000 shippers back their deal, many are opposed to this union.

In fact, the planned merger generated so much interest during the NIT League's Sept. 23-24 rail-committee meeting that there was an overflow crowd and some rather frank discussion.

"We have 110 people on the committee, and not expecting everyone to show up, we set up 65 chairs. But we had to go out and get more," said James A. Keaney, the committee's chairman and manager of transportation, regulatory affairs and logistics analysis at IMC Fertilizer Group Inc. in Mundelein, Ill.

The UP-SP plan drew a far different reaction from members of the nation's oldest and largest shippers' group than did the Burlington Northern-Santa Fe merger proposal when it was announced back in July 1994. In the weeks following the BN-SF announcement, many shippers contended the number of big railroads was dwindling to a handful. But there was no groundswell of opposition to the deal.

However, large-scale opposition seems to be jelling in the wake of the UP-SP merger proposal. Most attribute this to traffic managers becoming convinced that mega-monopolies are taking over the railroad industry.

When BN and SF merged, many shippers hinted they were worried that the nation would be left with only two or three large railroads. Now, with UP-SF, there's no doubt about it, said Lynn Beecher, director of rail transportation at Farmland Industries Inc. in Kansas City, Mo.

As proof, many point to a controversial Sept. 25 agreement between UP-SP and Burlington Northern Santa Fe Corp. under which the latter will be granted trackage rights to more than 3,000 miles of SP and UP lines in Texas, Louisiana, California and other states if the UP-SP merger is completed. The deal would block other rail carriers from using those lines.

Even though Weyerhaeuser Co. has not yet taken a position on the UP-SP merger, the paper-products giant has serious concerns about it, and about the trackage-

rights deal, because they would leave just two large carriers serving the western United States, said John B. Ficker, regulatory and contract-support manager. The Federal Way, Wash., shipper is still hoping for an alternative to the UP-SP merger, he said.

The difference is that BNSF was basically an end-to-end merger, while the UP-SP deal involves a lot of parallel lines. This means that many lines will be eliminated, and shippers will lose service," said William P. Jackson, a partner in the Arlington, Va., transportation law firm of Jackson & Jessup.

It is this widespread dissatisfaction that is leading Illinois Central Railroad, Consolidated Rail Corp., Kansas City Southern Railway and other rail carriers to survey Western shippers in a frenzied effort to find additional naysayers to the merger and trackage-rights deal. These railroads are searching for shippers who want an added carrier as a competitive edge.

And many such shippers exist.

Geneva Steel Co. of Vineyard, Utah, said that while the trackage-rights deal would offer it competing roads on lines served jointly by UP and SP, it wouldn't gain an extra carrier on lines served only by SF or UP.

For example, BNSF would have access to Geneva Steel's plant in Vineyard, but it would not have running rights on lines leading from taconite mines in Minnesota, where Geneva buys raw materials, because UP has no access there.

Freight rates for Geneva's inbound taconite, which originates on the Duluth, Missabe & Iron Range Railway, are set by both Wisconsin Central Ltd. and SP. These rates are based on SP's backhaul of coal from Utah and Colorado coal fields, which are served only by SP.

Under the trackage-rights agreement, BNSF could not serve those mines, even though it has running rights to Utah Railway Co., which does. Utah Railway will haul 4 million tons of coal from those mines this year.

With so many shippers and carriers questioning the merits of the UP-SP merger, the NIT League has asked the Interstate Commerce Commission to delay consideration of the application, slated for filing on Dec. 1.

The NIT League is adamantly opposed to the ICC having a role in the UP-SP merger. "We don't want the ICC doing anything with the current merger. Since 1980, the ICC has been a tool of the railroads," said Bob Voltmann, the NIT League's director of policy development.

With Congress in the midst of fashioning legislation to shift the commission's work after the ICC's expected demise on Dec. 31, when funding is cut off, many shippers are expecting and hoping that rail merger issues will become the duties of the Justice Department.



is service to New Orleans and the Texas-
some Southern Pacific track.

e nation
owning railroads, rather than one
owning and one renting. With track-
age rights, people need to see details
to know whether it will truly main-
tain a competitive situation.

Despite the opposition from many
shippers, Emmett said there's a
strong chance that Union Pacific
will prevail.

"Many shippers feel like they can't
risk standing up and punching UP in
the nose. . . . If you are a shipper and
you don't like the trucking company,
you can call another trucker. But
fundamentally, almost every shipper
is captive to one railroad."

ould be
buy it.

Conrail Offers to Acquire Southern Pacific's Eastern Lines From Union Pacific

On Monday morning September 25, Conrail made a fully funded offer to UP for the eastern lines of Southern Pacific. Conrail's ownership and operation of these lines in the Mid-South and Gulf Coast would overcome concerns raised by customers and the Department of Justice regarding the merger of the two lines in that region.

Conrail's ownership

Addresses the competitive concerns identified by customers and the Justice Department and acknowledged by UP SP - by:

- *Maintaining a competitive rail transportation market in the Mid-South and Gulf Coast through an owning railroad rather than a tenant (i.e., trackage rights, haulage)*
- *Bringing efficient service to customers*
- *Preserving rail lines, facilities and jobs in the region*
- *Enhancing economic and business development options and opportunities*

Conrail's Financial Commitment is Long Term

Conrail's Financial strength provides for investments in:

- track maintenance
- rehabilitation repair shops
- new locomotives
- locomotive fueling/service facilities
- other rolling stock
- increase storage yard capacity

Service Enhancements

No railroad has had more success than Conrail in converting congested, inefficient railroads into highly efficient, customer-oriented operations.

