

STB FD

32760

7-28-98

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united transportation union

3333 Glendale Boulevard, # 7
Los Angeles, California 90039
July 22, 1998

Surface Transportation Board
1925 K. Street, N. W.
Washington, DC 20423-0001

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JUL 28 1998
MAIL
MANAGEMENT
STB

Dear Sirs:

Enclosed please find copy of letter generated to Mr. Charles L. Little, International President, United Transportation Union, Cleveland, Ohio, regarding unsafe training of new employees on the Union Pacific Railroad. This letter was generated on behalf of those dedicated employees whom strive to better their working environment through safer working conditions.

It is the sincere hope of this office that through the efforts of all involved, problems as stated may be successfully addressed to provide a safe and prosperous railroad.

Very Truly Yours,

John C. Pace
Acting Local Chairperson
Local # 240, Conductors & Trainmen
3333 Glendale Blvd.
Los Angeles, CA 90039

JCP/jp

encl:



united transportation union

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Los Angeles, California 90039
July 22, 1998

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MAIL
MANAGEMENT
STG

Mr. Charles L. Little
International President
United Transportation Union
14600 Detroit Avenue
Cleveland, Ohio 44107-4250

Dear Sir:

I am writing to you asking for assistance in a most serious matter existing on the Union Pacific Railroad (ex-SP Western Lines).

Current management training practice allows trainmen/switchmen to mark-up and work with insufficient and inadequate training. "New hires" initial training, produces employees barely able to get on and off moving equipment, unable to give proper signals and without adequate understanding of *practical* operating techniques. Brakemen/switchmen, regardless of training, knowledge and hands-on experience, now receive as little as two (2) or three (3) weeks training before being required to perform service as a full-fledged Conductor.

On rare occasion, new hires receive NO training whatsoever before being promoted to conductor. One recent instance provided for a Manager of Terminal Operations (Trainmaster) with the help of Crew Management Services, Omaha, to 'field promote' a brakeman to conductor right in the Yard Office! This 'field promoted' conductor has a hire date of January 05, 1998! Brakeman called to fill vacancy left by newly promoted conductor, had a seniority date of March 30, 1998! **LESS THAN ONE YEAR TOTAL EXPERIENCE BETWEEN BOTH CREW MEMBERS!** MTO then provided crew with words of wisdom, "Just be careful and don't get hurt!" Words cannot express the extreme jeopardy this places on the lives of these individual crew members as well as other crew members working in the vicinity! These employees simply do not have enough experience to conduct themselves safely without the supervision of experienced operating personnel. **The need for service cannot possibly justify this absolute total and willful disregard for safety!**

In the past, trainmen were required to complete 160 'Mainline Days' (trips) or two (2) years' service to be considered sufficiently experienced to qualify for conductor Promotion Training.

Training Program consisted of up to seven (7) days of intensive in class training, a 435 question written examination and an oral examination with a training officer which could last upwards of eight hours.

This intensive training program was for employees with the above referenced ground experience. Working Train Crews had brakemen/switchmen with which to assist the new employee. Experienced conductors would ascertain the knowledge and experience level of those employees assigned to their crews. If any crew member was found to be deficient in understanding, they would be instructed to stay by the side of the experienced brakemen or the conductor would keep a watchful eye over the 'new kid.'

This is no longer an option in today's progressive railroad! Almost ALL mainline crews are "Conductor Only." Local or Road Switcher crews, consists of one (1) conductor and one (1) brakeman. This frequently places the new employee alone in dangerous situations. At times, they must seek advice from the engineer, distracting him/her from their important duties. This does not allow for the new employee to gain practical hands-on experience needed safely to learn operating ideas and procedure while supervised by experienced crew members. **NO RULE BOOK CAN TEACH ALL THESE IDEAS WITHOUT PRACTICAL APPLICATION!** They cannot learn practical application in strictly a classroom setting. Ten days of "Student Trips" does not a conductor/brakeman make!

Union Pacific Railroad has in fact had more than adequate time to hire sufficient people **AND** to establish a proper and efficient training programs. Instead they have chosen to focus blame for accidents, deaths, unsafe practice, poor performance, traffic congestion, crew fatigue and crew shortages on operating employees. All the while expounding their sterling recovery virtues (albeit inaccurate) to the Surface Transportation Board, Federal Railroad Administration, Stockholders, other Governmental Regulatory Agencies and Shipper Organizations. The carrier approaches safety with great pomp and ceremony in *theory*. However, "Safety" in the *reality of practice*, provides only to promote an archaic discipline process and limit carrier responsibility in the event litigation should arise. The carrier needs to refocus on safe railroading, not just enhancing its stock price!

The time has come for this issue to be dealt with in the strictest of terms. Those of us in the trenches of operating labor, are tired of the empty hype and rhetoric and demand that a comprehensive approach be undertaken immediately to resolve this serious safety deficit. Your office expounds the member benefits of a merger with the BLE, a position that these Local shares. **However, it is time to realize the deeper and more immediate benefit of a safe working environment!**

Responsible regulatory agencies, railroads and the respective unions, must come together to create a standardized training regimen and subsequent qualifications. A program that encompasses safe and practical techniques, application of the rules and more important, assignment of new employees to experienced crew members for a sufficient period of time to allow the development of a knowledgeable, efficient railroader! An employee that can understand the

requirements of handling Hazardous Materials, safe train make-up and proper emergency response information when required.

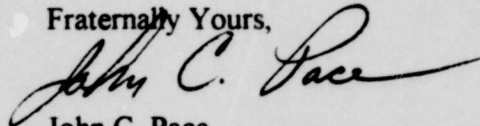
Membership of Local #240 formally request you assign a Vice President to assist our cause and commence an immediate investigation into the training programs of the Union Pacific Railroad. We further ask that time be provided and set aside for this issue to be addressed at the Region Meeting to be held in Reno, Nevada. Many concerned UPRR employees will attend this meeting and we all look forward to your findings.

We have suffered the loss of many members throughout the UPRR System. More unnecessary suffering is imminent without a comprehensive revamping of the current system. Please help prevent the further loss of life, limb and property by preventing unsafe practice to continue as the standard with which we must endure.

Your time, dedication and immediate response to this most serious issue is appreciated.

Thank You.

Fraternaly Yours,



John C. Pace
Acting Local Chairperson
Local #240, Conductors & Trainmen

cc:

B. A. Boyd, Jr
J. M. Brunkenhoefer
D. E. Johnson
J. Molitoris, FRA
J. Davis, UPRR
J. P. Jones
J. K. Klein
D. Stynchfield
G. Davidson
Surface Transportation Board
Public Utilities Commission

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Office of the Chairman

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

FILE IN DOCKET

FD-32760

July 29, 1998

Mr. Neil E. Dorgan
2121 Douglas Street #1603
Omaha, NE 68102-1282

Dear Mr. Dorgan:

This responds to your letter regarding your transfer from Southern Pacific Real Estate Enterprises (SPREE) in San Francisco, CA, to Union Pacific's Omaha, NE facilities that resulted from the merger of Southern Pacific Transportation Company (SP) and Union Pacific Railroad Company (UP). According to your letter, you have been forced to accept a lower level position with reduced compensation. You state that, in 1978, you became a company officer and that, since that time, you have had "paper transfers" to sub-organizations of SP, including most recently, a transfer to SPREE. You also state that your original labor union, the Association of Railway Technical Employees, refuses to represent your interests.

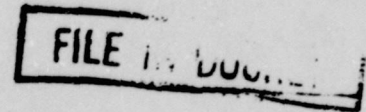
The Surface Transportation Board approved the SP/UP merger in Finance Docket No. 32760 and imposed the employee protective conditions of New York Dock Ry.--Control--Brooklyn Dist., 360 I.C.C. 60, 84-90 (1979) (New York Dock) for employees who were adversely affected by the merger. The labor protection conditions of New York Dock apply only to employees, as distinguished from supervisors or managers. Accordingly, these conditions would not seem to apply to you if you were in a supervisory or managerial position with SP or its affiliates. You may have recourse to other legal remedies, but it does not appear that the employee protective conditions of New York Dock apply to your situation. Your employment history and the various allegations that you have made suggest that you may wish to retain an attorney to represent your interests.

I have placed your letter in the public docket of Finance Docket No. 32760.

Sincerely,

Linda J. Morgan
Linda J. Morgan

Neil E. Dorgan
2121 Douglas Street #1603
Omaha, NE 68102-1282
(402) 997-3622



May 17, 1998

**U.S. CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Linda Morgan
Chairman, Surface Transportation Board
1925 K Street Northwest - Room 715
Washington, D.C. 20423

Dear Ms. Morgan:

I have an ongoing problem resulting from the Union Pacific/Southern Pacific merger. The enclosed letters will explain the details of the unresolved dilemma. Attached are copies of -

- My letter of March 24, 1998 to all fifteen Union Pacific Corporation Board of Directors. (Not one reply was received.)
- Union Pacific Human Resources Department letter of April 13, 1998 in response to my March 24, 1998 letter.
- My letter dated May 10, 1998 with questions raised by UP Human Resources Department letter of April 13, 1998. (This letter was sent to Ms. Schaefer, with copies to all UP Board of Directors, and has not yet been answered.)

Any help, direction, or advice that you can give me will be appreciated. Perhaps you could ask Ms. Schaefer for a copy of the answers to the questions that I posed, when she has Union Pacific's *official response* completed? Please contact me if further information or details are needed.

Respectfully,

Neil E. Dorgan

Neil E. Dorgan
2121 Douglas Street #1603
Omaha, NE 68102-1282
(402) 997-3622

May 10, 1998

Barbara W. Schaefer
Senior Vice President - Human Resources
Union Pacific Corporation
1416 Dodge Street - Room 305
Omaha, NE 68179

Dear Ms. Schaefer;

I was very delighted to find that Mr. Davidson asked you to respond to my letter of March 24, 1998. I was, however, quickly saddened when I found that your reply did little to address the issues that I had raised. My first letter was a 'brief summary' of what has taken place. This letter will be in the form of direct questions.

Question #1: In your second paragraph, you said . . . "From the time the merger of the Union Pacific and Southern Pacific Railroads was announced, we advised our nonagreement employees that it was our intention to offer them either "a good job or a good severance" . . . Since "good job" is a subjective or value description, does it mean as opposed to a "bad job," "wrong job," or does it mean a "job good enough" for an SP employee that could be used to fill a vacant entry level position?

Question #2: Since I was *by far* the leading producer of RE sales on the SP system, why was I denied one of the nine open positions in my field? Your later assertion that *had I only applied on the CNET* for the same positions that I had been refused in interviews and numerous pleading phone calls - it would have some how made a difference - is absurd!

Question #3: You stated . . . "when you were not selected for a position in the Sales portion of the Real Estate organization, you were considered for available positions in other areas of Real Estate. Your previous experience in the SP Engineering department, along with your overall real estate background, provided and excellent combination to be considered for positions in the Contracts area of our Real Estate department" . . . Let me try to figure this out; I had "overall real estate background" (but not good enough to be given a position in which I excelled), coupled with my SP Engineering (I was once a M of W materials scheduler) made me an excellent choice for an entry level position in the Track Contracts group? Why not just shorten the 'justification stretch' to something like - "you worked for the SP; they had railroad tracks; you therefore know of tracks; you have been selected to work on track contracts!" As you know, SP's Contracts groups were *not* in the Real Estate department and it follows that I had *no* experience 'in a contract group'.

When UP reneged on the 'buy out' they had stated I would receive, UP's Contracts Director called me to inform me that I had been 'selected' to fill a bottom level position in the Contracts Group. He stated that he had openings in Wire Line, Road Crossing, Pipe Line, and Track. When I said that I didn't know the first thing about any one of them, he said "I know that, but pick one, or I'll pick one for you." Nice, huh?

Question #4: Since SP *did* have people (not in the Real Estate Department) whose jobs were in Contracts, with all the knowledge, skill and related background, why were these people not given (or forced on) these "good jobs?"

Question #5: How many UP Real Estate sales people were told that they would have to go from a Manager position to a lower Representative position in the contracts group - or lose their jobs? Or, were any UP Real Estate people told that they were being transferred to San Francisco - Monterey Park - Dallas for assignment in 'Special Properties', or lose their jobs? Were *any* UP Real Estate people 'hurt' or 'demoted' in the UP/SP merger?

Question #6: You stated that . . . "in some other departments there was an excess of employees, and we were able to honor the stated preferences of many of those who indicated that they did not wish to be employed by the combined organization. In other departments, we had a need to employ the vast majority of the employees of both organizations, hereby limiting our ability to offer severance to all the employees who indicated that preference . . . "Since RE was one of the departments in which the "vast majority" was needed, why was *not one* Black American, Mexican, Filipino, Oriental, known Homosexual, or person with a 'prior heart attack' record, retained in service, brought back to Omaha and given a vacant "good job?" (Names on request.)

Question #7: If you will read my merger Employee Profile again you will find that I stated that I (A.) would accept employment with the merged UP/SP (B.) would relocate if necessary (C.) but *would have reservations on my willingness to relocate*. That Profile was signed on October 24, 1996, back in at a time when the people of SP were assured by our most senior management that we would be treated fairly in the merger. We were told that we would be given 'like jobs', Managers would continue at Manager levels, our bonus would be included in new salaries, all jobs would be in Omaha, etc. It was three months later when the details of the job offers were released, I found that none of this information was true. It was at this time that my *willingness* ceased. Were we lied to by our SP senior management, or did UP's senior management lie to them?

Question #8: During our phone conversation early in 1997, you referred to UP's *policy of fair and equal treatment* that would be used during the merger for all of Southern Pacific's Departments and Employees. Since none of UP's departments have been able to produce it, does such a written policy really exist? If so, please consider this, my ninth request for a copy.

Question #9: In my last full working year (1996) with SP - that was unaffected by UP - my base salary, plus well an earned bonus, and paying only on Social Security gave me an

equivalent income of more than \$65K. My first full year with UP (1997) my base salary, no bonus, and returned again to paying into Rail Road Retirement, equivalent income \$52.5K. You mentioned a 6% raise given me (actual 5.7%) three months into 1998, with no bonus, which will be approximately \$54K this year (and 'capped' on a grade 16 position). This will bring me back up to, I believe, my 1993 or 1994 level of income! Does this still look like I am getting equal compensation?

Question #10: Before the questions, some definitions. You mentioned the ARTE and SPREE. I would like to define/explain these terms to you. The ARTE (Association of Railway Technical Employees) is the Union I have belonged to since my first month at Southern Pacific Company in 1964 (later to be called Southern Pacific Transportation Company). Note that I *did not* resign from first to go to second; it was simply a paper *transfer*. In 1978 I left the ARTE (with rights to exercise seniority if ever necessary) to become a company officer. Under Rule 29 of the ARTE Agreement this was clearly allowed and it *did not* require any payments of union dues to be retained on the ARTE rooster. I have served faithful and unbroken* time in various positions as a SP Company Officer from that time in 1978 until the UP/SP merger. This Unbroken* time actually includes several months that I was *transferred*, on paper, to work on the St. Louis Southwestern Railway Company in 1981 (again I *did not* resign from the SPTCo to work for the SSW, it was simply a paper *transfer* into that company and then a *transfer* back). Other officers (names on request) have *left and returned* the SPTCo to work in other Southern Pacific 'sub-companies' such as SP Land Company (under the Social Security System). Their names were never removed from the ARTE rooster, nor was there any reason to, as they were in reality *still RR employees!*

SPREE (Southern Pacific Real Estate Enterprises) was originally created for a special interest in SP real estate development (which was never made clear) and was set up and granted U.S. Government approval for exactly three people! In about November of 1994, our management announced that all but a select few of SP's Real Estate employees were to be *transferred* into SPREE. Yes, it was now time for the very people that had allowed the cash starved SP to survive for the last score of years, to be double crossed. It was told to us that the *only* reason this *transfer* was to put us on the Social Security System instead of the Railroad Retirement System which would save the SP hundreds of thousands of dollars every year by escaping the '16.1% of Tier II' company portion contributions to Railroad Retirement!

Protests abounded, but to not follow this 'scheme' was to lose your job! Employees with near ten years service would lose all Railroad Retirement benefits. Others with long service years would now never achieve the 'magic' thirty year requirement, etc. Sensing extreme dissatisfaction, the Company made a few concessions. The people who were within a very short time going to reach a 10 or 30-year mark were (by some coincidence!) the ones allowed to stay in the SPTCo portion of the new group structure. More confusing was the new dual Organizational Chart depicting all SPREE personal reporting to the President or Vice President of SPREE, with the personal left is SPTCo reporting to an Assistant Vice President that reported to no one? In truth, all personal reported to SPREE and all equipment, facilities, clerical help, access to or use of other SPTCo departments, etc. were used interchangeable. After all, we were just Railroad Personnel doing the same Railroad

jobs that we were doing yesterday, weren't we? The only thing that really changed was the payroll accounting, as required for the appearance of separation!

Those *forced* into SPREE, were given a written statement three months later by SPREE's Assistant Vice President & General Manager, *on Southern Pacific Lines stationary no less*, (copy on request) stating that we were INVOLUNTARILY SEPARATED from the 'Railroad', but our 'Current Railroad Connection' would be kept? We were told in various meetings that 'Management' could at their whim or discretion transfer employees, as needed, back and forth between SPREE and SPTCo.

We were also given (to quell most other protests) a letter signed by SPREE's President (copy on request) assuring us . . . "existing benefits and personnel policies currently available to you as an SPTCo employee will be carried forward and made available for SPREE employees. This will include, but not necessarily be limited to existing medical, dental, pension, vacation, sick leave, long term disability, meritorious sick leave, compensation plan participation, etc. The only significant change resulting from this reorganization will be substitution of Social Security for Railroad Retirement". . .

Some of the employees of SPREE with 'seniority rights' in ARTE overheard rumors that Union Leaders may try to use this *transfer* to make changes adversely affecting their status, but with a signed letter from the President of SPREE stating "**NO CHANGES**," believed the letter and felt reassured that it meant just what it said. Apparently such trust was again unfounded. From what can now be gathered, the General Chairman of ARTE (G. E. Jones) did approach a low level manager in Labor Relations (R. M. Winkench) in secret meeting, without the knowledge or representation of the Officers affected, and entered into an agreement allowing the ARTE to assess the Officers in SPREE "Retention of Seniority Fees." This is what appears to be yet another Company double-cross. If the 'Officer' pays the fees, the Union wins, if the 'Officer' does not, the Company wins (by telling the Union to remove his name from the Seniority Roster). It is not known whether any SPREE Management was involved in this conspiracy, but it is known that no one to be affected was either invited, attended or had knowledge of what had taken place. Mr. Jones did have a "Duty of Fair Representation" for all ARTE members, but did not have the authority to seek changes in status of ARTE members absented on Rule 29 without their knowledge [This would require a change in the ARTE Charter!] Also, Mr. Winkench had no authority to enter into secret agreements with Mr. Jones affecting Union rights of Officers of another Company (he was not a member of SPREE, nor was he authorized to represent SPREE's Officers interests).

To add injury to insult, I was never notified by the ARTE (Mr. Jones) that any such "agreement" had taken place! He insisted that he *attempted* several times to notify me by Registered U.S. Mail (seems strange since I lived in the same house since 1968 and worked in the same SP building since 1964?), but has admitted, in writing, that he had failed to do so (copy on request).

So Ms. Schaefer, as you can see, my situation is more complicated than you attempt to portray. I HAVE NOT forfeited my seniority in the ARTE, nor do I feel that I owe the ARTE any "retention of seniority fees" (not *union dues* as you erroneously stated). It was not until I knew I would not receive fair employment with UP, and had exercised my seniority with ARTE in April of 1997 (copy on request), that I was made aware that my

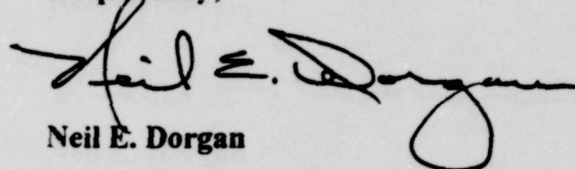
name had (without my knowledge) been removed from the Seniority Rooster. I was told it was because I was no longer with the Railroad, but the facts are that I had already been TRANSFERRED (where have you heard that word before?) back into the UP Railroad and was again under Railroad Retirement! My immediate attempts to resolve this problem were road blocked when UP's Senior Labor Relations Officials (Messrs. Naro and Watts) would not return my urgent phone calls, but would simply pass the messages down to Mr. Winkenbach (the same low level manager that made the blunders in the first place)! At this time - as you know from my first letter - UP's Real Estate Department ordered me to show up in Omaha on a certain near future date - *or be fired!*

Now we have come a full circle, and finally the questions. Why, if such a question exists about my rights to return to my Union, was I never given a fair hearing to decide what should be done. If it *could be* determined that I was delinquent in some fees that I had no way of knowing about, why was I not just allowed to back pay them? If SPREE caused this problem to take place, why doesn't SPREE pay whatever payments are *owed*? Why is not Mr. Winkenbach's negotiating error corrected so the Union would have no claim? I have heard from reliable sources that the UP has simply **ABOLISHED** the ARTE, without even informing the Officers who hold seniority rights; is this true?

The best solution, of course, would be to request a full audit of SPREE from the U.S. Railroad Retirement Board by their Inspector General for Investigations. When the U.S. Railroad Retirement Boards Division of Audit and Compliance exposes SPREE for the fraud that is was, (A) SPREE (now UP) would pay back the millions of dollars not paid into Tier II for its Railroad employees (B) The hard working SP Railroad Real Estate employees would have all their lost time in Railroad Retirement reinstated (C) There would be no question as to whether the people in my situation would have their seniority rights!

I ended my first letter with the following statement . . . "I am in my 60th year of life and have a loyal, unbroken and untarnished thirty-four career with the railroad. I deserve more than the following choice: (1) Forced relocation to Omaha to work at a reduced rank with greatly reduced compensation while being under utilized on a desk-bound, entry level, 'keyboard input clerk' job, or (2) **TO BE FIRED!**" In your response you stated that Union Pacific *intended* to offer me . . . "a good job or a good severance." Since it is too late for the 'good job', please reconsider either the Officer buy out that I was first promised, or the requested Union buy out that I deserved.

Respectfully,



Neil E. Dorgan

UNION PACIFIC CORPORATION

BARBARA W. SCHAEFER
Senior Vice President
Human Resources

1416 Dodge Street
Room 305
Omaha, Nebraska 68179



April 13, 1998

Mr. Neil E. Dorgan
2121 Douglas Street #1603
Omaha, Nebraska 68102

Dear Neil,

Dick Davidson has asked me to respond to your letter of March 24, 1998 relative to your concerns regarding how you were treated in the UP/SP Merger Assessment Process.

From the time the merger of the Union Pacific and Southern Pacific Railroads was announced, we advised our nonagreement employees that it was our intention to offer them either "a good job or a good severance". As you know, in some departments there was an excess of employees, and we were able to honor the stated preferences of many of those who indicated that they did not wish to be employed by the combined organization. In other departments, we had a need to employ the vast majority of the employees of both organizations, thereby limiting our ability to offer severance to all employees who indicated that preference.

In reviewing your situation, you clearly indicated a desire to be employed by the merged organization on the Employee Profile that you completed. When you were not selected for a position in the Sales portion of the Real Estate organization, you were considered for available positions in other areas of Real Estate. Your previous experience in the SP Engineering department, along with your overall real estate background, provided an excellent combination to be considered for positions in the Contracts area of our Real Estate department. You were ultimately offered, and accepted, the position of Contracts Representative. The base salary for his position was the same as your prior base salary with SPREE. Additionally, it is my understanding that you were provided a merit increase of approximately 6% earlier this year.

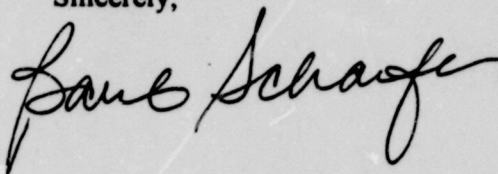
With regard to your seniority with A.R.T.E., I am advised that you forfeited your seniority in that organization in 1995 when you failed to pay your union dues after you were transferred from SP Railroad to SPREE. Hence, you no longer had any rights under the A.R.T.E. agreement since that date and were not eligible for a buyout under the negotiated agreement with that union.

With regard to the selection of individuals for vacancies in the UP Real Estate organization post-merger, all of these positions were included in the Company's electronic job posting system (CNET) and, where qualified internal applicants were not identified, we considered outside

applicants. Our records indicate that you did not indicate your interest in any of these positions at the time they were posted. Therefore, you were not formally considered a candidate for these jobs, which again were filled after the UP/SP Merger Assessment process was completed.

I am confident that your continued employment with Union Pacific on your current assignment will be both challenging and rewarding. At the same time, you are fully vested under our Pension Plan and have the right to elect to initiate your retirement at any time. You are also free to express interest in other positions in your department or in the Company through the CNET system. However, the Company is not in a position to offer you a lump sum severance program at this time, and I am not able to foresee whether such a program may be made available to our employees in the future.

Sincerely,

A handwritten signature in cursive script, reading "Paul Schaefer". The signature is written in dark ink and is positioned below the word "Sincerely,".

cc: Mr. Dick Davidson

Neil E. Dorgan
2121 Douglas Street #1603
Omaha, NE 68102-1282
(402) 997-3622

March 24, 1998

{Named Fifteen Board Members}
Board of Directors
Union Pacific Corporation
1717 Main Street, Suite 5900
Dallas, TX 75201-4605

Dear Mr. { }:

I am a former SP Real Estate Department employee who has been relocated to Omaha. This will be a very brief summary of what has taken place.

When filling out the required merger related 'Employee Profile', I indicated that I would relocate, but would have restrictions on my willingness, and would prefer an *early retirement*, if offered. After my interviews, I was told by the Senior VP of SP Real Estate that I was to be given a *buy out* because UP was going to discontinue the Branch Line Sales program which was my specialty. Instead, I was later informed that I had been *drafted* to fill an empty 'Organizational Chart' entry level position in the Track Contracts Group. Repeated pleas to the UP Real Estate Department to at least be retained at my rank in my field of expertise were ignored (I was by far the leading producer of sales on the SP system!)

Realizing that I was not to receive equal or fair treatment, I notified my former Labor Union (Assoc. of R.R. Technical Employees) that I intended to return to my craft under Rule 29 for the *buy out* that they were to receive when disbanded. Before this matter could be resolved, I was told to relocate/report in Omaha on a specific near future date or else! Shortly thereafter I discovered that the Union and Railroad had conspired to take away my union seniority without even informing me that this had occurred!

Being directed by a California divorce court, I was told that *if my only option* was a relocated job offer, *I must take it*. My relocation was in and of itself a horror story, but the details would be too long to explain in this writing.

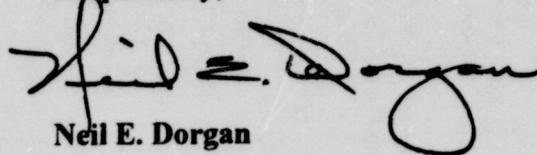
While I am serving in an area in which I have no interest, background, knowledge, tools, or skills, I have watched at least nine RE Sales jobs that were created by the SP merger go to *outside new hires, and UP employees* - most of which have no real estate sales experience.

I was told by UP's VP of Human Relations that *by policy* all of Southern Pacific's Departments and Employees were treated *equally and fairly*; eight requests for a copy of that *policy* have been ignored. It has been one year now that I have attempted good faith (at least on my part) negotiations first with the Union, UP's Ombudsman, UP Legal, Human Relations, Real Estate, and Labor Relations. This effort produced only 'Department passing' and stalling.

In summary, I am in my 60th year of life and have a loyal, unbroken and untarnished thirty-four year career with the railroad. I deserve more than the following choice: (1) Forced relocation to Omaha to work at a reduced rank with greatly reduced compensation while being under utilized on a desk-bound, entry level, "keyboard input clerk" job, or (2) **TO BE FIRED!**

I feel that my situation is unique and can still be solved to mutual satisfaction without setting a precedent. It is my sincere desire that this matter will not have to be resolved by a San Francisco court.

Respectfully,

A handwritten signature in dark ink, appearing to read "Neil E. Dorgan", with a large, stylized loop at the end.

Neil E. Dorgan

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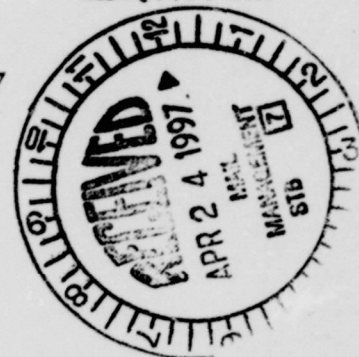
U.S. Department of
Transportation
Office of the Secretary
of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.
Washington, D.C. 20590

April 22, 1997

Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20423-0001



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

Dear Secretary Williams:

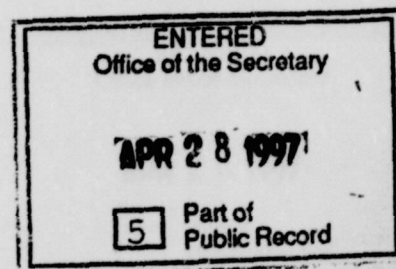
By Decision No. 70 in the above-referenced proceeding, the Surface
Transportation Board permitted parties concerned with certain environmental
mitigation conditions to restrict their service of pleadings to those parties who
request such service in writing.

The conditions at issue will affect the cities of Reno, Nevada, and Wichita,
Kansas, as well as Sedgwick County, Kansas. The U.S. Department of
Transportation ("DOT") has a significant interest in these conditions and wishes
to reserve the right to participate actively in their development at some point.
We therefore request that the parties continue to serve DOT with all pleadings in
this matter. Copies of this request are being served on counsel indicated below.

Respectfully submitted,

Paul Samuel Smith
Senior Trial Attorney

cc: Arvid E. Roach II, Esq.
Steven J. Kalish, Esq.
Paul H. Lambole, Esq.



STB FD

32760

2-18-97

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89656

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

LECONFIELD HOUSE

CURZON STREET

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BRUSSELS OFFICE

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-549-5230

FACSIMILE: 32-2-502-1598

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT FACSIMILE

(202) 778-5388

February 18, 1997

BY HAND

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

Re: Filing Fees for Abandonment and Discontinuance
of Service Proceedings in Finance Docket No.
32760

Dear Secretary Williams:

In response to your letter of January 29, 1997 (copy
attached), I enclose a check for \$118,300.

Sincerely,

Arvid E. Roach II

Arvid E. Roach II

Enclosures

RECEIVED
SURFACE TRANSPORTATION
BOARD

FEB 18 1 48 PM '97

100
OFFICE OF SECRETARY

AR



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

January 29, 1997

Arvid E. Roach II
Covington & Burling
1201 Pennsylvania Ave., N.W.
Washington, D.C. 20044-7566

RE: Filing Fees for Abandonment and Discontinuance of Service
Proceedings in Finance Docket No. 32760

Dear Mr. Roach:

This letter is to request that applicants in the above-referenced merger proceeding remit to the Surface Transportation Board (Board) \$118,300 to cover the filing fees for the 21 abandonment and discontinuance of service proposals that were filed as transactions directly related to the primary merger application. The list enclosed with this letter identifies the 21 transactions and the filing fees that applied on the filing date for such individual transactions.

Board staff recently began a review of certain administrative aspects of the Union Pacific-Southern Pacific (UP-SP) merger proceeding. One notable feature of the case was the significant number of directly related transactions, especially abandonment and discontinuance of service proposals, that were filed and considered therein.

A review of eight other major consolidation proceedings filed within the past 16 years showed that only two included directly related abandonment or discontinuance of service proposals. Those proceedings, which were filed in 1982 and 1988, included 2 and 12 such proposals, respectively. In addition, Board staff reviewed the specific proceedings that provided the cost study data for setting the filing fees for major consolidations. Only one of those cases included directly related abandonment proposals, and it included only two such proposals.

The rules governing fee assessments in major rail consolidation proceedings were established in 1982 and are now codified at 49 CFR Part 1180. Rule 1180.4(c)(1) provides that there is no fee for directly related applications filed by a party that filed the primary application. Rule 1180.4(c)(2)(vi) provides that applicants are to file concurrently all directly related applications, including abandonments.

At the time these rules governing merger fees were adopted, however, it simply was not contemplated that substantial numbers of abandonment, discontinuance, or other types of directly related applications would be submitted within the context of

Arvid E. Roach II
Page 2

major consolidations. There was no precedent to support such an expectation. These rules have remained unchanged in light of the agency's experience with merger proceedings prior to the UP-SP merger proceeding. Those proceedings did not encompass a significant number of directly related abandonment and discontinuance of service proposals.

The 21 abandonment and discontinuance of service proposals filed in the context of the UP-SP merger proceeding were processed without any of their costs being covered by the merger filing fee. While those 21 proceedings were considered within the substantive and procedural context of the merger application, no economies were achieved, as each case had to stand on its own merits and, therefore, be evaluated separately.

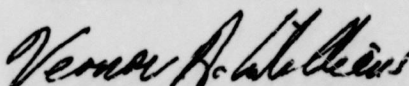
As a result of reviewing the UP-SP proceeding, it is clear that the Board may expect to receive substantial numbers of directly related transactions in future major rail consolidation cases. Under the circumstances, the Board is pursuing amendment of rules 1180.4(c)(1) and (c)(2)(vi) to require applicants to pay separate fees for all applications directly related to the primary application in order for the Board to cover costs properly assessable to applicants.

In the meantime, under the Independent Agency Appropriation Act of 1952, 31 U.S.C. 9701 (IOAA), a government agency is required to assess user fees for activities that provide a specific benefit to an identifiable beneficiary. The goal of the IOAA is to ensure to the fullest extent possible that an agency's funding is provided by the direct beneficiaries of the agency's action rather than the general public. The applicants in the UP-SP merger were the direct beneficiaries of the Board's actions in the directly related abandonment and discontinuance proceedings and should have been assessed filing fees to cover those proceedings.

Under the circumstances, it is appropriate to request the UP-SP merger applicants to remit to the Board filing fees to cover the costs of processing their 21 directly related abandonment and discontinuance of service transactions.

Thank you for your cooperation in this matter.

Sincerely


Vernon A. Williams
Secretary

Enclosure

DOCKET NO. TYPE OF FILING**FEE****Missouri Pacific Railroad Company**

AB-3	129X	Petition for exemption	\$ 3,300
AB-3	130	Application	11,700
AB-3	131	Application	11,700
AB-3	132X	Notice of exemption	1,900
AB-3	133X	Petition for exemption	3,300
AB-3	134X	Notice of exemption	1,900
TOTAL			\$ 33,800

The Denver Rio Grande Western Railroad Company

AB-8	36X	Petition for exemption	\$ 3,300
AB-8	37	Application	11,700
AB-8	38	Application	11,700
AB-8	39	Application	11,700
TOTAL			\$ 38,400

Southern Pacific Transportation Company

AB-12	184X	Petition for exemption	\$ 3,300
AB-12	185X	Petition for exemption	3,300
AB-12	187X	Notice of exemption	1,900
AB-12	188	Application	11,700
AB-12	189X	Petition for exemption	3,300
TOTAL			\$ 23,500

Union Pacific Railroad Company

AB-33	93X	Notice of exemption	\$ 1,900
AB-33	94X	Notice of exemption	1,900
AB-33	96	Application	11,700
AB-33	97X	Notice of exemption	1,900
AB-33	98X	Petition for exemption	3,300
AB-33	99X	Notice of exemption	1,900
TOTAL			\$ 22,600

GRAND TOTAL \$118,300

STB FD 32760 10-7-96 J

86624

UNION PACIFIC RAILROAD COMPANY

86624
1416 DODGE STREET
ROOM 830
OMAHA, NEBRASKA 68179-0001
FAX (402) 271-5610

October 3, 1996



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Twelfth St. & Constitution Ave., NW - Room 1324
Washington, DC 20423

Re: Finance Docket 32760 UP - Control and Merger - SP

Dear Mr. Williams:

Pursuant to Decision No. 44, UP/SP submits station passing reports for September 11 through September 30 for the cities of Reno, Nevada and Wichita, Kansas.

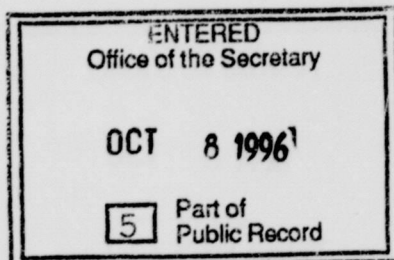
The reports indicate that UP/SP is in compliance with Condition 22.a and Condition 23.a of Exhibit G to Decision No. 44.

	<u>Reno</u>	<u>Wichita</u>
Cap	14.7	6.4
Average Through Freight Trains	10.4	4.7

The attached verified reports include the details for both included and excluded trains for each day since Decision 44 became effective on September 11.

Very truly yours,

Louise A. Rinn
(402) 271-4227



Attachments

C: (With attachments)

Elaine Kaiser, SEA (With 2 copies)
Surface Transportation Board - Room 3219
12th & Constitution Avenue, NW
Washington, DC 20423

J. Michael Hemmer, Esq.
Covington & Burling
1201 Pennsylvania Avenue, NW
Washington, DC 20044

Steven J. Kalish, Esq.
McCarthy, Sweeney & Harkaway, PC
1750 Pennsylvania Avenue, NW
Washington, DC 20006

Paul H. Lamboley, Esq.
Keck, Mahin & Cate
1201 New York Avenue, NW
Washington, DC 20005-3919

**RECAP OF PASSING REPORTS FOR MONTH OF SEPTEMBER
RENO, NEVADA**

DATE	FREIGHT TRAINS
11-Sep	10
12-Sep	13
13-Sep	6
14-Sep	11
15-Sep	9
16-Sep	11
17-Sep	12
18-Sep	10
19-Sep	9
20-Sep	9
21-Sep	13
22-Sep	10
23-Sep	12
24-Sep	10
25-Sep	9
26-Sep	9
27-Sep	12
28-Sep	11
29-Sep	13
30-Sep	9

FREIGHT TRAIN MONTH TO DATE AVERAGE

10.4

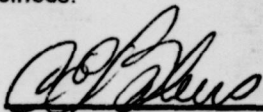
STATION PASSING REPORT FOR September 11, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	845 AM	1LBUTC-09	E	F
2	1030 AM	1RVKCM-09	E	F
3	420 PM	1OANSF-10	E	F
4	450 PM	1RVASM-11	E	F
5	855 PM	1RVROM-11	E	F
6	520 AM	1ASRVM-06	W	F
7	810 AM	1UTLBC-09	N	F
8	1020 AM	1RORVM-09	W	F
9	710 PM	1KCOAT-08	W	F
10	725 PM	1KCBAT-07	W	F
11	515 PM	PASSENGER	E	P
12	559 PM - 1058 PM	YARD ENGINE	N/A	SW
13	1112 PM - 1247 AM	HELPER ENGINE	N/A	LE
14				
15				
16				
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19				
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*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

I certify under penalty of perjury that the foregoing record is true and correct and compiled from records maintained by SPT Company in the usual and ordinary course of business.