Conrail provides:

- increased capacity
- the ability to work with customers and communities
- commitment to industrial development
- assist industries to establish and expand markets

Access to Mexico

Conrail's plan provides opportunity for:

- North American expansion
- Market development
- Competitive price and service options

Voices From The Marketplace

Leaders speak out about Union Pacific Corporation's proposed acquisition of Southern Pacific Railroad

In response to shipper requests for more information about the proposed UP SP merger, the following news coverage (compiled by Conrail for its own internal use) is being provided as a service for customers and other stakeholders.

"It is up to anti-trust officials, not the railroads, to make sure competitive concerns are fixed. Otherwise, the carve-up of the Western United States is likely to remind Americans more of railroading in the 1890s than in the 1990s."

Journal of Commerce

"Agriculture Secretary Dan Glickman this week cited the proposed Union Pacific-Southern Pacific merger as symptomatic of marketplace over-consolidation that harms competition."

The Washington Post

"They can lobby all they want, but the fact of the matter is the lines are not for sale. It's a moot issue."

*John Bromley,
Union Pacific
Arkansas Business*

"The flashpoint...is a controversial agreement between UP-SP and Burlington Northern-Santa Fe. That deal gave BNSF the rights to more 3,800 miles of track that UP and SP would server jointly if their merger is consummated. No other carriers would have access."

Journal of Commerce

"In the mid-1980s, Santa Fe reached agreement to merge with Southern Pacific but the deal was held up for years... In 1987, the ICC turned down the deal because of anti-competitive concerns."

The New York Times

"We are left with two dominant railroads in the West and a lot of shippers are concerned there needs to be more alternatives than that."

*Edward Emmett
President
National Industrial Transportation League
Wall Street Journal*

STB FD

32760

2-5-96

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Item No. _____

Page Count 2

Feb # 28

AGUA DULCE GRAIN CO., INC.

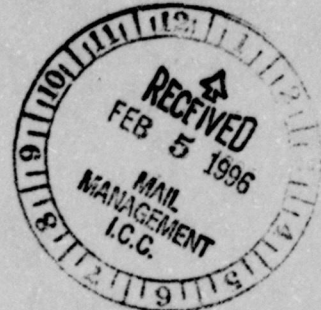
P. O. BOX 160 -- PHONE 998-2525 AREA CODE 512

AGUA DULCE, TEXAS

ENTERED
Office of the Secretary

FEB 06 1996

3 Part of
Public Record



January 30, 1996

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th and Constitution, N.W.
Washington, D.C. 20423-0001

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

Dear Mr. Williams:

I am the President of Agua Dulce Grain Co., Inc.. We have been in business since the 1940's storing, buying and selling grain (corn and sorghum mostly) for Texas farmers. Our country grain elevator is located on the Texas Mexican Railway and has a storage capacity of almost two million bushels. We normally ship 250-350 hoppers of milo and corn to Mexico on the Tex-Mex.

Our company has been a major user of rail service for transportation between the United States and Mexico for the last 17 years. We have a strong interest in competitive rail transportation between the United States and Mexico. The Laredo/Nuevo 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 brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

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

ADVISE OF ALL

PROCEEDINGS

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 agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

I understand there is an alternative that will preserve effective competition for my traffic. Tex-Mex has indicated a willingness to connect with other carriers via trackage rights to provide efficient competitive routes. Trackage rights operating in such a way as to allow Tex-Mex to be truly competitive are essential to maintain the competition at Laredo that would otherwise be lost in the merger. Thus I urge the Commissioners to correct this loss of competition by conditioning this merger with a grant of trackage rights via efficient routes between Corpus Christi and these connecting railroads.

Economical access to international trade routes should not be jeopardized when the future prosperity of both countries depends so strongly on international trade.

Yours truly,

A handwritten signature in cursive script, reading "Frank Bailey III".

Frank Bailey III

III/db

STB FD

32760

2-2-96

J

61163

Item No. _____

Page Count 17

Feb 20 PICKERING

WASHINGTON, D.C. 20037-1420

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

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

4 CARLTON GARDENS
LONDON SW1Y 5AA
TELEPHONE 011 (4471) 839-4466
FACSIMILE 011 (4471) 839-3537

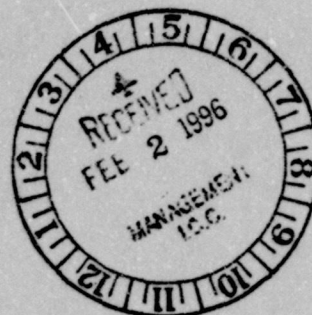
RUE DE LA LOI 15 WETSTRAAT
8-1040 BRUSSELS
TELEPHONE 011 (322) 231-0903
FACSIMILE 011 (322) 230-4322

FRIEDRICHSTRASSE 95
BRIEFKASTEN 29
D-10117 BERLIN
TELEPHONE 011 (4930) 2643-3601
FACSIMILE 011 (4930) 2643-3630

February 2, 1996

VIA HAND DELIVERY

Mr. Vernon A. Williams
Surface Transportation Board
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.