 Assistant General Manager
 Transportation Service Center

9/12/96
 DATE

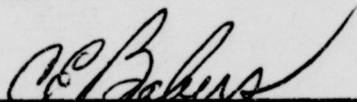
STATION PASSING REPORT FOR September 12, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	233 AM	1RVKCM-10	E	F
2	945 AM	2RVASM-11	E	F
3	455 PM	1OANSF-11	E	F
4	730 PM	1RVROM-12	E	F
5	1105 PM	1RVKCM-11	E	F
6	410 AM	1KCBAT-08	W	F
7	805 AM	1ASRVM-07	W	F
8	1045 AM	1UTLBC-11	W	F
9	125 PM	1KCOAF-09	W	F
10	230 PM	1SNTAC-10	W	F
11	940 PM	1RORVM1-10	W	F
12	1045 PM	1BGRSC-11	W	F
13	1145 P.M.	1KCBAT-09	W	F
14	1227 PM	PASSENGER	E	P
15	1124 PM - 133 AM	YARD ENGINE	N/A	SW
16	542 PM - 557 PM	YARD ENGINE	N/A	SW
17	1059 PM - 1101 PM	HELPER ENGINE	N/A	LE
18	1102 PM - 1123 PM	HELPER ENGINE	N/A	LE
19	232 AM - 308 AM	HELPER ENGINE	N/A	LE
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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 Assistant General Manager
 Transportation Service Center

9/27/96
 DATE

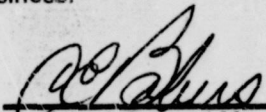
STATION PASSING REPORT FOR September 13, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

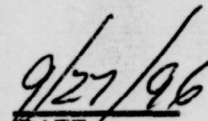
	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	320 AM	1RVASM-12	E	F
2	410 AM	1TASNC-10	E	F
3	1230 PM	1RVASM-13	E	F
4	425 AM	1RORVM1-12	W	F
5	1015 AM	1KCOAF-10	W	F
6	340 PM	1SANTAC-11	W	F
7	425 PM	PASSENGER	W	P
8	1011AM	PASSENGER	E	P
9	1103 PM - 1228 AM	YARD ENGINE	N/A	SW
10	458 PM - 944 PM	YARD ENGINE	N/A	SW
11				
12				
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14				
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18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

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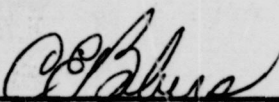
STATION PASSING REPORT FOR September 14, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	1220 AM	1LBUTC1-11	E	F
2	345 AM	1OANSF-12	E	F
3	1010 AM	1RVROM-13	E	F
4	200 PM	1OANSF-13	E	F
5	215 AM	1EKLBT-13	W	F
6	630 AM	1ASRVM-08	W	F
7	1040 AM	2RORVM1-12	W	F
8	1255 PM	1KCOAT-11	W	F
9	355 PM	1RORVM1-11	W	F
10	530 PM	1RORVM1-13	W	F
11	1100 PM	1 KCBAT-10	W	F
12	427 PM	PASSENGER	W	P
13	809 AM - 906 AM	YARD ENGINE	N/A	SW
14	1220 PM	WORK TRAIN	E	W
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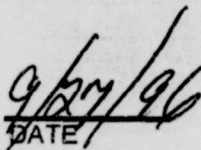
*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

I certify under penalty of perjury that the foregoing record is true and correct and compiled from records maintained by SPT Company in the usual and ordinary course of business.



 Assistant General Manager
 Transportation Service Center



 DATE


STATION PASSING REPORT FOR September 15, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	105 AM	1RVKCM-12	E	F
2	735 AM	1RVROM-14	E	F
3	710 AM	1LBUTC1-13	E	F
4	815 AM	1OANSF-18	E	F
5	235 PM	1RVASM-14	E	F
6	555 AM	1KCRVT-11	W	F
7	1025 AM	1KCOAT-12	W	F
8	1120 AM	1RORVM-14	W	F
9	535 PM	1ASRVM-10	W	F
10	105 PM	PASSENGER	E	P
11	607 PM - 729 PM	RENO SWITCHER	N/A	SW
12	720 AM	WORK TRAIN	W	W
13				
14				
15				
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19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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 and compiled from records maintained by SPT Company in the usual and
 ordinary course of business.


 Assistant General Manager
 Transportation Service Center

9/27/96
 DATE

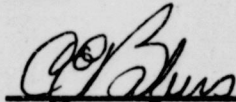
STATION PASSING REPORT FOR September 16, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	235 AM	1RVASM-15	E	F
2	310 AM	1RVROM-15	E	F
3	220 PM	1RVKCM-13	E	F
4	750 PM	1TASNC-15	E	F
5	805 PM	1RVASM-16	E	F
6	155 AM	1UTLBC-13	W	F
7	650 AM	1SNTAC-14	W	F
8	1210 PM	1ASRVM-11	W	F
9	340 PM	2RORVM-K14	W	F
10	510 PM	1KCRVT-K12	W	F
11	1100 PM	1KCOAT-13	W	F
12	541 PM	PASSENGER	W	P
13	942 PM - 1213 AM	HELPER ENGINE	N/A	LE
14	729 PM - 740 PM	RENO SWITCHER	N/A	SW
15	829 PM - 938 PM	RENO SWITCHER	N/A	SW
16				
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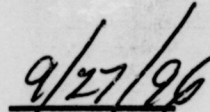
*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

I certify under penalty of perjury that the foregoing record is true and correct and compiled from records maintained by SPT Company in the usual and ordinary course of business.



 Assistant General Manager
 Transportation Service Center



 DATE

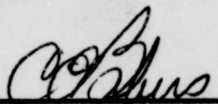
STATION PASSING REPORT FOR September 17, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	1210 AM	1OANSF-15	E	F
2	340 AM	1RVKCM-14	E	F
3	755 AM	2LBUTC-14	E	F
4	405 PM	1RVROM-16	E	F
5	430 PM	1OANSF-16	E	F
6	645 PM	1LBUTC-14	E	F
7	1045 PM	2RVASM-16	E	F
8	530 AM	1UTLBC-15	W	F
9	825 AM	1KCRVT-13	W	F
10	535 PM	1RORVM1-15	W	F
11	825 PM	1ASRVM-12	W	F
12	1135 PM	1KCOAT-14	W	F
13	1233 PM	PASSENGER	E	P
14	1221 AM - 1235 AM	RENO SWITCHER	N/A	SW
15	851 PM - 856 PM	RENO SWITCHER	N/A	SW
16				
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

I certify under penalty of perjury that the foregoing record is true and correct
 and compiled from records maintained by SPT Company in the usual and
 ordinary course of business.



 Assistant General Manager
 Transportation Service Center

9/26/96
 DATE

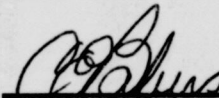
STATION PASSING REPORT FOR September 18, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	545 AM	1RVKCM-16	E	F
2	1250 PM	1RVASM-17	E	F
3	805 PM	1OANSF-17	E	F
4	940 PM	1RVROM-17	E	F
5	720 AM	1KCOAT-14	W	F
6	805 AM	1KCRVT-14	W	F
7	1210 PM	1ASRVM-09	W	F
8	125 PM	1EKLBT-18	W	F
9	410 PM	1KCOAT-15	W	F
10	500 PM	1UTLBC-16	W	F
11	433 PM	PASSENGER	W	P
12	832 PM - 928 PM	RENO SWITCHER	N/A	SW
13	354 AM - 444 AM	WORK TRAIN	N/A	W
14				
15				
16				
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

I certify under penalty of perjury that the foregoing record is true and correct and compiled from records maintained by SPT Company in the usual and ordinary course of business.


 Assistant General Manager
 Transportation Service Center

9/20/97
 DATE

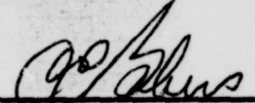
STATION PASSING REPORT FOR September 19, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	255 AM	1RVKCM-17	E	F
2	755 AM	1RVASM-18	E	F
3	405 PM	1OANSF-18	E	F
4	705 PM	1RVKCM-18	E	F
5	1210 AM	1CPPMC-17	W	F
6	200 PM	1RORVM118	W	F
7	205 PM	1KCOAT-16	W	F
8	745 PM	1SNTAC-18	W	F
9	1150 PM	1ASRVM-14	W	F
10	1042 AM	PASSENGER	E	P
11	603 PM - 627 PM	WORK TRAIN	N/A	W
12	526 AM - 602 AM	YARD ENGINE	N/A	SW
13	728 PM - 829 PM	YARD ENGINE	N/A	SW
14	1244 PM - 154 PM	HELPER ENGINE	N/A	LE
15	503 AM - 604 AM	HELPER ENGINE	N/A	LE
16				
17				
18				
19				
20				

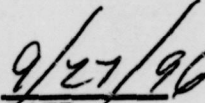
*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
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AUTHENTICATION:

I certify under penalty of perjury that the foregoing record is true and correct and compiled from records maintained by SPT Company in the usual and ordinary course of business.



 Assistant General Manager
 Transportation Service Center



 DATE

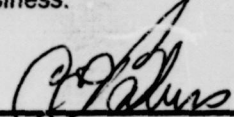
STATION PASSING REPORT FOR September 20, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	105 AM	1RVASM-19	E	F
2	215 AM	1TASNC-19	E	F
3	345 PM	1OANSF-19	E	F
4	850 PM	1RVROM-18	E	F
5	1215 AM	1RORVM1-17	W	F
6	615 AM	1KCRVT-16	W	F
7	400 PM	1SNWCC-18	W	F
8	620 PM	1ASRVM-15	W	F
9	755 PM	1KCOAT-17	W	F
10	1107 AM	PASSENGER	E	P
11	528 PM	PASSENGER	W	P
12	1200 AM - 1211 AM	YARD ENGINE	N/A	SW
13	433 PM - 451 PM	YARD ENGINE	N/A	SW
14	811 AM - 859 AM	HELPER ENGINE	N/A	LE
15				
16				
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

I certify under penalty of perjury that the foregoing record is true and correct and compiled from records maintained by SPT Company in the usual and ordinary course of business.



 Assistant General Manager
 Transportation Service Center

9/27/96
 DATE

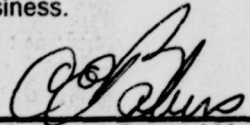
STATION PASSING REPORT FOR September 21, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	205 AM	1LBUTC-19	E	F
2	815 AM	1RVKCM-19	E	F
3	800 PM	1RVROM-20	E	F
4	915 PM	1OANSF-20	E	F
5	1135 PM	1RVROM-20	E	F
6	1205 AM	1KCRVT-17	W	F
7	135 AM	1RORVM-19	W	F
8	615 AM	1KCRVT-15	W	F
9	855 AM	1ASRVM-16	W	F
10	1100 AM	1RORVM1-21	W	F
11	105 PM	1UTLBC-19	W	F
12	540 PM	3RORVM-20	W	F
13	710 PM	1KCOAT-18	W	F
14	445 PM	PASSENGER	W	P
15	1106 PM - 1109 PM	HELPER ENGINE	N/A	LE
16	914 AM - 959 AM	YARD ENGINE	N/A	SW
17				
18				
19				
20				

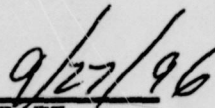
*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
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 Assistant General Manager
 Transportation Service Center



 DATE

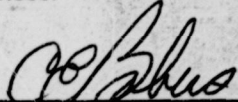
STATION PASSING REPORT FOR September 22, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	350 AM	1RVKCM-20	E	F
2	950 AM	2LBUTC-19	E	F
3	140 PM	1OANSF-21	E	F
4	530 PM	2RVROM-21	E	F
5	720 PM	1RVKCM-21	E	F
6	1050 PM	1TASNC-20	E	F
7	810 AM	1KCRVT-18	W	F
8	1035 AM	2RORVM1-20	W	F
9	155 PM	1KCOAT-19	W	F
10	700 PM	1SNTAC-21	W	F
11	1028 AM	PASSENGER	E	P
12	812 AM - 859 AM	YARD ENGINE	N/A	SW
13	1149 AM - 1217 PM	HELPER ENGINE	N/A	LE
14				
15				
16				
17				
18				
19				
20				

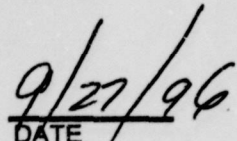
*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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 Assistant General Manager
 Transportation Service Center



 DATE

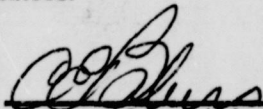
STATION PASSING REPORT FOR September 23, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

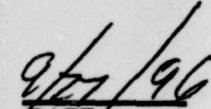
	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	255 AM	2RVROM-22	E	F
2	530 AM	1RVASM-20	E	F
3	945 AM	1RVASM-21	E	F
4	1020 AM	1OANSF-22	E	F
5	705 PM	1RVASM-22	E	F
6	1000 PM	1RVROM-22	E	F
7	515 AM	2UTLBC-19	W	F
8	1220 PM	1KCRVT-19	W	F
9	210 PM	1ASRVM-19	W	F
10	300 PM	1KCOAT-20	W	F
11	625 PM	1RORVM-22	W	F
12	850 PM	1RORVM-23	W	F
13	450 PM	PASSENGER	W	P
14	1004 PM - 1124 PM	HELPER ENGINE	N/A	LE
15	430 AM - 504 AM	HELPER ENGINE	N/A	LE
16	908 AM - 1155 AM	YARD ENGINE	N/A	SW
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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 Assistant General Manager
 Transportation Service Center


 DATE

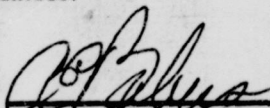
STATION PASSING REPORT FOR September 24, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	840 AM	2LBUTC-22	E	F
2	345 PM	1OANSF-23	E	F
3	445 PM	2RVASM-21	E	F
4	1000 PM	1RVASM-23	E	F
5	1030 PM	1RVKCM-22	E	F
6	1045 PM	1RVASM-24	E	F
7	155 PM	1KCRVT-20	W	F
8	355 PM	1RORVM-23	W	F
9	810 PM	1KCOAT-21	W	F
10	1152 PM	2KCOAT-21	W	F
11	1059 AM	PASSENGER	E	P
12	1236 AM - 115 AM	YARD ENGINE	N/A	SW
13	1007 PM - 1037 PM	YARD ENGINE	N/A	SW
14	1200 AM - 1235 AM	HELPER ENGINE	N/A	LE
15	734 PM - 813 PM	WORK TRAIN	N/A	W
16				
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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 Assistant General Manager
 Transportation Service Center

9/27/96
 DATE

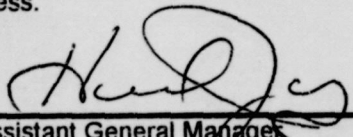
STATION PASSING REPORT FOR September 25, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	125 AM	1RVROM-23	E	F
2	425 PM	1OANSF-24	E	F
3	455 PM	1RVROM-24	E	F
4	1120 PM	2RVROM-24	E	F
5	300 AM	1ASRVM-18	W	F
6	1110 AM	11KCOAT-22	W	F
7	100 PM	1ASRVM-17	W	F
8	545 PM	1SNTAC-24	W	F
9	1010 PM	1ASRVM-20	W	F
10	503 PM	PASSENGER	E	P
11	519 PM - 547 PM	YARD ENGINE	N/A	SW
12	802 PM - 911 PM	YARD ENGINE	N/A	SW
13				
14				
15				
16				
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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 Assistant General Manager
 Transportation Service Center

9/30/96
 DATE

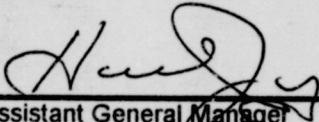
STATION PASSING REPORT FOR September 26, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	720 AM	1RVKCM-23	E	F
2	805 PM	1OANSF-25	E	F
3	120 AM	1ASRVM-21	W	F
4	150 AM	1KCRVT-21	W	F
5	545 AM	2RORVM-26	W	F
6	215 PM	2KCOAT-22	W	F
7	620 PM	1KCRVT-22	W	F
8	705 PM	1KCOAT-23	W	F
9	1025 PM	1RORVM-24	W	F
10	152 PM	PASSENGER	W	P
11	837 AM - 1048 AM	YARD ENGINE	N/A	SW
12	1236 PM - 112 PM	YARD ENGINE	N/A	SW
13	844 PM - 851 PM	YARD ENGINE	N/A	SW
14	734 AM - 904	HELPER ENGINE	N/A	LE
15				
16				
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

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 Assistant General Manager
 Transportation Service Center

9/30/96
 DATE

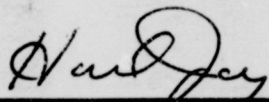
STATION PASSING REPORT FOR September 27, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	200 AM	1RVKCM-24	E	F
2	215 AM	1RVASM-25	E	F
3	655 AM	1LBUTC-24	E	F
4	835 AM	1RVKCM-25	E	F
5	325 PM	1RVASM-26	E	F
6	750 PM	1OANSF-26	E	F
7	1020 PM	1LBUTC-25	E	F
8	1155 PM	1RVASM-27	E	F
9	425 AM	1RORVM-25	W	F
10	1225 PM	1KCRVT-23	W	F
11	240 PM	1ASRVM-22	W	F
12	545 PM	1RORVM-26	W	F
13	605 PM	DIRECTOR SPECIAL	E	P
14	152 PM	PASSENGER	E	P
15	1109 PM - 1243 AM	YARD ENGINE	N/A	SW
16	1241 PM - 138 PM	YARD ENGINE	N/A	SW
17	701 PM - 728 PM	YARD ENGINE	N/A	SW
18	730 AM - 1254 PM	HELPER ENGINE	N/A	LE
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

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 Assistant General Manager
 Transportation Service Center

9/30/96
 DATE

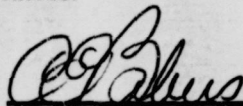
STATION PASSING REPORT FOR September 28, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	155 AM	1RVKCM-26	E	F
2	310 AM	1TASNC-25	E	F
3	405 AM	1RVROM-25	E	F
4	820 AM	1RVROM-26	E	F
5	1100 AM	1RVASM-28	E	F
6	1135 PM	1RVROM-27	E	F
7	205 AM	1KCOAT-24	W	F
8	545 AM	1SNSTC-26	W	F
9	910 AM	1ASRVM-23	W	F
10	715 PM	1KCRVT-24	W	F
11	810 PM	1RORVM-27	W	F
12	409 PM	PASSENGER	E	P
13	1234 AM - 147 AM	YARD ENGINE	N/A	SW
14	431 AM - 527 AM	YARD ENGINE	N/A	SW
15	207 PM - 508 PM	YARD ENGINE	N/A	SW
16	553 PM - 815 PM	YARD ENGINE	N/A	SW
17	814 PM - 937 PM	YARD ENGINE	N/A	SW
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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Assistant General Manager
 Transportation Service Center