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are one original and twenty copies each of (1) Consolidated Rail Corporation's First Set of Interrogatories and Second Set of Requests for Production of Documents to BNSF Corporation (designated as document CR-7), and (2) Consolidated Rail Corporation's Second Set of Interrogatories and Second Requests for Production of Documents to Applicants (designated as document CR-8).

Also enclosed is a 3.5-inch WordPerfect 5.1 disk containing the text of CR-7 and CR-8.

Sincerely yours

A. Stephen Hut, Jr.
A. Stephen Hut, Jr.

Attorney for Consolidated
Rail Corporation

FEB 05 1996

Part of
Public Record

Enclosures

FEB 0 5 1996

Part of
Public Record
BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

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

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 Set of Interrogatories and
Second Requests For Production of Documents to BNSF Corporation.

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. "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, and includes all parents, subsidiaries, or affiliated corporations of any of the foregoing entities.

2. "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.

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

4. "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.

5. "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.

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. "Commission" or "ICC" means the Interstate Commerce Commission.

8. "Conrail" means Consolidated Rail Corporation and any divisions, parents, or subsidiaries.

9. "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 BNSF Corporation.

10. "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.

11. "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.

12. "Operating Plan" means the Operating Plan in Volume 3 of the Application, designated UP/SP-24.

13. "Proposed Transaction" means the proposed merger of UP and SP, under review by the ICC in Finance Docket No. 32760.

14. "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.

15. "Shipper" means a user of rail services, including a consignor, a consignee, or a receiver.

16. "Analyses or Analysis" include any analyses, studies, evaluations, discussions, or reports in whatever form, including letters, memoranda, tabulations, measurements, electronic mail, notes, diary notations, journals, and computer printouts of data selected from a database.

17. 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 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.

INTERROGATORIES

1. Identify any agreements between, or proposals or requests by (a) Applicants, the Houston Belt and Terminal Railroad ("HBTR") and/or BN/Santa Fe relating to HBTR's storage of rail cars on behalf of BN/Santa Fe for service provided by BN/Santa Fe under the BN/SF Agreement; or (b) Applicants, the Port Terminal Railroad Association ("PTRA"), and/or BN/Santa Fe relating to PTRA's storage of rail cars on behalf of BN/Santa Fe for service provided by BN/Santa Fe under the BN/SF Agreement.

2. Identify any and all UP and/or SP facilities that BN/Santa Fe and/or Applicants have identified, reserved, and/or requested, on behalf (or in the account) of BN/Santa Fe for the storage of rail cars to serve any and all Shippers under the BN/SF Agreement. For each facility, identify its location, owner, total storage capacity, and available capacity for the storage of rail cars in the account of BN/Santa Fe.

3. With respect to lines where BN/Santa Fe will have trackage rights under the BN/SF Agreement, (a) how will BN/Santa Fe trains enter the post-merger UPSP system? (b) What are the criteria for priority in giving BN/Santa Fe trains access at points where such trains arrive to enter the Applicants' post-merger lines?

4. Have you or Applicants performed any Analysis of crew cycles and/or the operation of crew cycles on the primarily directional routes in the Gulf/Eastern region that are described in the Application?

5. State all capital expenditures (both the total amount and such expenditures broken down according to category of expenditure) made in connection with (a) BN/Santa Fe's direct route between St. Louis and Memphis, as described on page 158 of the Verified Statement of Richard B. Peterson and page 20 of the Verified Statement of Neal D. Owen and (b) BN/Santa Fe's operations between Houston and St. Louis (via Temple, TX and/or Ft. Worth, TX).

6. (a) Do you maintain train schedules for operations along specified routes, in addition to timetables?

(b) What data do you maintain for measuring performance in accordance with any such schedules that you maintain?

7. Identify all facilities of any sort to which BN/Santa Fe will receive access to enter, to use, or for any other purpose in connection with the trackage rights grants or line sales under the BN/SF Agreement.

8. For each 2-to-1 customer (as that term is used in the BN/SF Agreement) that BN/Santa Fe expects to serve under rights granted by the BN/SF Agreement, state

(a) from what yard will it serve such 2-to-1 customer;

(b) the capacity of each such yard; and

(c) the present level of activity of each such yard.

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. All documents, dating from January 1, 1993, to the present, comprising (a) timetables and track charts for any and all BN/Santa Fe operations along BN/Santa Fe's direct route between St. Louis and Memphis, as described on page 158 of the Verified Statement of Richard B. Peterson and page 20 of the Verified Statement of Neal D. Owen; (b) timetables and track charts for BN/Santa Fe's current operations between Houston and St. Louis (via Temple, TX and/or Ft. Worth, TX).

2. All documents relating to any and all UP and/or SP facilities that BN/Santa Fe and/or Applicants have identified, reserved, or requested on behalf (or in the account) of BN/Santa Fe for the storage of rail cars used to serve Shippers in connection with the BN/SF Agreement, including but not limited to

(a) such facilities from, with or involving the HBTR or the PTR A;

(b) any proposals, agreements or requests among or between Applicants, BN/Santa Fe, and/or HBTR concerning such storage; and

(c) any proposals, agreements, or requests among or between Applicants, BN/Santa Fe, and/or PTR A concerning such storage.

3. All documents relating to any discussions or agreements between HBTR and BN/Santa Fe relating to service to be provided by BN/Santa Fe pursuant to rights granted by the BN/SF Agreement.

4. All documents relating to any discussions or agreements between PTRR and BN/Santa Fe relating to service to be provided by BN/Santa Fe pursuant to rights granted by the BN/SF Agreement.

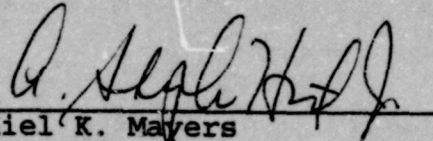
5. If you answered Interrogatory No. 4 in the affirmative, all such Analyses.

6. If you answered Interrogatory No. 6(a) in the affirmative, all documents comprising such train schedules for the lines specified in Interrogatory No. 5 (and Document Request No. 1).

7. All documents relating to any performance measurement identified in response to Interrogatory No. 6(b) for the lines specified in Interrogatory No. 5 (and in Document Request No. 1).

8. Track charts for each yard specified in response to Interrogatory No. 8.

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
Alex E. Rogers
WILMER, CUTLER & PICKERING
2445 M Street, N.W.
Washington, D.C. 20037

February 2, 1996

CERTIFICATE OF SERVICE

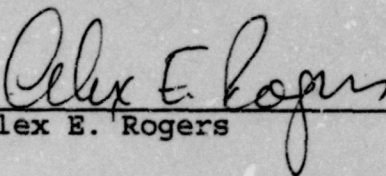
I certify that on this 21 day of February, 1996, a copy of the foregoing Consolidated Rail Corporation's First Set of Interrogatories and Second Requests to BNSF Corporation for the Production of Documents to BNSF Corporation was served by hand delivery to:

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

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.



Alex E. Rogers

STB FD 32760

2-2-96

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Item No. _____

Page Count 2

Feb # 16



The Council

City of New Orleans

PEGGY WILSON
COUNCILMEMBER AT LARGE

CITY HALL, SUITE 2W40
1300 PERDIDO STREET
NEW ORLEANS, LA 70112
(504) 565-6335
FAX (504) 565-7655

January 27, 1996

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

FEB 0 5 1996

RE: Finance Docket 32760

Dear Secretary Williams:

I am extremely concerned about the competitive affects on area businesses of the proposed acquisition of the Southern Pacific Railroad by the Union Pacific. While I am familiar with the proposed agreement between UP and Burlington Northern-Santa Fe (BNSF) which is intended to remedy those effects, I am not persuaded that this arrangement will produce effective competition for area rail traffic.

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

Another reason I favor Conrail's proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handling.

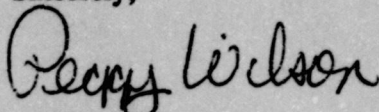
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PROCEEDINGS

Finally, I believe Conrail's proposal will ensure that area rail customers have multiple rail options. I am extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

For all of these reasons I will actively oppose the UP-SP merger at the ICC unless it is conditioned upon acceptance of Conrail's proposal.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Wilson".

Peggy Wilson
Councilmember-At-Large
PW/rsb

cc:

David M. LeVan
President and Chief Executive Officer
Conrail

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2-1-96

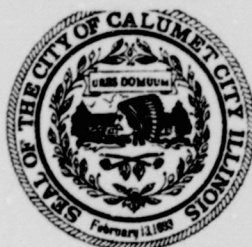
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Item No. _____

Page Count 2

Feb # 10



"AN ILLINOIS CERTIFIED CITY"



JERRY P. GENOVA

January 30, 1996

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

Office of the Secretary

FEB 02 1996

1 Part of Public Record

Dear Secretary Williams:

I recently learned of the proposed merger between the Union Pacific and Southern Pacific railroads. This merger raises some competitive concerns here in Illinois. I am writing to encourage you to consider a proposal that I think addresses these concerns. Conrail's proposal to purchase the eastern portion of the Southern Pacific railroad (SP-East).

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

If Conrail acquired the SP-East, the expanded system would offer many Illinois businesses efficient, single-line freight service to the southern United States. Because Conrail's proposal would reduce the number of car changes required to ship goods to the South, Illinois businesses would save on transportation costs and could become more competitive in new markets.

In addition to providing new business opportunities, Conrail's proposal to buy the SP-East would preserve competitive pricing along the two main freight lines between Chicago and St. Louis. Union Pacific's proposal, on the other hand, would erode competition by giving Union Pacific control of both of these freight lines. This could destroy competitive pricing and ultimately affect the transportation of goods between Chicago and St. Louis and on to the South.

A VISE OF ALL

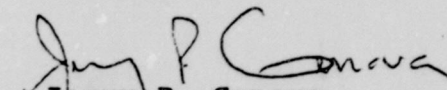
PROCEEDINGS

I am also worried about the Union Pacific's long-term plans if it acquires the SP-East. What incentive would it have to keep both lines running between Chicago and St. Louis? I fear that Union Pacific eventually would close one of these crucial routes. That would mean a loss of jobs in many communities and higher transportation costs for local businesses.

Conrail's proposal offers a sensible solution to the problem -- one that would maintain competitive rail transport prices for Illinois businesses. And Conrail's acquisition of the SP-East would provide more than just convenience and savings for industries. The resulting business development and investment could bring additional jobs to Illinois communities.

I urge you to seriously consider the ramifications of the Union Pacific-Southern Pacific merger, particularly in terms of preserving competition along the SP-East lines. Your decision will affect many lives here in Illinois. Thanks for your consideration.