9/29/96
 DATE

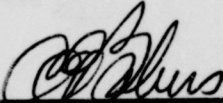
STATION PASSING REPORT FOR September 29, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	1210 AM	2RVASM-28	E	F
2	120 AM	1OANSF-27	E	F
3	645 AM	1RVKCM-27	E	F
4	110 PM	1OANSF-28	E	F
5	345 PM	1RVASM-29	E	F
6	1155 PM	1TASNC-28	E	F
7	300 AM	1SNTAC-27	W	F
8	555 AM	1KCOAT-25	W	F
9	1145 AM	1RORVM-29	W	F
10	240 PM	1KCRVT-25	W	F
11	545 PM	1ASRVM-24	W	F
12	910 PM	1KCOAT-26	W	F
13	1030 PM	2KCOAT-26	W	F
14	1136 AM	PASSENGER	W	P
15	422 PM - 651 PM	YARD ENGINE	N/A	SW
16				
17				
18				
19				
20				

*Type: F (Freight) P (Passenger) W (Work) D (Detour) LE (Light Engine)
 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

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 Assistant General Manager
 Transportation Service Center

9/30/96

 /DATE

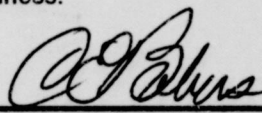
STATION PASSING REPORT FOR September 30, 1996
Train and Engine Movements through central Reno, Nevada
Twenty-four hour period

	Reno Time (Est)	Train/Engine ID	Direction	Type*
1	225 AM	1RVKCM-28	E	F
2	700 AM	1RVROM-28	E	F
3	1210 PM	1RVASM-30	E	F
4	700 PM	1OANSF-29	E	F
5	1135 PM	1RVROM-29	E	F
6	800 AM	1KCRVT-26	W	F
7	115 PM	1KCOAT-27	W	F
8	340 PM	1ASRVM-25	W	F
9	1005 PM	2KCOAT-27	W	F
10	506 PM	PASSENGER	E	P
11	133 AM - 214 AM	YARD ENGINE	N/A	SW
12	107 PM - 141 PM	YARD ENGINE	N/A	SW
13	614 PM - 632 PM	YARD ENGINE	N/A	SW
14	747 PM - 816 PM	YARD ENGINE	N/A	SW
15				
16				
17				
18				
19				
20				

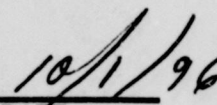
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 SW (Local and Industry Switch movements)
 EM (Snow, wreck, fire, and other emergency movements)

AUTHENTICATION:

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 Assistant General Manager
 Transportation Service Center



 DATE

TRANSPORTATION RESEARCH
 AEI SCANNER TRAIN HISTORY SUMMARY FOR SCANNER #359-SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	THRU TRAINS
09/11/96	3
09/12/96	4
09/13/96	5
09/14/96	5
09/15/96	2
09/16/96	5
09/17/96	4
09/18/96	6
09/19/96	5
09/20/96	6
09/21/96	8
09/22/96	5
09/23/96	2
09/24/96	7
09/25/96	4
09/26/96	6
09/27/96	5
09/28/96	5
09/29/96	2
09/30/96	5

*TOTAL 96

94

** AVG_THRU_TRN 4.70

TOTAL

94

VERIFICATION

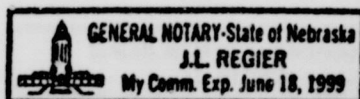
STATE OF NEBRASKA)
) ss.
 COUNTY OF DOUGLAS)

Clyde Anderson, Senior Project Manager-Finance Department of Union Pacific Railroad Company, 1416 Dodge Street, Omaha, Nebraska, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Clyde Anderson
 Clyde Anderson

Subscribed and sworn to before me this 3rd day of October, 1996.

J.L. Regier
 Notary Public



TRANSPORTATION RESEARCH
 AET SCANNER TRAIN HISTORY DETAIL REPORT FOR SCANNER #359--SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/11/96	0040	1621	FWWT 10	T	THROUGH	N
09/11/96	0640	1622	LVB55 11	L	ARK CTY LOC	S
09/11/96	0951	1623	YWH55 11	Y	YARD/WORK	S
09/11/96	1113	1624	YWH55 11	Y	YARD/WORK	N
09/11/96	1155	1625	LVB55 11	L	ARK CTY LOC	N
09/11/96	1430	1626	YWH55 11	Y	YARD/WORK	S
09/11/96	1605	1627	YWH55 11	Y	YARD/WORK	N
09/11/96	1802	1628	WTFW 11	T	THROUGH	S
09/11/96	2241	1629	YWH62 11	Y	YARD/WORK	S
09/11/96	2328	1630	YWH62 11	Y	YARD/WORK	N
09/11/96	2352	1631	LVO54 11	L	THROUGH	N
09/12/96	0034	1632	GLSRGV 06	G	THROUGH	S
09/12/96	0443	1633	FWWT 11	T	THROUGH	N
09/12/96	0649	1634	LVB55 12	L	ARK CTY LOC	S
09/12/96	0849	1635	MOWIWT 12	W	YARD/WORK	S
09/12/96	0907	1636	MOWIWT 12	W	YARD/WORK	N
09/12/96	1023	1637	LVO55 12	L	THROUGH	S
09/12/96	1029	1638	YWH55 12	Y	YARD/WORK	S
09/12/96	1123	1639	YWH55 12	Y	YARD/WORK	N
09/12/96	1135	1640	LVB55 12	L	ARK CTY LOC	N
09/12/96	1542	1641	YWH55 12	Y	YARD/WORK	N
09/12/96	1735	1642	WTFW 12	T	THROUGH	S
09/12/96	2052	1644	YWH55 12	Y	YARD/WORK	S
09/12/96	2249	1645	YWH62 12	Y	YARD/WORK	S
09/12/96	2328	1646	YWH62 12	Y	YARD/WORK	N
09/13/96	0039	1647	FWWT 12	T	THROUGH	N
09/13/96	0217	1648	GSHOBY 11	G	THROUGH	N
09/13/96	0649	1649	LVB55 13	L	ARK CTY LOC	S
09/13/96	0757	1650	GLOLGV 11	G	THROUGH	S
09/13/96	0851	1651	MOWIWT 13	W	YARD/WORK	S
09/13/96	0954	1652	MOWIWT 13	W	YARD/WORK	N
09/13/96	1012	1653	YWH55 13	Y	YARD/WORK	S
09/13/96	1151	1654	YWH55 13	Y	YARD/WORK	N
09/13/96	1254	1655	LVB55 13	L	ARK CTY LOC	N
09/13/96	1410	1656	YWH55 13	Y	YARD/WORK	S
09/13/96	1544	1657	YWH55 13	Y	YARD/WORK	N
09/13/96	1739	1658	WTFW 13	T	THROUGH	S
09/13/96	2251	1659	YWH62 13	Y	YARD/WORK	S
09/13/96	2330	1660	YWH62 13	Y	YARD/WORK	N
09/13/96	2334	1661	LVO54 13	L	THROUGH	N

WICHITA-ARKANSAS CITY LOCALS OPERATE VIA ATSF TRACKAGE RIGHTS AND WERE NOT INCLUDED IN THE 4.4 BASE TRAINS/DAY BETWEEN WICHITA AND CHICKASHA.

TRANSPORTATION RESEARCH
 AEI SCANNER TRAIN HISTORY DETAIL REPORT FOR SCANNER #359-SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/14/96	0235	1662	GLOOBE 12	G	THROUGH	S
09/14/96	0634	1663	LVB55 14	L	ARK CTY LOC	S
09/14/96	0947	1664	YWH55 14	Y	YARD/WORK	S
09/14/96	1016	1665	YWH55 14	Y	YARD/WORK	N
09/14/96	1029	1666	LVO55 14	L	THROUGH	S
09/14/96	1051	1667	FWWT 13	T	THROUGH	N
09/14/96	1101	1668	LVB55 16	L	ARK CTY LOC	N
09/14/96	1507	1669	YWH55 14	Y	YARD/WORK	N
09/14/96	1727	1670	WTFW 14	T	THROUGH	S
09/14/96	1945	1671	YWH55 14	Y	YARD/WORK	S
09/14/96	2149	1672	YWH62 14	Y	YARD/WORK	S
09/14/96	2211	1673	YWH62 14	Y	YARD/WORK	N
09/14/96	2327	1674	FWWT 14	T	THROUGH	N
09/14/96	2355	1675	MGVJRV 13	W	YARD/WORK	S
09/15/96	0926	1676	YWH55 15	Y	YARD/WORK	S
09/15/96	1005	1677	YWH55 15	Y	YARD/WORK	N
09/15/96	1342	1678	YWH55 15	Y	YARD/WORK	S
09/15/96	1459	1679	YWH55 15	Y	YARD/WORK	N
09/15/96	1542	1680	GLWIHO 12	G	THROUGH	S
09/15/96	2218	1681	YWH60 15	Y	YARD/WORK	S
09/15/96	2239	1682	YWH60 15	Y	YARD/WORK	N
09/15/96	2354	1683	FWWT 15	T	THROUGH	N
09/16/96	0631	1684	LVB55 16	L	ARK CTY LOC	S
09/16/96	0853	1685	GSGVAB 14	G	THROUGH	N
09/16/96	0917	1686	YWH55 16	Y	YARD/WORK	S
09/16/96	1034	1687	YWH55 16	Y	YARD/WORK	N
09/16/96	1042	1688	LVB55 16	L	ARK CTY LOC	N
09/16/96	1753	1689	WTFW 16	T	THROUGH	S
09/16/96	1910	1690	GSBECO 15	G	THROUGH	N
09/16/96	2200	1691	YWH55 16	Y	YARD/WORK	S
09/16/96	2233	1692	YWH55 16	Y	YARD/WORK	N
09/16/96	2239	1693	FWWT 16	T	THROUGH	N
09/16/96	2333	1694	LVO54 16	L	THROUGH	N
09/17/96	0316	1695	GSBYHO 14	G	THROUGH	S
09/17/96	0643	1696	LVB55 17	L	ARK CTY LOC	S
09/17/96	0953	1697	YWH55 17	Y	YARD/WORK	S
09/17/96	1000	1698	LVB55 17	L	ARK CTY LOC	N
09/17/96	1101	1699	LVO55 17	L	THROUGH	S
09/17/96	1112	1700	YWH55 17	Y	YARD/WORK	N
09/17/96	1150	1701	GLSICC 16	G	THROUGH	S

WICHITA-ARKANSAS CITY LOCALS OPERATE VIA ATSF TRACKAGE RIGHTS AND WERE NOT INCLUDED IN THE 4.4 BASE TRAINS/DAY BETWEEN WICHITA AND CHICKASHA.

TRANSPORTATION RESEARCH
 AEI SCANNER TRAIN HISTORY DETAIL REPORT FOR SCANNER #359-SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/17/96	1817	1702	WTFW 17	T	THROUGH	S
09/17/96	2221	1703	YWH62 17	Y	YARD/WORK	S
09/17/96	2242	1704	YWH62 17	Y	YARD/WORK	N
09/18/96	0234	1705	GEBECO 16	G	THROUGH	N
09/18/96	0438	1706	FWWT 17	T	THROUGH	N
09/18/96	0646	1707	GLOLGV 16	G	THROUGH	S
09/18/96	0700	1708	LVB55 18	L	ARK CTY LOC	S
09/18/96	0953	1709	YWH55 18	Y	YARD/WORK	S
09/18/96	1049	1710	YWH55 18	Y	YARD/WORK	N
09/18/96	1229	1711	LVB55 18	L	ARK CTY LOC	N
09/18/96	1527	1712	YWH55 18	Y	YARD/WORK	N
09/18/96	1814	1713	WTFW 18	T	THROUGH	S
09/18/96	2103	1714	OWTCK 18	O	THROUGH	S
09/18/96	2148	1715	YWH62 18	Y	YARD/WORK	S
09/18/96	2157	1716	YWH62 18	Y	YARD/WORK	N
09/18/96	2220	1717	LVO54 18	L	THROUGH	N
09/19/96	0524	1718	FWWT 18	T	THROUGH	N
09/19/96	0749	1719	LVB55 19	L	ARK CTY LOC	S
09/19/96	0816	1720	GLMGBE 17	G	THROUGH	S
09/19/96	0942	1721	YWH55 19	Y	YARD/WORK	S
09/19/96	1018	1722	LVO55 19	L	THROUGH	S
09/19/96	1033	1723	MGWICK 19	M	YARD/WORK	S
09/19/96	1050	1724	YWH55 19	Y	YARD/WORK	N
09/19/96	1128	1725	MGWICK 19	M	YARD/WORK	N
09/19/96	1243	1726	LVB55 19	L	ARK	

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TRANSPORTATION RESEARCH
 AEI SCANNER TRAIN HISTORY DETAIL REPORT FOR SCANNER #359-SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/17/96	1817	1702	WTFW	17 T	THROUGH	S
09/17/96	2221	1703	YWH62	17 Y	YARD/WORK	S
09/17/96	2242	1704	YWH62	17 Y	YARD/WORK	N
09/18/96	0234	1705	GEBCO	16 G	THROUGH	N
09/18/96	0438	1706	FWWT	17 T	THROUGH	N
09/18/96	0646	1707	GLOLGV	16 G	THROUGH	S
09/18/96	0700	1708	LVB55	18 L	ARK CTY LOC	S
09/18/96	0953	1709	YWH55	18 Y	YARD/WORK	S
09/18/96	1049	1710	YWH55	18 Y	YARD/WORK	N
09/18/96	1229	1711	LVB55	18 L	ARK CTY LOC	N
09/18/96	1527	1712	YWH55	18 Y	YARD/WORK	N
09/18/96	1814	1713	WTFW	18 T	THROUGH	S
09/18/96	2103	1714	OWTCK	18 O	THROUGH	S
09/18/96	2148	1715	YWH62	18 Y	YARD/WORK	S
09/18/96	57	1716	YWH62	18 Y	YARD/WORK	N
09/18/96	2220	1717	LVO54	18 L	THROUGH	N
09/19/96	0524	1718	FWWT	18 T	THROUGH	N
09/19/96	0749	1719	LVB55	19 L	ARK CTY LOC	S
09/19/96	0816	1720	GLMGBE	17 G	THROUGH	S
09/19/96	0942	1721	YWH55	19 Y	YARD/WORK	S
09/19/96	1018	1722	LVO55	19 L	THROUGH	S
09/19/96	1033	1723	MGWTCK	19 M	YARD/WORK	S
09/19/96	1050	1724	YWH55	19 Y	YARD/WORK	N
09/19/96	1128	1725	MGWTCK	19 M	YARD/WORK	N
09/19/96	1243	1726	LVB55	19 L	ARK CTY LOC	N
09/19/96	1353	1727	YWH55	19 Y	YARD/WORK	S
09/19/96	1517	1728	GLWTLD	18 G	THROUGH	S
09/19/96	1544	1729	YWH55	19 Y	YARD/WORK	N
09/19/96	1743	1730	WTFW	19 T	THROUGH	S
09/19/96	2112	1731	MGWTCK	19 M	YARD/WORK	S
09/19/96	2249	1732	YWH62	19 Y	YARD/WORK	S
09/19/96	2259	1733	YWH62	19 Y	YARD/WORK	N
09/20/96	0135	1734	FWWT	19 T	THROUGH	N
09/20/96	0641	1735	LVB55	20 L	ARK CTY LOC	S
09/20/96	1051	1736	YWH55	20 Y	YARD/WORK	S
09/20/96	1205	1737	LVB55	20 L	ARK CTY LOC	N
09/20/96	1307	1738	YWH55	20 Y	YARD/WORK	N
09/20/96	1516	1739	YWH55	20 Y	YARD/WORK	N
09/20/96	1526	1740	GSCOB	18 G	THROUGH	S
09/20/96	1554	1741	GEBCO	17 G	THROUGH	N

WICHITA-ARKANSAS CITY LOCALS OPERATE VIA ATSF TRACKAGE RIGHTS AND WERE NOT INCLUDED IN THE 4.4 BASE TRAINS/DAY BETWEEN WICHITA AND CHICKASHA.

TRANSPORTATION RESEARCH
 AEI SCANNER TRAIN HISTORY DETAIL REPORT FOR SCANNER #359-SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/20/96	1732	1742	RCKWT	20 R	YARD/WORK	N
09/20/96	1753	1743	WTFW	20 T	THROUGH	S
09/20/96	2118	1744	OWICK	20 O	THROUGH	S
09/20/96	2220	1745	LVO54	20 L	THROUGH	N
09/20/96	2256	1746	YWH62	20 Y	YARD/WORK	S
09/20/96	2307	1747	YWH62	20 Y	YARD/WORK	N
09/21/96	0218	1748	FWWT	20 T	THROUGH	N
09/21/96	0319	1749	GSHOWA	19 G	THROUGH	N
09/21/96	0635	1750	LVB55	21 L	ARK CTY LOC	S
09/21/96	0925	1751	RCKWT	21 R	YARD/WORK	S
09/21/96	1035	1752	YWH55	21 Y	YARD/WORK	S
09/21/96	1104	1753	YWH55	21 Y	YARD/WORK	N
09/21/96	1117	1754	LVB55	21 L	ARK CTY LOC	N
09/21/96	1144	1755	LVO55	21 L	THROUGH	S
09/21/96	1416	1756	OWICK	21 O	THROUGH	N
09/21/96	1917	1757	GEHOWT	19 G	THROUGH	N
09/21/96	1946	1758	WTFW	21 T	THROUGH	S
09/21/96	2041	1759	OWICK	21 O	THROUGH	S
09/21/96	2151	1760	FWWT	21 T	THROUGH	N
09/21/96	2219	1761	YWH62	21 Y	YARD/WORK	S
09/21/96	2255	1762	YWH62	21 Y	YARD/WORK	N
09/22/96	0502	1763	GLSILD	19 G	THROUGH	S
09/22/96	0917	1764	YWH55	22 Y	YARD/WORK	S
09/22/96	0957	1765	YWH55	22 Y	YARD/WORK	N
09/22/96	1427	1766	YWH55	22 Y	YARD/WORK	S
09/22/96	1551	1767	WTFW	22 T	THROUGH	S
09/22/96	1618	1768	YWH55	22 Y	YARD/WORK	N
09/22/96	1946	1769	FWWT	22 T	THROUGH	N
09/22/96	2113	1770	GLOLGV	20 G	THROUGH	S
09/22/96	2129	1771	GLCOBE	20 G	THROUGH	S
09/22/96	2145	1772	YWH62	22 Y	YARD/WORK	S
09/22/96	2234	1773	YWH62	22 Y	YARD/WORK	N
09/23/96	0626	1774	LVB55	23 L	ARK CTY LOC	S
09/23/96	1057	1775	LVB55	23 L	ARK CTY LOC	N
09/23/96	1110	1776	YWH55	23 Y	YARD/WORK	S
09/23/96	1205	1777	YWH55	23 Y	YARD/WORK	N
09/23/96	1449	1778	YWH55	23 Y	YARD/WORK	S
09/23/96	1620	1779	YWH55	23 Y	YARD/WORK	N
09/23/96	1751	1780	WTFW	23 T	THROUGH	S
09/23/96	2137	1781	LVO54	23 L	THROUGH	N

WICHITA-ARKANSAS CITY LOCALS OPERATE VIA ATSF TRACKAGE RIGHTS AND WERE NOT INCLUDED IN THE 4.4 BASE TRAINS/DAY BETWEEN WICHITA AND CHICKASHA.