Sincerely,


Jerry P. Genova
Mayor

cc: David M. LeVan
President and Chief Executive Officer
Conrail
2001 Market Street, 17N
Philadelphia, PA 19101-1417

STB

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32760

2-1-96

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Item No. 21150

Page Count 1

Janus Feb 8

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423



RONALD N. MC CROBIE
VICE PRESIDENT PROCUREMENT
1-915-774-6410

Tri-State Associated Grocers, Inc.
P. O. Box 9938
1000 Hawkins Boulevard
El Paso, Texas 79990
Facsimile 1-915-774-6443

RE: DCKET #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

We have also considered the possibility that Conrail acquire some of SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Texas and Louisiana. We find this possibility to be much more appropriate and effective in addressing our concerns. We think their proposal is better because it involves their ownership of the lines, whereas most of the UP-BN/Santa Fe deal involves only trackage rights. We have learned that the benefits of trackage rights are uncertain in that they can be easily lost if the railroads argue about whose traffic has priority, who is in charge of operations on the line, and so forth.

We favor Conrail's proposal as it would provide the best through service between Texas and the Northeast/Midwest markets. This routing would involve the fewest handlings between carriers which is very important to industries in the above market place.

Finally, we think Conrail's proposal helps to assure that we and other rail customers will have multiple rail options. We are extremely concerned about the trend toward only a few giant railroads. This is definitely not in the customers' interest.

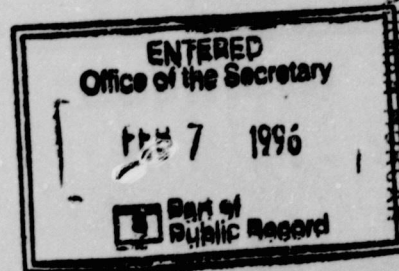
For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Sincerely,

Ronald N. McCrobie

V.P. Procurement

Tri-State A.G.



OFFICE OF
CHAMBERLAIN

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INTERSTATE COMMERCE
COMMISSION
RECEIVED

cc: Honorable Kay Bailey Hutchinson
Honorable Phil Gramm
Chairman Barry Williamson

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Item No. _____

Page Count _____

Feb # 7



STATE OF NEVADA
EXECUTIVE CHAMBER
Carson City, Nevada 89710

BOB MILLER
Governor



TELEPHONE
(702) 687-5670
FAX: (702) 687-4436

January 26, 1996

The Honorable Vernon A. Williams
Secretary, Interstate Commerce Commission
12th and Constitution Ave. NW, Room 2215
Washington, DC 20423

Dear Secretary Williams:

I am writing to request permission to comment on the Union Pacific/Southern Pacific merger. Although I missed the January 16 deadline to express my intent to participate, I would appreciate full consideration of my forthcoming remarks. I would also appreciate being granted VIS status for this case.

Thank you for your cooperation and assistance.

Sincerely,

A handwritten signature in cursive script that reads "Bob Miller".

BOB MILLER
Governor

BM/tc

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PROCEEDINGS

Office of the Secretary

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☐ Part 1
Subj. Matter 1

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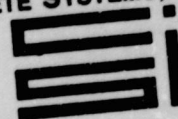
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FEB 14

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423

EL PASO
CONCRETE SYSTEMS, INC.



SYLVIA Y. SILLER

7101 Merchant Ave.
P.O. Drawer 26738
El Paso, Texas 79926

Off. (915) 779-3714
FAX (915) 775-0301

RE: DOCKET #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

We have also considered the possibility that Conrail acquire some of SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Texas and Louisiana. We find this possibility to be much more appropriate and effective in addressing our concerns. We think their proposal is better because it involves their ownership of the lines, whereas most of the UP-BN/Santa Fe deal involves only trackage rights. We have learned that the benefits of trackage rights are uncertain in that they can be easily lost if the railroads argue about whose traffic has priority, who is in charge of operations on the line, and so forth.

We favor Conrail's proposal as it would provide the best through service between Texas and the Northeast/Midwest markets. This routing would involve the fewest handlings between carriers which is very important to industries in the above market place.

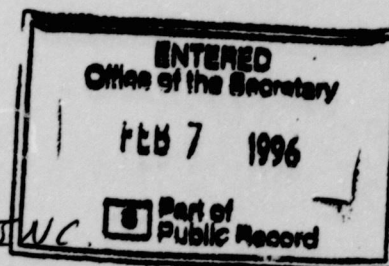
Finally, we think Conrail's proposal helps to assure that we and other rail customers will have multiple rail options. We are extremely concerned about the trend toward only a few giant railroads. This is definitely not in the customers' interest.

For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Sincerely,

Sylvia Y. Siller
Purchasing Agent

EL PASO CONCRETE SYSTEMS, INC.



OFFICE OF
CHAIRMAN MORGAN

FEB 1 2 51 PM '96

INFRASTRUCTURE
COMMISSION
RECORD

cc: Honorable Kay Bailey Hutchinson
Honorable Phil Gramm
Chairman Barry Williamson

STB FD

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2-1-96

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Item No. 2407629
61147

Jan Page Count 1
FEB 15

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423



RE: DOCKET #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

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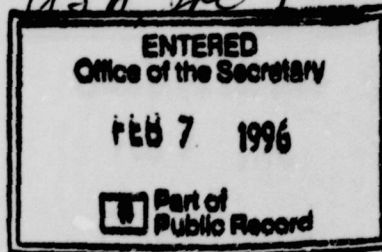
Finally, we think Conrail's proposal helps to assure that we and other rail customers will have multiple rail options. We are extremely concerned about the trend toward only a few giant railroads. This is definitely not in the customers' interest.