TRANSPORTATION RESEARCH
 AEI SCANNER TRAIN HISTORY DETAIL REPORT FOR SCANNER #359-SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/23/96	2225	1782	YWH60 23	Y	YARD/WORK	S
09/23/96	2252	1783	YWH60 23	Y	YARD/WORK	N
09/24/96	0658	1784	FWWT 23	T	THROUGH	N
09/24/96	0719	1785	LVB55 24	L	ARK CTY LOC	S
09/24/96	0802	1786	GSGVAB 20	G	THROUGH	N
09/24/96	1016	1787	LVO55 24	L	THROUGH	S
09/24/96	1023	1788	YWH55 24	Y	YARD/WORK	S
09/24/96	1058	1789	YWH55 24	Y	YARD/WORK	N
09/24/96	1217	1790	LVB55 24	L	ARK CTY LOC	N
09/24/96	1409	1791	OWTCK 24	O	THROUGH	N
09/24/96	1818	1792	WTFW 24	T	THROUGH	S
09/24/96	2039	1793	LITE PWR	E	YARD/WORK	S
09/24/96	2229	1794	FWWT 24	T	THROUGH	N
09/24/96	2245	1795	YWH62 24	Y	YARD/WORK	S
09/24/96	2300	1796	GEBECCO 23	G	THROUGH	N
09/24/96	2318	1797	YWH62 24	Y	YARD/WORK	N
09/25/96	0657	1798	LVB55 25	L	ARK CTY LOC	S
09/25/96	0907	1799	GEGVOL 24	G	THROUGH	N
09/25/96	1031	1800	YWH55 24	Y	YARD/WORK	S
09/25/96	1124	1801	GSWAHO 24	G	THROUGH	S
09/25/96	1146	1802	YWH55 24	Y	YARD/WORK	N
09/25/96	1231	1803	LVB55 25	L	ARK CTY LOC	N
09/25/96	1244	1804	RLFWWT 24	R	YARD/WORK	N
09/25/96	1756	1805	WTFW 25	T	THROUGH	S
09/25/96	2233	1806	LVO54 25	L	THROUGH	N
09/26/96	0056	1807	FWWT 25	T	THROUGH	N
09/26/96	1002	1808	GLWTHO 24	G	THROUGH	S
09/26/96	1041	1809	LVO55 26	L	THROUGH	S
09/26/96	1114	1810	RWTWT 26	R	YARD/WORK	S
09/26/96	1132	1811	YWH55 26	Y	YARD/WORK	S
09/26/96	1156	1812	YWH55 26	Y	YARD/WORK	N
09/26/96	1320	1813	RWTWT 26	R	YARD/WORK	N
09/26/96	1656	1814	LVB55 26	L	ARK CTY LOC	S
09/26/96	1724	1815	YWH62 26	Y	YARD/WORK	N
09/26/96	1749	1816	WTFW 26	T	THROUGH	S
09/26/96	1810	1817	YWH62 26	Y	YARD/WORK	S
09/26/96	2113	1818	GECCSI 24	G	THROUGH	N
09/26/96	2126	1819	YWH62 26	Y	YARD/WORK	N
09/26/96	2140	1820	OWTCK 26	O	THROUGH	S
09/26/96	2347	1821	YWH62 26	Y	YARD/WORK	S

WICHITA-ARKANSAS CITY LOCALS OPERATE VIA ATSF TRACKAGE RIGHTS AND WERE NOT INCLUDED IN THE 4.4 BASE TRAINS/DAY BETWEEN WICHITA AND CHICKASHA.

TRANSPORTATION RESEARCH
 AEI SCANNER TRAIN HISTORY DETAIL REPORT FOR SCANNER #359-SOUTH WICHITA
 FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/27/96	0004	1822	LVB55	26 L	ARK CTY LOC	N
09/27/96	0019	1823	YWH62	26 Y	YARD/WORK	N
09/27/96	0224	1824	FWWT	26 T	THROUGH	N
09/27/96	0608	1825	2CSACD	23 C	THROUGH	N
09/27/96	0917	1826	YWH55	27 Y	YARD/WORK	S
09/27/96	1041	1827	YWH55	27 Y	YARD/WORK	N
09/27/96	1454	1828	RWIWT	27 R	YARD/WORK	S
09/27/96	1841	1829	LVB55	27 L	ARK CTY LOC	S
09/27/96	2030	1830	OKCTC	25 O	THROUGH	S
09/27/96	2043	1831	WTFW	27 T	THROUGH	S
09/27/96	2257	1832	YWH62	27 Y	YARD/WORK	S
09/27/96	2320	1833	YWH62	27 Y	YARD/WORK	N
09/27/96	2338	1834	LVO54	27 L	THROUGH	N
09/27/96	2352	1835	LVB55	27 L	ARK CTY LOC	N
09/28/96	0133	1836	FWWT	27 T	THROUGH	N
09/28/96	0910	1837	LVB55	28 L	ARK CTY LOC	S
09/28/96	0949	1838	YWH55	28 Y	YARD/WORK	S
09/28/96	1025	1839	YWH55	28 Y	YARD/WORK	N
09/28/96	1035	1840	LVO55	28 L	THROUGH	S
09/28/96	1159	1841	GEGVOL	25 G	THROUGH	N
09/28/96	1401	1842	LVB55	28 L	ARK CTY LOC	N
09/28/96	1551	1843	WTFW	28 T	THROUGH	S
09/28/96	2123	1844	GLSILD	27 G	THROUGH	S
09/28/96	2207	1845	YWH60	28 Y	YARD/WORK	S
09/28/96	2228	1846	YWH60	28 Y	YARD/WORK	N
09/29/96	0329	1847	FWWT	28 T	THROUGH	N
09/29/96	0631	1848	GLOLGV	27 G	THROUGH	S
09/29/96	1002	1849	YWH55	29 Y	YARD/WORK	S
09/29/96	1038	1850	YWH55	29 Y	YARD/WORK	N
09/29/96	1411	1851	YWH55	29 Y	YARD/WORK	S
09/29/96	1617	1852	YWH55	29 Y	YARD/WORK	N
09/29/96	2139	1853	YWH60	29 Y	YARD/WORK	S
09/29/96	2206	1854	YWH60	29 Y	YARD/WORK	N
09/30/96	0056	1855	FWWT	29 T	THROUGH	N
09/30/96	0818	1856	GEHOWA	28 G	THROUGH	N
09/30/96	0933	1857	YWH55	30 Y	YARD/WORK	S
09/30/96	1006	1858	YWH61	30 Y	YARD/WORK	S
09/30/96	1041	1859	YWH55	30 Y	YARD/WORK	N
09/30/96	1314	1860	YWH61	30 Y	YARD/WORK	N
09/30/96	1325	1861	YWH55	30 Y	YARD/WORK	S

WICHITA-ARKANSAS CITY LOCALS OPERATE VIA ATSF TRACKAGE RIGHTS AND WERE NOT INCLUDED IN THE 4.4 BASE TRAINS/DAY BETWEEN WICHITA AND CHICKASHA.

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FOR PERIOD 09/11/96-09/30/96

DATE	TIME	SEQ NUM	TRAIN	TRN CAT	TRAIN TYPE	D I R
09/30/96	1513	1862	YWH55	30 Y	YARD/WORK	N
09/30/96	1758	1863	WTFW	30 T	THROUGH	S
09/30/96	1811	1864	LVB55	30 L	ARK CTY LOC	S
09/30/96	2232	1865	YWH60	30 Y	YARD/WORK	S
09/30/96	2243	1866	FWWT	30 T	THROUGH	N
09/30/96	2255	1867	LVO54	30 L	THROUGH	N
09/30/96	2336	1868	YWH60	30 Y	YARD/WORK	N

WICHITA-ARKANSAS CITY LOCALS OPERATE VIA ATSF TRACKAGE RIGHTS AND WERE
NOT INCLUDED IN THE 4.4 BASE TRAINS/DAY BETWEEN WICHITA AND CHICKASHA.

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MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

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

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

ERIKA Z. JONES
202-778-0642

October 3, 1996



VIA HAND DELIVERY

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

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

Dear Secretary Williams:

We are in receipt of a pleading filed on September 23, 1996, by Utah Railway Company, which, while denominated "Response Of Utah Railway Company To Applicants' And BNSF's Petitions For Clarification", in fact contains a request for relief. BN/Santa Fe intends to reply to this filing on or before the applicable deadline (October 15, 1996).

Sincerely,

Erika Z. Jones

cc: All Parties of Record

ENTERED	
Office of the Secretary	
OCT 4 1996	
5	Part of Public Record

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32760

10-1-96

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MAYER, BROWN & PLATT

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NEW YORK
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARRETE, NADER Y ROJASERIKA Z. JONES
202-778-0642

October 1, 1996

VIA HAND DELIVERY

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

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

Dear Secretary Williams:

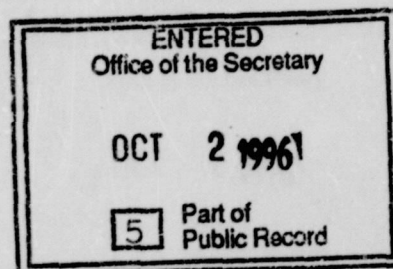
Enclosed for filing in the above-captioned docket are the original and twenty (20) copies of a letter to All Parties of Record from Erika Z. Jones notifying them that BN/Santa Fe filed its Progress Report and Operating Plan with the Surface Transportation Board on October 1, 1996.

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

Sincerely,

Erika Z. Jones / KAK
Erika Z. Jones

Enclosures



MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

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MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARRETE, NADER Y ROJAS

ERIKA Z. JONES
202-778-0642

October 1, 1996



TO ALL PARTIES OF RECORD

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

Burlington Northern Railroad Company and The Atchison, Topeka And Santa Fe Railway Company ("BN/Santa Fe") notify all parties of record that on October 1, 1996, BN/Santa Fe filed its Progress Report and Operating Plan with the Surface Transportation Board and provided courtesy copies by mail to all parties on the Restricted Service List in the above-captioned proceeding. If any other Parties of Record would like to receive a courtesy copy of this Report, please contact Ted Bardach at (202) 778-0124.

Thank you for your cooperation.

Sincerely,

Erika Z. Jones / KAK

Erika Z. Jones

cc: Hon. Vernon A. Williams
Hon. Jerome Nelson

STB

FD

32760

10-1-96

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86456

86456

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

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BY HAND

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



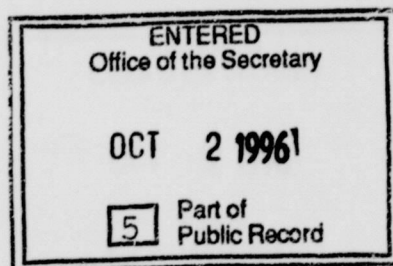
Re: Finance Docket No. 32760, Union Pacific
 Corp., et al. -- Control & Merger -- Southern
 Pacific Rail Corp., et al.

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty copies of Applicants' Progress Report and Implementing Plan With Respect to Merger Conditions (UP/SP-284). Also enclosed is a 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format.

Please note that the attachment to this pleading, a lengthy line sale agreement, is not being served on the parties. We will be happy to provide a copy to any party on request.

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



Sincerely,

Arvid E. Roach II

Arvid E. Roach II

Attorney for Applicants

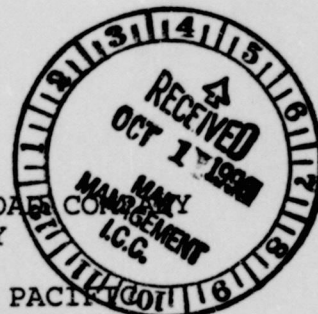
cc: All Parties of Record

Enclosures

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



APPLICANTS' PROGRESS REPORT AND
IMPLEMENTING PLAN WITH RESPECT TO MERGER CONDITIONS

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October 1, 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
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APPLICANTS' PROGRESS REPORT AND
IMPLEMENTING PLAN WITH RESPECT TO MERGER CONDITIONS

Applicants UPC, UPRR, MPRR, SPR, SPT, SSW, SPCSL and
DRGW^{1/} hereby submit their first progress report and
implementing plan with respect to the conditions imposed on
the Board's approval of the UP/SP merger in Decision No. 44,
served August 12, 1996. Submission of this progress report
and implementing plan was required by ordering paragraph 10 of
Decision No. 44. See also id., p. 146 ("We require as a
condition that applicants submit on or before October 1, 1996,
a progress report and implementing plan regarding their
compliance with the conditions to this merger")

We address the conditions in the sequence of the
ordering paragraphs that imposed them.

^{1/} Acronyms used herein are the same as those in Appendix B
of Decision No. 44.

¶ 6 -- COMPLY WITH BNSF, CMA AND URC AGREEMENTS, INCLUDING THE MODIFICATIONS REQUIRED BY THE BOARD

BNSF Trackage Rights and Haulage. All of the BNSF trackage rights agreements became effective upon consummation of control on September 11, 1996. BNSF is presently operating pursuant to an interim haulage agreement as it prepares to phase in trackage rights operations. Haulage traffic, including unit trains, has moved to or from numerous covered points, including Brownsville, Texas; San Jose, California; Orange, Texas; Woods Cross, Utah; Ontario, California; Ogden, Utah; Corpus Christi, Texas; Trevarno, California; Kerr, Texas (Georgetown Railroad), and North Little Rock, Arkansas (Little Rock & Western).

The interim haulage agreement has a 180-day maximum term. It is Applicants' understanding that BNSF intends to commence trackage rights operations on a number of segments, including the Central Corridor, on October 8, 1996, and that trackage rights operations on the remaining segments will begin well before the end of the 180-day period.

As provided for in the BNSF settlement agreement, Applicants and BNSF have also entered into long-term haulage agreements covering the movement of traffic between Houston and Brownsville, and between North Little Rock and Pine Bluff. In addition, Applicants and BNSF have entered into haulage agreements (a) between El Paso, Texas, and Sierra Blanca, Texas, to facilitate BNSF's service to "2-to-1" points on that

line segment; (b) between Elko, Nevada, and Winnemucca, Nevada, to facilitate BNSF's service to "2-to-1" points on that line segment; (c) for the movement of traffic between Pine Bluff and Camden, Arkansas, to facilitate BNSF's service to the "2-to-1" point of Camden; and (d) covering the Shreveport-Tenaha and Texarkana-Shreveport line segments, to facilitate BNSF trackage rights operations. Other haulage agreements, relating to Dayton Yard, the Lake Charles area, and Turlock and South Gate, California, are discussed below.

Applicants and BNSF have devoted thousands of employee hours, both before and after the issuance of Decision No. 44, in a massive effort to prepare for the commencement of BNSF's haulage and trackage rights operations and ensure that those operations get underway as quickly and effectively as possible. Systems have been designed and put in place to account for and support BNSF movements. There have been some initial problems with the quality of BNSF's electronic data interchange ("EDI") transmissions, but Applicants are hopeful that these "glitches" will be corrected in the near future. UP/SP and BNSF teams spanning areas including Operations, Joint Facilities, Real Estate, Mechanical, Engineering, Labor Relations and Accounting have made numerous site visits and held numerous meetings and conference calls as part of the implementation planning process. Plans are well underway for the construction of connections at Avondale, Louisiana;

Westwego, Louisiana; Sealy, Texas; Bridge Junction, Arkansas; Robstown, Texas; and Stockton, California.

Opening 50% of Contract Traffic at "2-to-1" Points to BNSF. Applicants' compliance with this condition is detailed in UP/SP-280, filed September 23, 1996.

Expanded Right to Serve New Transloading Facilities. Applicants will comply with this condition; no request has yet been made to apply it. In UP/SP-275, filed August 29, 1996, Applicants have requested clarification as to the traffic that BNSF can handle through such facilities.

Expanded Right to Serve New Industries. Applicants will comply with this condition; no request has yet been made to apply it. In UP/SP-275, filed August 29, 1996, Applicants have requested clarification as to the applicability of this condition on certain trackage rights segments.

Expanded Build-In Rights. Applicants will comply with this condition; no request has yet been made to apply it.

SIT Yards. Applicants will comply with this condition. Applicants and BNSF are discussing the process for compliance. Applicants and BNSF have entered into a haulage agreement for the movement of BNSF traffic to and from the SP SIT yard at Dayton, Texas.

Expanded Rights in Regard to Lake Charles Area Traffic. Applicants and BNSF have entered into a haulage

agreement to implement this condition. KCS has petitioned for reconsideration of the condition.

"Omnibus Clause" Points. Applicants and BNSF have entered into haulage agreements for BNSF service to Turlock, California, and South Gate, California. Arrangements for service to the remaining "omnibus clause" points will be made as BNSF determines the method by which it desires to serve each point (e.g., trackage rights, haulage, ratemaking authority).

Switch Charges. Effective September 11, 1996, switch charges between UP and SP were eliminated, UP/SP switch charges vis-a-vis BNSF at "2-to-1" points were established at \$130 per car, all switch charges between SP and BNSF that had been above \$130 per car (most of which were \$495 per car) were reduced to \$130 per car, and all SP switch charges vis-a-vis railroads other than BNSF that had been above \$150 per car (most of which were \$495 per car) were reduced to \$150 per car. These changes were made in accordance with the commitments in the original application, Applicants' agreement with CMA, and the further agreement with BNSF reported in Applicants' Brief.

Segregated Accounts for Trackage Rights Fees. Accounting systems have been put in place for compliance with this condition.

Dispatching Protocol. Applicants will strictly comply with the written UP/SP-BNSF dispatching protocol.

Proportional Rate Arrangement. Applicants and BNSF are moving forward to select a third-party contractor and carry out the calculations necessary to implement this arrangement. Applicants and BNSF have disagreements as to the scope of the arrangement. These disagreements may have to be submitted to arbitration. If arbitration proves necessary, it will be carried out promptly.

BNSF Line Sales. A definitive agreement covering the assets to be sold to BNSF by UP (the Dallas-Waxahachie line, the Keddie-Bieber line, a portion of the Westwego terminal, and a portion of the Avondale Yard) was executed on September 20, and is being filed herewith. The parties are working to complete a definitive agreement covering the sale to BNSF of SP's Iowa Jct.-Avondale line. The sale of the Dallas-Waxahachie line closed on September 20, 1996. The remaining sales are slated for closing no later than December 15, 1996. However, the closing of the Keddie-Bieber sale, and the commencement of BNSF haulage over the Keddie-Bieber line, have been suspended pending the resolution of the disagreements regarding the proportional rate arrangement referred to above.

UP/SP Trackage Rights Over BNSF. The trackage rights agreements became effective upon consummation of

control on September 11, 1996. Operations have not yet commenced. The commencement of UP/SP operations over the Bend-Chemult segment has been postponed pending the resolution of the disagreements regarding the proportional rate arrangement referred to above.

URC Trackage Rights. The trackage rights agreement between Applicants and URC became effective upon consummation of control on September 11, 1996. Operations have not yet commenced. Applicants understand that URC intends to initiate trackage rights operations in November 1996, without an interim haulage arrangement. Applicants have had a number of conferences with URC to prepare for the commencement of operations, and all necessary EDI, accounting, dispatching and crew qualification and support arrangements will be in place to allow smooth URC trackage rights operations.