For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Sincerely,

Luis Segovia (Farah U.S.A. Inc.)
Dir. of Logistics
8889 Gateway Blvd W.
El Paso, TX 79928

cc: Honorable Kay Bailey Hutchinson
Honorable Phil Gramm
Chairman Barry Williamson



INTERSTATE COMMERCE
COMMISSION
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OFFICE OF
CHAIRMAN MORGAN

STB FD

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Item No. _____

Page Count 3

Feb 11 4

BROWN & PLATT

PENNSYLVANIA AVENUE, N.W.

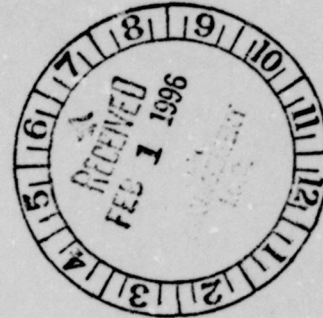
WASHINGTON, D.C. 20006-1882

CHICAGO
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NEW YORK
TOKYO
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARRETE, NADER Y ROJAS

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

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

February 1, 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.

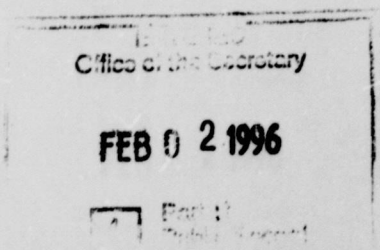
Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty (20) copies of: (i) a letter sent today from Erika Z. Jones to Alan E. Lubel; and (ii) a letter from Erika Z. Jones served to all counsel on the Restricted Service List.

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

Sincerely,

Kelley E. O'Brien



MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

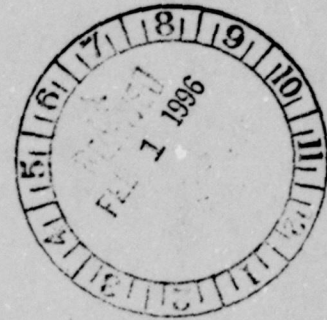
WASHINGTON, D.C. 20006-1882

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

ERIKA Z. JONES
202-778-0642

February 1, 1996



Alan E. Lubel, Esq.
Troutman Sanders LLP
601 Pennsylvania Avenue, N.W.
Suite 640
Washington, D.C. 20004-2608

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

Dear Alan:

This responds to your request for a date on which Gerald
Grinstein would be available for a deposition.

Mr. Grinstein will be available on Friday, February 16 at
10:00 a.m. at Burlington Northern Railroad Company offices, 3800
Continental Plaza, 777 Main Street, Fort Worth, Texas 76102 and
will respond to questions regarding his statements as quoted or
paraphrased in the December 18, 1995 issue of FORBES magazine.

Sincerely,

Erika Z. Jones

Erika Z. Jones

cc: The Honorable Jerome Nelson
The Honorable Vernon Williams
Restricted Service List

FEB 02 1996

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

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

202-463-2000
TELEX 892603
FAX:SIMILE
202-661-0473

ERIKA Z. JONES
202-778-0642



February 1, 1996

TO ALL COUNSEL ON THE RESTRICTED SERVICE LIST

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

Due to scheduling conflicts, it has become necessary to reschedule the deposition of BN/Santa Fe witness Carl Ice. Mr. Ice will now be available on February 14, 1995, a day that is not currently assigned to a witness on the deposition schedule.

Sincerely,

Erika Z. Jones

Erika Z. Jones

cc: The Honorable Jerome Nelson
The Honorable Vernon Williams

Office of the Secretary

FEB 02 1996

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Item No. 61143

Jan Page Count 1
Feb # 1

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423



Bill Tomberlin
Troller

DESERT EAGLE
DISTRIBUTING CO.

6949 Market St.
El Paso, TX 79915
(915) 772-4246
FAX: 775-0985

Dear Ms. Morgan:

RE: DOCKET #32760

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

We have also considered the possibility that Conrail acquire some of SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Texas and Louisiana. We find this possibility to be much more appropriate and effective in addressing our concerns. We think their proposal is better because it involves their ownership of the lines, whereas most of the UP-BN/Santa Fe deal involves only trackage rights. We have learned that the benefits of trackage rights are uncertain in that they can be easily lost if the railroads argue about whose traffic has priority, who is in charge of operations on the line, and so forth.

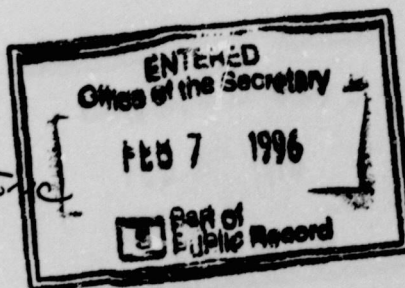
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Finally, we think Conrail's proposal helps to assure that we and other rail customers will have multiple rail options. We are extremely concerned about the trend toward only a few giant railroads. This is definitely not in the customers' interest.