¶ 7 -- CONFIRM CONSUMMATION OF THE APPROVED TRANSACTION IN WRITING, AND FILE THREE COPIES OF JOURNAL ENTRIES

This was done on September 11, 1996.

¶ 10 -- FILE PROGRESS REPORT AND IMPLEMENTING PLAN REGARDING COMPLIANCE WITH MERGER CONDITIONS ON OR BEFORE OCTOBER 1, 1996

Hereby filed.

¶¶ 13, 14 -- FILE CLASS EXEMPTION NOTICES COVERING TRACKAGE RIGHTS GRANTED PURSUANT TO CMA AND URC AGREEMENTS NO LATER THAN SEPTEMBER 4, 1996

This was done.

¶ 26, 27 -- MAKE SUBMISSIONS BY AUGUST 22, 1996 CONCERNING
TERMS FOR TEX MEX TRACKAGE RIGHTS IN SUB-NOS. 13 AND 14

These submissions were made, and the Board resolved the disputed matters in Decision No. 47, served September 10, 1996. The Tex Mex trackage rights became effective upon the consummation of control on September 11, 1996. HBT and Tex Mex are discussing the detailed terms for their trackage rights agreement. Tex Mex has petitioned for reconsideration of the restriction of its rights to traffic with a prior or subsequent haul on Tex Mex's Corpus Christi-Robstown-Laredo line, and Applicants have filed in opposition. Applicants understand that Tex Mex intends to commence trackage rights operations on October 9, 1996. Applicants and HBT have had a number of conferences with Tex Mex to prepare for the commencement of operations, and all necessary EDI, accounting, dispatching and crew qualification and support arrangements will be in place to allow smooth Tex Mex trackage rights operations. Plans are well underway for the construction of connections at Robstown, Texas, and Flatonia, Texas. Arrangements have been made to commence operations prior to completion of the connections.

¶ 30 -- MAKE SUBMISSIONS BY AUGUST 22, 1996 CONCERNING TERMS
FOR CPSB RIGHTS

These submissions were made, and in Decision No. 52, served September 10, 1996, the Board directed that the trackage rights agreed upon between Applicants and CPSB should

go into effect. The Board further indicated that it would issue a subsequent ruling on a dispute between Applicants and BNSF concerning whether BNSF may serve new industries and transloading facilities on one of the line segments in question. A notice of class exemption for the additional rights granted to BNSF to handle CPSB traffic will be filed as soon as this ruling is issued.

¶ 31 -- MAKE SUBMISSIONS BY DECEMBER 10, 1996 CONCERNING TERMS FOR CMTA RIGHTS

Applicants will comply with this requirement, and have initiated discussions with CMTA.

¶ 32 -- MAKE SUBMISSIONS BY DECEMBER 10, 1996 CONCERNING TERMS FOR TUE RIGHTS

Applicants will comply with this requirement, and have initiated discussions with TUE.

¶¶ 33-55 -- ABANDONMENTS

Applicants will comply with all conditions to the abandonment authorities granted in Decision No. 44. No OFAs were received. Applicants have not yet determined when any of the abandonments will occur. Negotiations are underway with the Illinois & Midland Railway for the trackage rights that are a predicate to the Barr-Girard abandonment.

¶¶ 56-61 -- LABOR PROTECTIVE CONDITIONS

Applicants are in the process of complying with these conditions. Notices have been served on a number of crafts, and discussions are underway. An implementing

agreement has been reached with the maintenance-of-way and signal crafts in regard to the Keddie-Bieber line sale.

¶ 62 -- ENVIRONMENTAL MITIGATION CONDITIONS

The following is a report on steps taken, and plans for future steps, in regard to the environmental mitigation conditions, which are addressed in the order they are listed in Appendix G to Decision No. 44:

A. Systemwide Mitigation

1. Track Inspection. UP/SP will apply UP's formula-based standards for track inspection to all rail lines on the merged system by January 1, 1997.

2. Tank Car Inspection. UP/SP will expand UP's program of special comprehensive tank car inspections to SP freight yards by January 1, 1997.

3. Signal Crossing Devices. All new crossing signals will contain visible instructions designating an 800 number to be called if the device malfunctions. In addition, UP/SP will by November 1, 1996 develop a program to retrofit all previously installed signal crossing devices with such instructions. UP/SP will advise SEA about the expected completion of this program.

4. Emergency Response Phone Number. UP and SP have contacted every community through which they operate to provide 800 numbers to emergency response forces under their "Operation Respond" program. When UP/SP develops a

consolidated systemwide emergency response office, the numbers will be updated.

5. TRANSCARE Participation. UP/SP will participate in TRANSCARE on a systemwide basis by January 1, 1997.

6. Hazardous Materials Supervision. UP/SP is conducting a systemwide study to determine how to reallocate hazardous material response personnel. This study will be completed by January 1, 1997 and reassignments will follow shortly thereafter.

7. Training Programs for Emergency Response Personnel. UP/SP is conducting a comprehensive study to enhance UP's training program and to determine how to expand it to SP-served locations. This study will be completed by January 1, 1997 and implemented promptly thereafter.

8. UP Training and Operating Practices. The SP system has adopted training and operating practices designed to reduce fuel consumption and air pollution comparable to those developed by UP.

9. Closing Boxcar Doors. As UP mechanical practices are adopted systemwide, and staffing of mechanical facilities is modified, this practice will be followed.

10. Security Forces. UP/SP will extend to SP territory its policy of "zero-tolerance" of vagrancy and trespassing on railroad property. This is a multi-faceted

policy designed to ensure that the railroad and local authorities cooperate to make railroad facilities and surrounding communities unattractive to itinerants and to establish a reputation that UP/SP facilities are off-limits. This policy includes arresting vagrants and trespassers, rather than merely recording contacts with them. It also includes UP's "drop a dime on crime" program, in which all UP employees have been enlisted to assist by reporting unauthorized persons to UP police forces. Most important, it includes working closely with local police, county sheriffs and local judges to persuade them that they must help the railroad by keeping arrested persons in jail, sending them to trial and punishing them appropriately. UP/SP will expand the zero-tolerance program on a systemwide basis, giving priority to communities where vagrants are a significant problem. For example, UP/SP has been meeting with local authorities in Roseville and Placer County to establish a joint task force to deal with vagrancy problem in Roseville and nearby communities. This task force is developing an action plan to address this problem.

11. Visible Smoke Reduction. All UP/SP locomotives will be maintained to UP standards and practices beginning this year. Under these maintenance procedures, all locomotives should comply with the South Coast Air Quality Basin standard for visible smoke emissions. In addition,

EPA's national locomotive emissions rule will contain a smoke provision, which is anticipated to be the SCAQB standard. In response to a specific question from SEA, locomotives with EMD 567 engines will be retired through a phase-out program or upgraded to the EMD 645 configuration.

12. Use of Head-Hardened Rail on Mountain Curves.

UP/SP has adopted this UP standard on a systemwide basis for all rail replacement and new rail installation.

13. Compliance with FRA Rules and Regulations.

UP/SP believes that it is in compliance with this condition.

B. Corridor Mitigation

14. EPA Emissions Standards. EPA has not yet

released emission standards for diesel electric locomotives. UP/SP understands that EPA will seek comments on proposals early next year.

15. Consultations With Air Quality Officials.

EPA's rulemaking proceeding, which has been underway for some four years and is nearing fruition, should address air quality concerns by significantly reducing locomotive emissions and bringing new technology to bear on emissions. EPA's procedures will provide an opportunity for state and local officials to comment.

16. Noise Impacts. UP/SP has contacted affected

counties in the specified states where communities would

experience an increase of 3 dBA or more. UP/SP will supply SEA with a list of the contacted counties.

17. Use of Two-Way End-of-Train Devices. The nation's railroads voluntarily agreed to expedite statutory requirements for use of these devices. By December 15, 1996, the railroads will equip all trains that operate on grades of two percent or greater for a distance of two miles or more with two-way end-of-train devices. In order to comply with this requirement, UP/SP must assign all available devices to such trains, whether or not they are key trains. Some of the affected trains will operate on corridor segments listed in this condition, including North Platte to Oakland (via SP). Under the same voluntary undertaking, railroads will equip all trains authorized to operate at speeds over 30 mph with two-way end of train devices by July 1, 1997. Compliance with this undertaking will press suppliers to the limits of their production capacity. UP/SP proposes that, as equipment becomes available, it be assigned first to trains operating over mountain grades where the safety-related utility of the devices is greatest, including the Central Corridor segments listed in this condition. UP/SP will then use its best efforts to assign two-way end of train devices to key trains in the specified corridors radiating from Houston. UP/SP expects to be in full compliance by July 1, 1997.

C. Rail Line Segment Mitigation

18. Priority List for Upgrading Grade Crossing Signals. UP/SP has already initiated this process in California, and is compiling rail and vehicular traffic data for the other states in order to establish grade crossing location priorities.

19. East Bay Regional Park District MOU. After the District gathers information from an outside consultant, UP/SP and the District expect to develop a five- or ten-year timeline for full implementation of the MOU.

20. Town of Truckee MOU. UP/SP representatives met with Truckee officials during the week of September 16, 1996. The Town is attempting to resolve design criteria for new roadway construction, and UP/SP is updating engineering designs for the grade separation, which is targeted for completion next spring.

21. Placer County MOU. Placer County is arranging land conveyances for new grade separations. UP/SP, which continues to meet with Placer County interests, is cooperating with efforts to develop commuter rail service. UP/SP representatives made presentations to a Roseville town hall meeting on rehabilitation of Roseville Yard, and Roseville is developing its plans to widen Atlantic Avenue.

22. City of Reno. UP/SP is in compliance with the limit of 14.7 through freight trains per day through Reno.

UP/SP is gathering station passing data for train movements through Reno and will provide these reports to SEA and counsel for the City on a monthly basis within ten days after the end of each calendar month. The first report will be provided by October 10, 1996. At SEA's request, UP/SP has provided data and information to consultants assisting SEA in performing the mitigation studies for this area.

23. City of Wichita/Sedgwick County. UP/SP is in compliance with the limit of 6.4 through freight trains per day on the former Rock Island line through Wichita. UP/SP is gathering station passing data for train movements through Wichita and will provide these reports to SEA and counsel for the City and County on a monthly basis within ten days after the completion of each calendar month. The first report will be provided by October 10, 1996. At SEA's request, UP/SP has provided data and information to consultants assisting SEA in performing the mitigation studies for this area.

D. Rail Yards and Intermodal Facilities

24. Noise Abatement Plans for Rail Yards. Before UP/SP undertakes any rail yard construction at the specified locations, UP/SP will contact appropriate state and local officials and will report to SEA on the results of those consultations.

25. Intermodal Facilities. Before any changes are made at the specified intermodal facilities, UP/SP will

contact appropriate state and local air quality officials in the states of California and Illinois and will report to SEA on the results of those consultations.

E. Abandonments

26-61. UP/SP is only beginning the abandonment process for certain of the specified abandonments, and has not begun the process for others. As the abandonments are carried out, UP/SP will comply with all listed conditions. UP/SP has put into place procedures to ensure compliance.

F. Construction Projects

62-108. UP/SP has not begun the specified construction projects. As the construction projects are carried out, UP/SP will comply with all listed conditions. UP/SP has put into place procedures to ensure compliance.

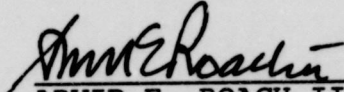
NO ORDERING ¶ -- DOW BUILD-IN CONDITION

Applicants will comply with this condition. Dow has petitioned for reconsideration of the scope of the condition, and Applicants have filed in opposition.

Respectfully submitted,

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Attorneys for Applicants

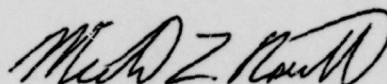
October 1, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 1st day of October, 1996, I caused a copy of the foregoing document to be served by first-class mail, postage prepaid, or by a more expeditious manner of delivery on all parties of record in Finance Docket No. 32760, and on

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

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



Michael L. Rosenthal

STB

FD

32760

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MAYER, BROWN & PLATT

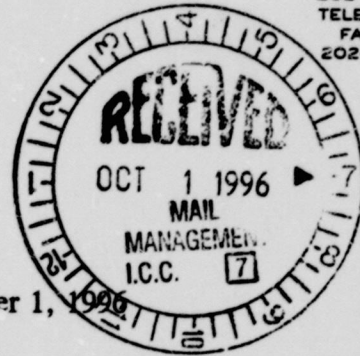
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October 1, 1996

VIA HAND DELIVERY

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

Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control and 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 Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company's Progress Report and Operating Plan. Also enclosed is a 3.5-inch disk containing the text of the Progress Report and Operating Plan in Wordperfect 5.1 format.

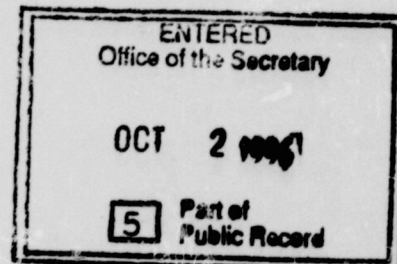
I would appreciate it if you would date-stamp the enclosed extra copy and return it to the messenger for our files.

Sincerely,

Erika Z. Jones / KAK

Erika Z. Jones

Enclosures



86447

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

BURLINGTON NORTHERN RAILROAD COMPANY AND
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY'S
PROGRESS REPORT AND OPERATING PLAN

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

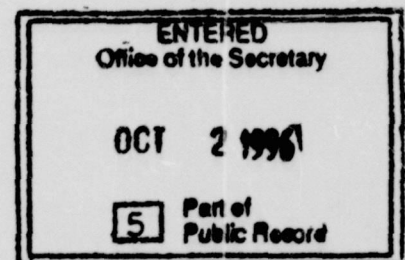
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Attorneys for Burlington Northern Railroad Company
and The Atchison, Topeka and Santa Fe Railway Company

October 1, 1996

Section B of Part I summarizes the vigorous efforts to date of BN/Santa Fe personnel to market services to shippers to which BN/Santa Fe has gained access pursuant to Decision No. 44. These efforts, which are described more fully in the Verified Statement of Richard W. Brown, have already begun to bear fruit. BN/Santa Fe is eager to attract business from the shippers to which it has gained access as a result of Decision No. 44. It is also eager to use its newly acquired routes to increase its business with its existing shippers.

Although BN/Santa Fe has made substantial progress in realizing the Board's intent that service by BN/Santa Fe fully replace the competition lost to shippers as a result of the UP/SP merger, a number of challenges remain to the full accomplishment of the Board's intention to preserve vigorous competition. These challenges are discussed in Part II of this Report.^{3/}

First, Applicants' interpretation of their rights and obligations with respect to volume incentives under existing contracts, if sustained by the Board, would substantially hinder BN/Santa Fe's attempts to provide vigorous competition on the routes to which it has been granted access. BN/Santa Fe has been

^{3/} BN/Santa Fe has already set forth in detail its position on several of the challenges discussed in this filing. See Reply of Burlington Northern Railroad Company And The Atchison, Topeka And Santa Fe Railway Company To Applicants' Petition for Clarification (BN/SF-68); Reply of Burlington Northern Railroad Company And The Atchison, Topeka And Santa Fe Railway Company To The Petition Of The Texas Mexican Railway Company To Reopen Decision No. 44 (BN/SF-69); and Reply of Burlington Northern Railroad Company And The Atchison, Topeka And Santa Fe Railway Company To KCS's Petition To Reopen/Reconsider (BN/SF-70).

joined by numerous shippers in expressing concern about this point.4/

In addition, the Board's goals of preserving competitive options for shippers affected by the UP/SP merger and ensuring that BN/Santa Fe has a sufficient traffic base will be substantially impeded if the Applicants' proposed restrictions on new facilities and transload facilities are sustained by the Board.5/ And the

4/ Formal filings expressing concern that Applicants' position would defeat the purpose of the Board's contract reopener provision, and suggesting a variety of possible approaches to solve the problems, have been made not only by BN/Santa Fe but also by the Railroad Commission of Texas (RCT-8) and the following shippers or shipper organization: Geneva Steel (GS-3, GS-6); Entergy (ESI-27); Chemical Manufacturers Association (CMA-14); Glass Producers Transportation Council (GPTC-2); NIT League (NITL-21); Dow (DOW-29); Kennecott (KENN-22); Western Coal Traffic League (WCTL-25); Quantum Chemical Corp. (QCC-7); Society of the Plastics Industry (SPI-26); and Lower Colorado River Authority and City of Austin, Texas (LCRA-4). BN/Santa Fe does not agree with everything said in every one of these filings, but they certainly point out the existence and seriousness of a problem deserving the Board's attention. Less formal shipper support letters for BN/Santa Fe's position have been sent to the Board by the following shippers, among others: Albemarle Corp.; Aristech Chemical Corp.; Ashland Chemical; Badger Mining Corp.; Champion International Corp.; Chaparral Steel; Charles Emmons Pulpwood Co.; Chemical Lime Co.; Columbia Metals Co.; Consolidated Waste Industries; Coors Brewing Co.; Corning Inc.; DairyAmerica, Inc.; Desticon Transportation Services Inc.; DuPont Sourcing; Fairmount Minerals, Ltd.; Fina Oil & Chemical Co.; Franklin Industrial Minerals; Furman Lumber, Inc.; Georgia-Pacific Corp.; Glass Mtn. Pumice, Inc.; Grain Processing Corp.; GST Steel Co.; Hoechst Celanese Corp.; Holnam Inc.; American Honda Motor Co.; Incide Technologies, Inc.; International Reload Systems Ltd.; Jefferson Smurfit Corp.; L&R Timber Co.; LaRoche Industries Inc.; MFA Inc.; Monsanto; PlumCreek; Prince Manufacturing Co.; Quincy Soybean Co.; Rio Mountain Forest Products, LLC; Robertson Tie & Lumber Co.; Sebastiani Vineyards; Solvay Polymers; Sun Country Transportation, Inc.; Tg Soda Ash, Inc.; Union Carbide Corp.; United Salt Corp.; United States Gypsum Co.; U.S. Silica; Vanalco, Inc; and Witco Corp.

5/ Many of the same shippers who support BN/Santa Fe's position on the contract reopener condition support its position on
(continued...)

Board's purposes with respect to the UP/SP merger may be frustrated if the Board grants Tex Mex's Petition to Reopen, and thereby dilutes the traffic base available to BN/Santa Fe. Moreover, Lake Charles area shippers will be denied fully competitive service if the Board grants KCS's challenge to BN/Santa Fe access to those shippers.

Finally, although BN/Santa Fe will not provide details in this Report because the negotiations are ongoing, there are potentially serious obstacles to BN/Santa Fe's competitiveness as a result of positions that other carriers have taken in negotiations. UP/SP has taken positions in negotiations with respect to the I-5 Corridor on the West Coast that seriously threaten BN/Santa Fe's competitiveness there. In addition, since negotiations with Tex Mex to determine the basis on which traffic will be handled to Laredo are not yet finalized, there remain substantial uncertainties about BN/Santa Fe's ability to compete for traffic to Mexico over Laredo.

PART I

A. Summary of Implementation Progress and Operating Plan

This section summarizes BN/Santa Fe's progress in implementing the conditions imposed by the Board in Decision No. 44 and highlights certain key aspects of its plans for operations for the first full year following consummation of the UP/SP merger.