For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Sincerely,

W. Tomberlin, Controller
Desert Eagle Distributing, Inc.



OFFICE OF
CHAIRMAN MORGAN

FEB 1 2 57 PM '96

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cc: Honorable Kay Bailey Hutchinson
Honorable Phil Gramm
Chairman Barry Williamson

STB FD

32760

2-1-96

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61144

Item No. _____

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Jar Page Count _____

Feb # 2



MATT WARD

8730 ALAMEDA • EL PASO, TX 79907 • (915) 859-7823
7130 GATEWAY EAST • EL PASO, TX 79915 • (915) 778-9230

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423

RE: DOCKET #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

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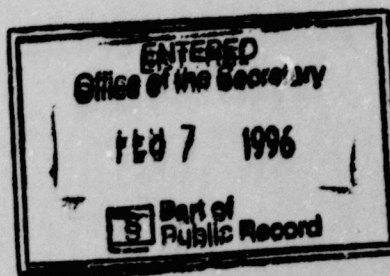
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For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Sincerely,

M. P. W.



INTERSTATE COMMERCE
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OFFICE OF
CHAIRMAN MORGAN

cc: Honorable Kay Bailey Hutchinson
Honorable Phil Gramm
Chairman Barry Williamson

STB FD

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2-1-96

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Item No. 6145

Janua Page Count 1

Feb # 3

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423

Helen of Troy

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REVLON

Russ Johnson / Manager
Transportation and Distribution

Helen of Troy Corporation

6827 Market Avenue

El Paso, Texas 79915

Tel (915) 779-6363 Fax (915) 774-4702

RE: DOCKET #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

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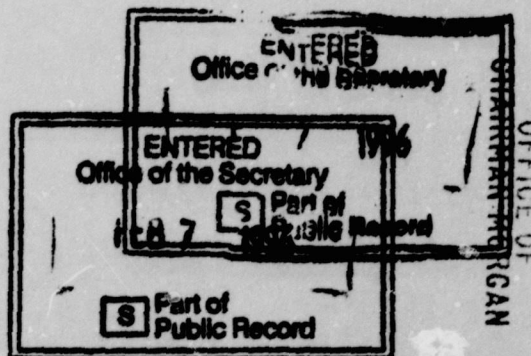
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For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Sincerely,

Russ Johnson
Helen of Troy L.P.D.

cc: Honorable Kay Bailey Hutchinson
Honorable Phil Gramm
Chairman Barry Williamson



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Item No. _____

Page Count 1

JAN 409

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

J. MICHAEL HEMMER

DIRECT DIAL NUMBER

(202) 662-5578

DIRECT TELEFAX NUMBER

(202) 778-5578

Office of the Secretary

FEB 01 1996

LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE: 44-171-495-5655

TELEFAX: 44-171-495-3101

BRUSSELS CORRESPONDENT OFFICE

44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

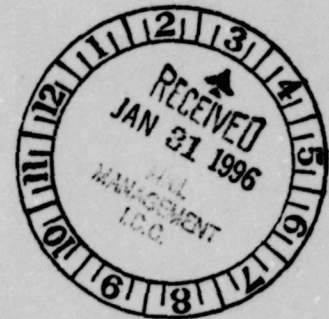
TELEPHONE: 32-2-512-9290

TELEFAX: 32-2-502-1598

January 31, 1996

HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Room 2215
12th Street and 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, St. Louis Southwestern Railway Company, SPCSL Corp. and the Denver and Rio Grande Western Railroad Company

Dear Mr. Williams:

Enclosed is diskette containing a Microsoft Excel 5.0a version of the Labor Impact Exhibit in the UP/SP merger application. The exhibit was omitted inadvertently from the copy of the application that was originally filed on diskette. We apologize for any inconvenience this may have caused.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike".

J. Michael Hemmer

Enclosure

cc: All parties that have received diskette copies.

STB

FD

32760

1-31-96

J

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Let 11.32 9600627

hci Chemtech Distribution Inc.
2701 Channel Ave. • Memphis, TN 38113 • (901) 775-2100

FD-32760

January 24, 1996

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Avenue, N.W., Room 4126
Washington, DC 20423

INTERSTATE COMMERCE
COMMISSION
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OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

We have also considered the possibility that another rail carrier acquire some of SP's eastern lines in connection with the merger, especially the lines running from Chicago and St. Louis to Texas and Louisiana. We find this possibility to be much more appropriate and effective in addressing our concerns. We think their proposal is better because it involves their ownership of the lines, whereas most of the UP-BN/Santa Fe deal involves only trackage rights. We have learned that the benefits of trackage rights are uncertain in that they can be easily lost if the railroads argue about whose traffic has priority, who is in charge of operations on the line, and so forth.

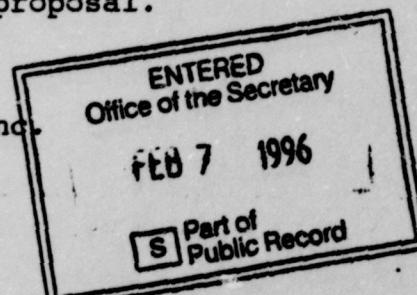
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For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of a property owning proposal.

Sincerely,

H C I. Chemtech Distribution, Inc.

Carl A. Carlson
Carl A. Carlson
Branch Manager



Item No. _____

Page Count 1

JAN 408



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McKINNEY GRAIN CORP.