5/(...continued)

transloads as well, as do other shippers, notably including International Paper Co. (IP-17).

(BN/Santa Fe's full Operating Plan and Progress Report are attached hereto as Exhibit A.)

For ease of presentation, this summary is organized into the following subject areas: line purchases, dispatching, preparation for direct BN/Santa train service, start-up interim haulage, and start-up of direct BN/Santa Fe service.

1. Line Purchases. BN/Santa Fe's purchases of the three UP/SP line segments set forth in the BN/Santa Fe Agreement are proceeding under the following schedule:

- * Dallas to Waxahachie, TX: The closing took place September 20, 1996.
- * Iowa Jct. to Avondale, LA: The closing is planned for no later than December 16, 1996.
- * Bieber to Keddie, CA: The closing is planned for no later than December 16, 1996.

2. Dispatching. BN/Santa Fe plans to implement the dispatching protocol required under the CMA Agreement on or before December 16, 1996.

BN/Santa Fe will assume direct dispatching control on each of the three purchased segments. Necessary notices to affected employees were issued the week of September 16, 1996.

Closing and control dates are planned to coincide as closely as possible under the following schedule:

- * Dallas to Waxahachie: Dispatching control from BN/Santa Fe's Fort Worth, TX Network Operations Center was assumed on September 21, 1996.
- * Iowa Jct. to Avondale: Dispatching control from Fort Worth is planned to immediately follow the closing, which is to occur no later than December 16, 1996.

- * Bieber to Keddie: Dispatching control from Fort Worth is also planned to immediately follow the closing, which is to occur no later than December 16, 1996.

3. Preparation for Direct BN/Santa Fe Train Service.

BN/Santa Fe supervisory personnel began qualification trips over UP and SP lines in August. These trips will enable operating supervisors to train and qualify train and engine personnel for each route prior to implementation of actual BN/Santa Fe train service. Qualification trips on all trackage rights lines, except the Central and I-5 Corridors, have been completed.

Qualification trips for acquired lines between Keddie and Bieber, CA, and between Iowa Jct. and Avondale, LA, will be completed in sufficient time to permit actual train operation by no later than December 16. The same is true for I-5 trackage rights operations between Keddie and Stockton, CA.

Appropriate notices were served by BN/Santa Fe on affected labor organizations on August 20, 1996, in accord with contract provisions.

Initially, BN/Santa Fe will reimburse UP/SP for supplying crews to operate BN/Santa Fe trains on the Central Corridor route. Specifically, an agreement has been reached with UP/SP that allows BN/Santa Fe to reimburse UP/SP for supplying crews to operate BN/Santa Fe trains between Denver, CO and Salt Lake City, UT for up to one year. After that, BN/Santa Fe will use its own crews between Denver and Salt Lake City. Between Salt Lake City and Stockton/Richmond, CA, BN/Santa Fe will continue to reimburse UP/SP for supplying crews to operate BN/Santa Fe trains until such time

as it becomes more efficient and economical to use BN/Santa Fe crews.

4. Interim Haulage. Initially, UP/SP will handle BN/Santa Fe traffic on an interim haulage basis, until direct BN/Santa Fe train service commences (described in section 5), as outlined below.

- * UP/SP began interim haulage for BN/Santa Fe traffic on all routes except the I-5 corridor on September 13, 1996.
- * Haulage on the I-5 route between Bieber and Stockton has not commenced pending resolution of issues concerning implementation of the BN/Santa Fe Agreement provision on proportional rates.
- * BN/Santa Fe traffic between Pine Bluff, AR and Little Rock, AR and between Houston, TX and Brownsville, TX will continue on a haulage basis, as direct train service is not currently planned.

5. Direct Train Service Start-Up. BN/Santa Fe plans to begin direct train service on its new routes as follows:

- * Between Temple and Kerr, TX, direct train service with BN/Santa Fe crews is planned to start on October 9, 1996. This service will extend to Houston as soon as traffic flows warrant.
- * Between Temple and San Antonio, TX, BN/Santa Fe direct service has been operating since January 15, 1996, under the terms of a settlement between BN/Santa Fe and SP in the BN/Santa Fe merger. This service will continue to operate on SP's line from Caldwell, TX via Flatonia, TX for a period of 90 days. On or about December 16, 1996, these trains will shift to the trackage rights lines via Smithville, TX.
- * Between San Antonio and Eagle Pass, TX, UP/SP will continue to move BN/Santa Fe traffic on a haulage basis for six months. Direct BN/Santa Fe train service will commence in March 1997.
- * Between Houston and Corpus Christi/Robstown, TX, direct train service using BN/Santa Fe crews is planned to start on October 9, 1996.
- * Between Houston, TX, Memphis, TN, and East St. Louis, IL, start-up of direct BN/Santa Fe train service is planned

to commence no later than December 16, 1996. This service will be structured to provide continuing connections over Illinois gateways to the Northeast.

- * Between Houston and New Orleans, LA, start-up of direct BN/Santa Fe train service will commence immediately following closing on the Iowa Jct.-Avondale segment purchase and is planned for no later than December 16.
- * Between Denver and Stockton/Richmond, direct BN/Santa Fe train service is planned to start on October 10, 1996.
- * Between Bieber and Stockton/Richmond, start-up of direct BN/Santa Fe train service will commence following closing on the Bieber to Keddie segment purchase, currently planned for no later than December 16, 1996.

As reflected in this summary of implementation progress and the Operating Plan, and as further supplemented in greater detail in the Operating Plan itself and the Verified Statement of Frank D. Clifton, BN/Santa Fe has developed a detailed, feasible, and highly efficient Operating Plan to implement service over the lines to which it has been granted access under the Board's decision. Most importantly, with respect to trackage rights operations over the key corridors previously identified by the Board -- between Houston and New Orleans, between Houston and Memphis and in the Central Corridor -- BN/Santa Fe's Operating Plan shows that such operations are planned to be in place by December 16, 1996, just over three months' time from the effective date of Decision No. 44. Decision No. 44, at 146 n.178.

As volumes grow and traffic develops, additional train service beyond that reflected in the Operating Plan will be made available to shippers on each of the corridors. Further, as demonstrated by the through train schedules contained in the Appendix to the

Operating Plan, BN/Santa Fe direct train service as implemented will offer competitive schedules on each of the new routes.

B. Summary of Marketing Efforts

Attached is the Verified Statement of Richard W. Brown, which explains the successes that BN/Santa Fe has already -- less than three weeks after the merger of UP and SP -- had in marketing its services utilizing the rights granted in Decision No. 44. As Mr. Brown explains, BN/Santa Fe has already moved substantial volumes of a variety of commodities to several different destinations covered by the trackage and other rights granted in Decision No. 44. In addition, BN/Santa Fe has published tariff rates that are highly competitive with UP's rates to move certain commodities (particularly agricultural commodities). BN/Santa Fe is moving, has commitments to move, or is confident that at harvest time it will move substantial volumes of these commodities. Destinations reached or to be reached by these commodities include Salt Lake City, UT, in the Central Corridor; New Orleans, LA; various points in Texas, including Corpus Christi; the San Joaquin Valley of California, reached via the Central Corridor; and Ontario, CA.

Mr. Brown's Verified Statement notes that some of the traffic that BN/Santa Fe has already moved, in the earliest days of its new rights, is traffic that formerly moved by other modes of transportation (truck and pipeline). BN/Santa Fe's success in diverting this traffic almost instantaneously back onto the rail

system should help to show other potential customers the advantages that BN/Santa Fe can offer.

As Mr. Brown also explains, BN/Santa Fe has contacted more than 400 of the nearly 600 customers who (to BN/Santa Fe's knowledge) were formerly served by UP and SP and no other railroad. BN/Santa Fe has made offerings or bids to the customers who actually control substantially more than half of the total traffic of this group (more than 150,000 carloads/year).

As Mr. Brown explains, by moving traffic from existing customers to new destinations, by hiring new marketing personnel, and by publishing a large number of rate authorities, BN/Santa Fe is demonstrating its commitment and ability to serve such customers, and BN/Santa Fe is confident that customers will recognize that BN/Santa Fe can be competitive with UP/SP everywhere it has new rights.

PART II

Potential Challenges to BN/Santa Fe's Full Achievement Of The Board's Intent

In Decision No. 44, the Board imposed a number of conditions aimed at addressing specific competitive problems that would result from the merger of UP and SP and/or ensuring that BN/Santa Fe would have a sufficient traffic base to operate competitively under the trackage rights it was to receive. The Board found that each of these conditions is necessary to eliminate the competitive problems caused by the merger. As noted in the Operating Plan, BN/Santa Fe is acting to ensure that it is an effective competitive alternative

to the UP/SP system. However, Applicants and other parties have taken actions or positions that threaten to undermine the Board's decision.6/

1. Contract Reopener

In Decision No. 44, the Board conditioned the merger on a contract reopener provision, stating that, "immediately upon consummation of the merger, applicants must modify any contracts with shippers at 2-to-1 points * * * to allow BNSF access to at least 50% of the volume (p. 146)."7/ This condition was found to be necessary for BN/Santa Fe to generate the needed density for it to serve as a competitive alternative to UP/SP. As discussed in BN/SF-65, this aspect of the Board's order -- particularly the terms "immediately," "at least," and "access" -- requires

6/ In addition to the four points discussed below, we note that there is some lingering uncertainty over whether certain particular shippers are "2-to-1" shippers, which BN/Santa Fe will have to ask the Board to resolve if agreement cannot be reached with UP/SP (see Brown V.S. at 8-9); and that, as mentioned above and in the Brown Verified Statement (at 9-10), ongoing negotiations with UP/SP and with Tex Mex (joined by KCS) give BN/Santa Fe concern about the willingness of those carriers to provide the level of cooperation necessary for the Board's pro-competitive intent to be realized on the I-5 Corridor and at the Laredo gateway to Mexico. BN/Santa Fe will continue to try to resolve these issues through negotiation but may be compelled to seek action from the Board if negotiations do not yield a pro-competitive result.

7/ See also id. at 106 (requiring "that applicants expand Paragraph 3 of the CMA agreement to make immediately available to BNSF at least 50% of the volume under contract at 2-to-1 points on all of the BNSF trackage rights (not limited to just Texas and Louisiana)").

clarification because of the risk that the Board's intent could be thwarted by an overly narrow, anticompetitive interpretation.^{8/}

Applicants have indicated their intent to give an inappropriately narrow interpretation to those terms -- specifically, by denying that Decision No. 44 requires them to modify volume incentives (including minimum-volume penalties) in current contracts. UP/SP-280 at 6-7, 11-13. As a result, in many cases BN/Santa Fe might not have any realistic possibility of matching the value of those incentives in bidding for only half the volume of the current contracts. Similarly, Applicants have indicated that they believe it is permissible for them to modify the contract terms covering the 50% of a shipper's volume that (they would say) need not be opened to BN/Santa Fe, offering aggregated concessions of a value that BN/Santa Fe could not match on only half the volume. UP/SP-280 at 13. Such tactics, to which BN/Santa Fe could not reasonably respond, would effectively render BN/Santa Fe's "immediate[]" access worthless and of no practical value in hastening competition.

Accordingly, BN/Santa Fe, the Railroad Commission of Texas, and various shippers (e.g., Geneva Steel) have asked the Board to clarify the contract reopener condition. Specifically, BN/Santa Fe

^{8/} As noted in Brown V.S., because Lake Charles, Westlake, and West Lake Charles, LA, are not defined as 2-to-1 points, it is not clear that the literal terms of the contract reopener condition apply to the Lake Charles area shippers. Logically, however, the same competition-protective and density rationales for the contract reopener condition that apply at 2-to-1 points apply as well in the Lake Charles area. The contract reopener provision therefore should apply in the Lake Charles area, and the Board should so clarify.

requested that the Board clarify that condition to state that Applicants must open 100% of contract volumes in the relevant corridors and points to competition from BN/Santa Fe. In the alternative, and as a less effective alternative, BN/Santa Fe asked the Board to clarify the condition to state: first, that all volume incentives (whether discounts or penalties) on contracts that must be opened under the Board's condition must be removed or prorated to 50% volumes, at the shipper's option; second, that if Applicants offer to modify any of the terms of a contract with a 2-to-1 shipper (such as offering to lower rates on volumes remaining closed as well as on volumes opened to BN/Santa Fe in compliance with the Board's order), then the shipper must be permitted to solicit a competitive bid from BN/Santa Fe on all volumes to which Applicants' offer to modify applies; and third, that shippers -- not Applicants -- are entitled to choose and to designate (on a shipper-by-shipper, contract-by-contract basis) the 50% of their traffic that is open to BN/Santa Fe competition, if in fact no more than 50% of the traffic is to be open.

The Railroad Commission of Texas, in RCT-8, suggested that the Board mandate that all contracts at 2-to-1 points be open to new competitive bidding between UP/SP and BN/Santa Fe at the outset. As pointed out by the Railroad Commission, without a clarification, the contract reopener condition is unworkable.

There is real-world evidence that the contract reopener provision will not achieve its intended result unless the Board clarifies that UP/SP may not insist on applying volume incentive

provisions exactly as written or use other tactics that deny shippers any practical opportunity to benefit by shipping 50% (or more) of their contract volumes on BN/Santa Fe. In addition to the outpouring of shipper support cited in note 4, supra, we invite the Board's attention to the very real example given by the Lower Colorado River Authority in LCRA-4, filed on September 23, 1996. (Because LCRA-4 is highly confidential, we do not discuss the particular facts here.) Applicants are entirely wrong in saying that "BNSF offers not a shred of evidence that the supposed problems it hypothesizes have any existence in the real world." UP/SP-280 at 14.

It is quite troubling that Applicants, in response to BN/Santa Fe's and others' petitions for clarification, maintain that it is "outrageous" to suggest that volume discounts cannot remain in place unmodified if the Board's contract reopener condition is to be meaningful. UP/SP-280 at 6-7, 11-12, 17; Shattuck V.S. at 5. Applicants cannot possibly deny that such volume discounts constitute an extremely powerful disincentive to shippers who would otherwise be eager to shift substantial volume to BN/Santa Fe in accordance with the Board's intent. Yet they complain about how uneconomical it would be for UP/SP to carry lesser volumes than those it intended to carry when it negotiated a contract at the negotiated rate. That there might be some short-term revenue loss to UP/SP from the Board's contract reopener condition is undeniable; but the Board must act in order to ensure that the contract reopener condition is meaningful.

Similarly, it is surprising that Applicants resist so strongly BN/Santa Fe's reasonable point that, if UP/SP tries to retain shipper loyalty by offering to sweeten an existing contract, BN/Santa Fe must be allowed to match the sweetener without being hampered by a 50% limitation. UP/SP-280 at 12-13. Again, UP/SP has available to it a tactic that could easily circumvent the Board's clear intent in imposing the 50% contract reopener condition, and the Board should make it clear that UP/SP may not use that tactic.

What is most disturbing of all is UP/SP's contention, newly unveiled in UP/SP-280, that "UP/SP can opt to release 100% of the traffic if a shipper seeks to hold UP/SP to service or rate commitments that are economically unsustainable as applied to the 50% of the traffic that the shipper wishes to leave under the contract. The decision should be UP/SP's alone." UP/SP-280 at 11. In other words, in addition to the tactics that BN/Santa Fe and shippers identified that UP/SP might use to deter shippers from giving BN/Santa Fe 50% of the volume under contract, as the Board intended shippers to be able to do, UP/SP has come up with -- and publicly threatened to use -- another tactic that BN/Santa Fe and shippers had not mentioned. If a shipper tries to take advantage of the Board's condition and use BN/Santa Fe, UP/SP will claim the right not to live up to its existing contract and will force the shipper to renegotiate without the benefit of rates it previously bargained for with UP or SP. A more powerful disincentive is difficult to imagine. This is outright intimidation of shippers.

The Board should make clear that none of the UP/SP tactics to deter shippers from choosing BN/Santa Fe is consistent with the intent of the contract reopener condition. As we have previously observed, all of these problems go away if the Board simply clarifies that 100% of the contract volumes must be opened to BN/Santa Fe competition (with the shipper able to retain its existing contract with UP/SP in the event that BN/Santa Fe does not successfully compete for some or all of the business). In the alternative, the Board should clarify the contract reopener provision in the other ways suggested in BN/SF-65.

2. Transloads/New Facilities

In order to protect both the direct and indirect benefits that shippers derived from the competition between UP and SP, and in order to address specific concerns raised by numerous parties, including NITL, SPI, KCS, Conrail, DOJ, DOT and USDA, the Board mandated that Applicants must grant BN/Santa Fe "the right to serve new facilities [including transload facilities] on both SP-owned and UP-owned tracks over which BNSF will receive trackage rights" under the BN/Santa Fe Agreement. Decision No. 44, at 145-46. The Board then reiterated that BN/Santa Fe or third parties should be allowed "to locate transloading facilities anywhere on the lines where BNSF will receive trackage rights." Id. at 124 (emphasis added).

On August 29, 1996, Applicants filed a Petition for Clarification (UP/SP-275) in which they asserted that the Board should "clarify" BN/Santa Fe's right to serve new transload

facilities. The Applicants urged an interpretation that the condition is solely for the purpose of enabling BN/Santa Fe to handle traffic transloaded from or to points on the other merging carrier's line (i.e., on the line on which BN/Santa Fe does not have trackage rights). The Applicants also proposed in their Petition that BN/Santa Fe's right to serve new facilities on BN/Santa Fe's trackage rights lines should not apply to certain UP lines where BN/Santa Fe's access is allegedly not needed to preserve competition or was granted solely for operational convenience.

As discussed in BN/SF-68, Applicants are seeking to avoid the unambiguous language respecting the Board's condition by ascribing an artificially narrow purpose to the Board's decision to expand the new facilities provision contained in the CMA agreement to include UP-owned lines and new transload facilities. For instance, as to transloads, they assert that the Board required the expansion of the provision solely in order to address situations where a shipper on the line over which BN/Santa Fe has no access would lose the competitive benefit of an existing transload option as the result of the UP/SP merger. UP/SP-275 at 2. That is not so. The Board gave no indication that it intended to abandon shippers on the BN/Santa Fe trackage rights lines that previously had the ability to threaten or develop transloads or new facilities on the parallel UP or SP route.^{2/} To the contrary, the Board noted that

^{2/} Specific examples of shippers that would lose competitive options under the Applicants' proposed restriction are included in
(continued...)

it intended to address these shippers' loss of acknowledged "competitive leverage" (Decision No. 44, at 106), and "preserve [the] competition" that shippers otherwise would lose by authorizing BN/Santa Fe or third parties "to locate transloading facilities anywhere on the lines where BNSF will receive trackage rights." Id. at 124.

Similarly, the Applicants' effort to limit BN/Santa Fe's right to serve new facilities on certain UP lines would undermine BN/Santa Fe's competitiveness. In making this argument, the Applicants overlooked the plain language of the Board's decision. The Board identified one of the principal purposes of the new facilities condition as ensuring that BN/Santa Fe has a sufficient traffic base to compete effectively. Decision No. 44, at 133.