January 16, 1996

Item No. _____

Stuart Kemp

Linda J. Morgan
ChairmanPage Count 1

JAN 356

Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423206 N. Main
McKinney, Texas 750691-800-937-5572
214-542-6369
214-548-0751

RE: Docket #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

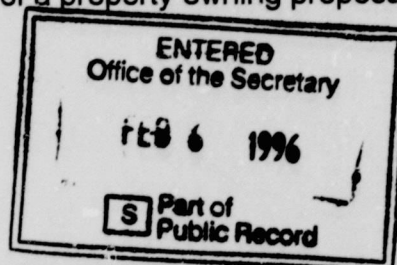
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Sincerely,

Stuart Kemp
McKinney Grain Corp
206 N Main McKinney TX 75069

OFFICE OF
CHAIRMAN MORGAN

JAN 26 2 00 PM '96

INTERSTATE COMMERCE
COMMISSION
RECEIVEDcc: Honorable Phil Gramm
Honorable Kay Bailey Hutchinson
Chairman Barry Williamson

STB FD 32760

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GILMER SEED & FEED CO.
Tammy Moore

308 Taylor St.
PO Box 308
Gilmer, TX 75644

Bus: 903/843-2575
Res: 903/843-5125

January 17, 1996

Item No. _____

Linda J. Morgan
Chairman

Page Count 1
JAN 355

Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423



Nutrena Feeds

RE: Docket #32760

Dear Ms. Morgan:

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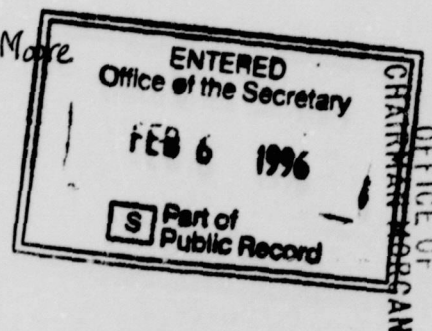
[Signature of David L. Stevenson]

David L. Stevenson

[Signature of Tammy S. Moore]

Tammy S. Moore

Gilmer Seed & Feed Co., Inc.



JAN 26 2 00 PM '96

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cc: Honorable Phil Gramm
Honorable Kay Bailey Hutchinson
Chairman Barry Williamson

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January 18, 1996

SOUTHERN COMPRESS
P. O. Box 267
PLAIN DEALING, LA 71064

Item No. _____

Page Count 1

JAN 354

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423

RE: Docket #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

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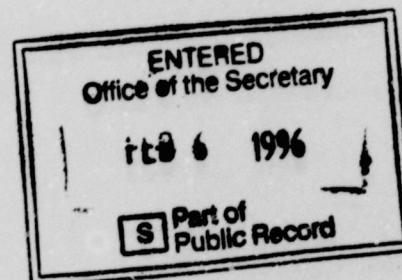
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For these reasons, we will actively oppose the UP-SP merger at the Department of Transportation, unless it is conditioned on acceptance of Conrail's proposal.

Sincerely,

Betty Iman - Office Manager



cc: Honorable Phil Gramm
Honorable Kay Bailey Hutchinson
Chairman Barry Williamson

INTERSTATE COMMERCE
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OFFICE OF
CHAIRMAN MORGAN

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E. 14TH & INDUSTRIAL BLVD.
MT. PLEASANT, TX 75455

Save More
BUILDING SUPPLY

January 17, 1996

Item No. _____

Page Count 1
JAN 3 53

Linda J. Morgan
Chairman
Surface Transportation Board
Department of Transportation
1201 Constitution Ave., N.W., Room 4126
Washington, DC 20423

JAMES W. DILLARD
OWNER

P.O. BOX 651
PHONE (214) 572-7971

RE: Docket #32760

Dear Ms. Morgan:

We are extremely concerned about the competitive effects on us of the proposed acquisition of SP by UP. While we have reviewed the proposed agreement between UP and BN/Santa Fe which is intended to remedy those effects, we are far from persuaded that it will produce effective competition for our traffic.

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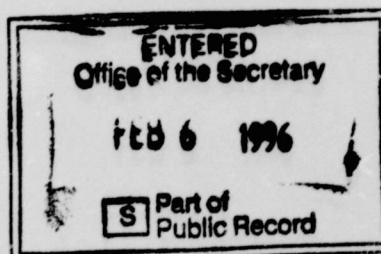
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Sincerely,

James Dillard
V Pres.



INTERSTATE COMMERCE
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JAN 26 2 00 PM '96
OFFICE OF
CHAIRMAN MORGAN

cc: Honorable Phil Gramm
Honorable Kay Bailey Hutchinson
Chairman Barry Williamson

STB FD 32760

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Item No. _____

Page Count 1

JAN 352

IDLEY & AUSTIN

ATTORNEYS IN FIRM PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

CHICAGO
LOS ANGELES
NEW YORK

1722 EYE STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE 202: 736-8000
TELEX 89-463
FACSIMILE 202: 736-8711

LONDON
SINGAPORE
TOKYO

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WRITER'S DIRECT NUMBER

202: 736-8198

January 26, 1996

BY MESSENGER

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

RECEIVED
JAN 26 12 41 PM '96
OFFICE OF SECRETARY

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

Dear Mr. Williams:

The undersigned counsel hereby enter their appearance as counsel of record for the City of Pueblo, Colorado, which has filed a Notice of Intent to Participate, dated December 14, 1995 in the above-referenced proceedings.

Pursuant to 49 C.F.R. § 1180.4(2), the City of Pueblo chooses to be identified by the acronym "PBLO" in these proceedings.

Very truly yours,

Terence M. Hynes
Terence M. Hynes
Krista L. Edwards

RECEIVED
JAN 26 12 42 PM '96
OFFICE OF SECRETARY
ICC

cc: All Parties of Record

JAN 29 1996