Moreover, the clear line that, the Applicants profess, separates "competitive" trackage rights from "operating convenience" trackage rights is illusory. All of the trackage rights that BN/Santa Fe received were granted for the purpose of

2/(...continued)
recent filings with the Board. For instance, as set forth in SPP-18, Sierra Pacific Power's North Valmy plant is dependent on coal from mines in Colorado and Utah, and it has benefited from the ability of mines located on or near SP lines to truck their coal to existing or potential transload facilities on UP lines in the Central Corridor. As SPP notes, that option will be eliminated if Applicants' restriction is adopted since BN/Santa Fe does not have trackage rights on the UP lines. See SPP-18 at 5-6. Similarly, International Paper described how its plant at Nacogdoches, TX, which is located on an SP line over which BN/Santa Fe has received trackage rights, will lose a viable transload option to a UP line over which BN/Santa Fe will not operate under the Applicants' proposed restriction. IP-17 at 3-4.

enabling BN/Santa Fe to compete, even if the reason why BN/Santa Fe would not be competitive without those lines is "operational."

Further, the Applicants' claim that there would be no loss of competition on the UP lines is incorrect. As Mr. Brown explained in his Verified Statement attached to BN/SF-68, shippers on SP lines would lose not only their existing transload options to the UP lines, but also their existing new facilities options, if the Applicants' proposed restrictions are adopted.

Thus, the Applicants' effort to narrow the unambiguous language of Decision No. 44 granting BN/Santa Fe the right to serve all new facilities, including transload facilities, on any UP-owned or SP-owned line over which BN/Santa Fe is to receive trackage rights threatens to undermine the competitive effectiveness of BN/Santa Fe. Access to all such new facilities is needed not only to preserve existing competition but also to ensure that BN/Santa Fe has a sufficient traffic base on each of its trackage rights lines to provide competitive service effectively and efficiently.

3. Mexico Issues

In Decision No. 44, the Board awarded extensive trackage rights to Tex Mex -- effectively overlaying Tex Mex as a third carrier on the Beaumont-Houston-Robstown/Corpus Christi line where only two carriers previously operated. Decision No. 44, at 149.

Tex Mex filed a Petition to Reopen (TM-44) in which it asserted that the Board should have also allowed Tex Mex to serve as a third carrier for traffic heading north from Houston and other points served by UP/SP and BN/Santa Fe. BN/Santa Fe has requested

that the Board deny Tex Mex's Petition (BN/SF-69), arguing that the additional rights sought by Tex Mex would undermine the competitive strength of BN/Santa Fe by diluting the available traffic base.

In Decision No. 44, the Board recognized that, by means of the trackage rights giving BN/Santa Fe access to Laredo (in partnership with Tex Mex), which were negotiated voluntarily, BN/Santa Fe would be able to provide a complete competitive replacement for SP -- indeed, a competitive improvement. E.g., Decision No. 44, at 103, 124, 148, 157, 163.

As discussed in BN/SF-69, once the competition that would be lost through a merger has been replaced, there is no room for other carriers to insist that more or better competition would ensue if alternative or additional conditions were imposed. See, e.g., Union Pacific Corp., et al. -- Control -- Missouri Pacific Corp., et al., 366 I.C.C. 459, 562-563 (1982); Union Pacific Corp. -- Control -- Missouri-Kansas-Texas R.R., 4 I.C.C.2d 409, 458, 461-463 (1988). The Board in this case has already determined that the proper "narrow tailoring" of its grant of Tex Mex trackage rights requires a focus on Mexico-bound traffic and that it is only with respect to such traffic that there exists a competitive problem requiring the imposition of an involuntary condition.

The expanded trackage rights that Tex Mex now requests fall short of meeting the Board's criteria for imposing involuntary conditions. Rather, the expanded Tex Mex trackage rights would "risk diluting the traffic base for all the competitors and jeopardizing the success" of the principal competitor to "the

merged system" in this corridor. Santa Fe Southern Pacific Corp.
-- Control -- Southern Pacific Transportation Co., 2 I.C.C.2d 709,
827 (1986).

BN/Santa Fe has been working with Tex Mex to negotiate terms and a neutral division arrangement for rates on traffic interchanged at Robstown between the two carriers, to assure the continuation of vigorous competition for Mexico-bound traffic moving via the Laredo gateway. Unfortunately, as of the date of this Report, BN/Santa Fe has been unable to reach agreement with Tex Mex on terms that will permit BN/Santa Fe to offer Laredo service to shippers in a manner that is fully competitive with the newly merged UP/SP. At present, it appears that Tex Mex intends to establish rates that will favor traffic interchanged with its affiliate, KCS, rather than rates that will ensure vigorous competition for Laredo-bound traffic for the benefit of shippers. BN/Santa Fe will continue to work with Tex Mex to establish terms that will allow such competition, and will, if necessary, ask the Board to intervene as appropriate to assure viable competition for Mexico-bound traffic through the rights that were granted by the Board.

4. Access to Lake Charles Area Shippers

In a Petition to Reopen/Reconsider filed on September 3, 1996 (KCS-65), KCS asserted that the Board should not have granted BN/Santa Fe access to Lake Charles area shippers as a condition to the merger and should not have expanded on that access in Decision No. 44. Specifically, KCS asserted that the Board "inadvertently"

violated longstanding precedent on the imposition of merger-related conditions when it imposed ¶ 8 of the CMA Agreement as a condition to its approval of the proposed UP/SP merger. KCS also asserted that UP lacked the contractual authority to grant BN/Santa Fe access to Lake Charles, LA area shippers over certain KCS/SP joint trackage and that a terminal trackage rights application under 49 U.S.C. § 11102 (formerly § 11103) is required in order for BN/Santa Fe to access that trackage. As established in BN/SF-70, however, KCS's arguments are without merit and untimely.

Initially, KCS has based its argument that the Board improperly imposed ¶ 8 of the CMA Agreement as a condition of merger approval on the premise that the Board was acting to impose an involuntary condition on the Applicants. As the Board is well aware, however, the CMA Agreement was submitted to the Board as a settlement agreement between the Applicants and other parties to the proceeding. Thus, the CMA Agreement did not need to satisfy the criteria for the imposition of involuntary conditions. Rather, the Board properly evaluated the CMA Agreement under the public interest standard applied in prior decisions to voluntary settlements and found that, as modified by the Board, it met that standard.

Further, KCS has misstated the rationale behind the Board's decision to remove the geographic route restrictions that were a part of the Lake Charles area access provision. Contrary to KCS's assertion, those restrictions were not removed by the Board in order to provide BN/Santa Fe with additional storage-in-transit

yard ("SIT") capacity, but rather they were removed to ensure that BN/Santa Fe could fully compete for traffic from plastics shippers in the Lake Charles area who use SIT for much of their traffic without knowing at the time their cars are put into storage what the cars' final destination will be.

Moreover, while a terminal trackage rights application could have been filed to secure the Board's approval for BN/Santa Fe's access to the joint trackage at issue had KCS raised its concern about UP/SP's contractual authority to grant such access to BN/Santa Fe in a timely manner, such an application is not necessary under the former 49 U.S.C. § 11341(a) (now § 11321(a)). As the Board recognized in Decision No. 44, the immunity provision of Section 11341(a) would override any restrictions requiring KCS's consent to BN/Santa Fe access that may be contained in the underlying contractual documents. Decision No. 44, at 169-70.

Finally, KCS could have -- and should have -- raised many of the concerns it now raises several months ago. For example, KCS was aware of UP/SP's grant of access to BN/Santa Fe to Lake Charles area shippers as far back as April 19, 1996; yet it waited for more than 3½ months to raise its concerns about that access with the Board. The Board's rules do not permit KCS to raise those concerns at this late date in an effort to prevent BN/Santa Fe from competing at Lake Charles in accordance with the Board's decision.

CONCLUSION

BN/Santa Fe is off to a fast start in implementing the rights the Board granted in Decision No. 44. It has developed a feasible

and highly efficient Operating Plan, and it is already marketing its services to 2-to-1 shippers and carrying substantial traffic to new destinations using its rights. BN/Santa Fe will continue to pursue aggressively its efforts to compete for traffic and to resist obstacles to the goal of effective competition, such as UP/SP's position on the contract reopener provision and on transloads. BN/Santa Fe hopes that the Board will remain vigilant, as it has been throughout this case, to prevent other parties from inappropriately obstructing BN/Santa Fe's ability to provide competitive service to shippers.

Respectfully submitted,

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October 1, 1996

EXHIBIT A

**BURLINGTON NORTHERN/SANTA FE'S
PROGRESS REPORT AND OPERATING PLAN**

October 1, 1996

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I. INTRODUCTION

This document sets forth BN/Santa Fe's Progress Report and Operating Plan which are being submitted pursuant to the Board's directive in Decision No. 44.

The Progress Report, which is presented in Section II, discusses BN/Santa Fe's progress to date on implementation of the rights and access granted to BN/Santa Fe pursuant to the BNSF Agreement. It will also describe events planned to take place before the end of 1996.

The Operating Plan, which is presented in Section III, details the train service BN/Santa Fe plans to operate by the end of the first full year following consummation of the UP/SP merger. The Operating Plan is divided into two geographic regions -- the Gulf Region and the Central Region. Train service details are provided for each corridor within a region. Support operations and personnel requirements are aggregated at the regional level.

II. IMPLEMENTATION PROGRESS REPORT

1. Line Purchases.

BN/Santa Fe's purchase of the three UP/SP line segments set forth in the BNSF Agreement is proceeding under the following schedule:

- * Dallas to Waxahachie, TX: The closing took place on September 20, 1996.
- * Iowa Jct. to Avondale, LA: The closing is planned for no later than December 16, 1996.

- * Bieber to Keddie, CA: The closing is planned for no later than December 16, 1996.

2. Dispatching. BN/Santa Fe plans to implement the dispatching protocol required under the CMA Agreement on or before December 16, 1996.

BN/Santa Fe will assume direct dispatching control on each of the three purchased segments. Necessary notices to affected employees were issued during the week of September 16, 1996.

Closing and control dates are planned to coincide as closely as possible under the following schedule:

- * Dallas to Waxahachie: Dispatching control from BN/Santa Fe's Fort Worth, TX Network Operations Center was assumed on September 21, 1996.
- * Iowa Jct. to Avondale: Dispatching control from Fort Worth is planned to immediately follow the closing, which is to occur no later than December 16, 1996.
- * Bieber to Keddie: Dispatching control from Fort Worth is also planned to immediately follow the closing, which is to occur no later than December 16, 1996.

3. Preparation for Direct BN/Santa Fe Train Service.

BN/Santa Fe supervisory personnel began qualification trips over UP and SP lines in August. These trips will enable operating supervisors to train and qualify train and engine personnel for each route prior to implementation of actual BN/Santa Fe train service. Qualification trips on all trackage rights lines, except the Central and I-5 Corridors, have been completed.

Qualification trips for acquired lines between Keddie and Bieber, CA and between Iowa Jct. and Avondale, LA will be completed in sufficient time to permit actual train operation by

no later than December 16. The same is true for I-5 trackage rights operations between Keddle and Stockton, CA.

Appropriate notices were served by BN/Santa Fe on affected labor organizations on August 20, 1996, in accord with contract provisions.

Initially, BN/Santa Fe will reimburse UP/SP for supplying crews to operate BN/Santa Fe trains on the Central Corridor route. Specifically, an agreement has been reached with UP/SP that allows BN/Santa Fe to reimburse UP/SP for supplying crews to operate BN/Santa Fe trains between Denver, CO and Salt Lake City, UT for up to one year. After that, BN/Santa Fe will use its own crews between Denver and Salt Lake City. Between Salt Lake City and Stockton/Richmond, CA, BN/Santa Fe will continue to reimburse UP/SP for supplying crews to operate BN/Santa Fe trains until such time as it becomes more efficient and economical to use BN/Santa Fe crews.

4. Start-up Interim Haulage. UP/SP will handle BN/Santa Fe traffic on a start-up interim haulage basis, until the direct BN/Santa Fe train service commences (described in section 5), as outlined below.

- * UP/SP began interim haulage for BN/Santa Fe traffic on all routes, except the I-5 Corridor, on September 13, 1996.
- * Haulage on the I-5 route between Bieber and Stockton will commence following implementation of the BNSF Agreement provision on proportional rates.
- * BN/Santa Fe traffic between Pine Bluff, AR and Little Rock, AR and between Houston, TX and Brownsville, TX will continue on a haulage basis, as direct train service is not now planned.

5. Direct Train Service Start-Up. BN/Santa Fe plans to begin direct train service on its new routes as follows:

- * Between Temple and Kerr, TX, direct train service with BN/Santa Fe crews is planned to start on October 9, 1996. This service will extend to Houston as soon as traffic flows warrant.
- * Between Temple and San Antonio, TX, BN/Santa Fe direct service has been operating since January 15, 1996, under the terms of a settlement between BN/Santa Fe and SP in the BN/Santa Fe merger. This service will continue to operate on SP's line from Caldwell, TX via Flatonia, TX for a period of 90 days. On or about December 16, 1996, these trains will shift to the trackage rights lines via Smithville, TX.
- * Between San Antonio and Eagle Pass, TX, UP/SP will continue to move BN/Santa Fe traffic on a haulage basis for six months. Direct BN/Santa Fe train service will commence in March 1997.
- * Between Houston and Corpus Christi/Robstown, TX, direct train service using BN/Santa Fe crews is planned to start on October 9, 1996.
- * Between Houston, Memphis, TN, and East St. Louis, IL, start-up of direct BN/Santa Fe train service is planned to commence no later than December 16, 1996. This service will be structured to provide continuing connections over Illinois gateways to the Northeast.
- * Between Houston and New Orleans, LA, start-up of direct BN/Santa Fe train service will commence immediately following closing on the Iowa Jct.-Avondale segment purchase and is planned for no later than December 16.
- * Between Denver and Stockton/Richmond, direct BN/Santa Fe train service is planned to start on October 10, 1996.
- * Between Bieber and Stockton/Richmond, start-up of direct BN/Santa Fe train service will commence following closing on the Bieber to Keddie segment purchase, currently planned for no later than December 16, 1996.

6. Marketing Discussion. Information concerning shippers, contracts and tariffs, and other items that outline BN/Santa Fe's marketplace activity is presented in the Verified Statement of Richard W. Brown as part of this submission.

III. BN/SANTA FE OPERATING PLAN

A. GULF REGION

1. Houston-New Orleans. This corridor and its train crew districts are depicted by Figure 1.

a. Through Train Service. Three daily through trains, in each direction, are planned to serve this corridor.

- * Trains M-HOUNEO and M-NEOHOU will operate between Houston and New Orleans starting on or about December 16, 1996. Eastbound, the train will set out in Beaumont, TX and will set out and pick up in Lafayette, LA. It will be blocked in Lafayette for New Orleans connections. Westbound, the train will set out and pick up in Lafayette and pick up westbound traffic in Beaumont.
- * Trains M-TEMNEO and M-NEOTEM will operate between Temple and New Orleans starting in the first quarter of 1997. These trains will run via Silsbee, TX. Both will set out and pick up in Beaumont and Lafayette.
- * Trains Q-LOSAVO and Q-AVOLOS will be dedicated international intermodal trains between Los Angeles, CA and New Orleans starting about August 1997. These trains will originate/terminate in the Westwego intermodal facility and will bypass Houston running via Silsbee and Temple. Western intermodal traffic, for other than Los Angeles, will be marshalled at Clovis, N.M.

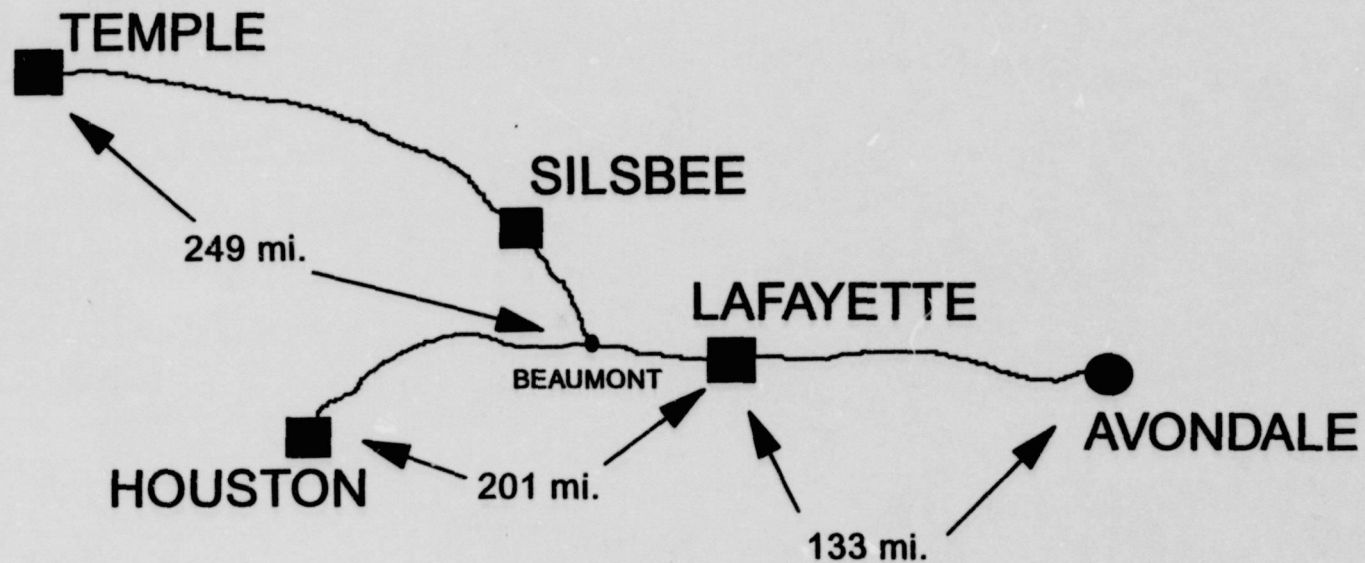
Schedule outlines for these trains are contained in the Operating Plan Appendix.

b. Local Train Service.

- * BN/Santa Fe local service will operate between Lafayette and Avondale three times weekly in each direction. This local will commence operation following

GULF

Figure 1



■ Home Terminals

● Away from Home Terminals

← → Mileage between Crew Change

closing on the line segment planned for no later than December 16, 1996. The train will handle Louisiana & Delta Railroad ("L&D") interchange at Schriever, LA and New Iberia, LA.

- * A daily turnaround local will run between Beaumont and Lake Charles, LA to haul Lake Charles and Orange, TX traffic starting no later than December 16, 1996. The schedule for this local is contained in the Appendix as Train L-BEALKC.
- * A daily turnaround local will run between Houston and the Dayton, TX storage yard handling BN/Santa Fe Baytown Branch traffic and storage yard plastics. The schedule for this local is contained in the Appendix as Train L-HOUSJO.
- * UP/SP will switch industries at Amelia (Beaumont) for BN/Santa Fe. BN/Santa Fe will haul traffic between UP/SP and its Beaumont Yard.
- * UP/SP will switch industries at Orange and will provide east and west blocks for pick up by BN/Santa Fe.
- * UP/SP will switch industries in the greater Lake Charles area and will provide two blocks for BN/Santa Fe.

c. Yard Operation.

- * Houston. New Orleans manifest trains and the Dayton local will originate and terminate at the Houston Belt & Terminal Railroad's ("HB&T") New South Yard. HB&T will switch BN/Santa Fe traffic for connections and Houston industry.
- * Dayton. The Sjolander facility (Dayton Storage Yard) will classify BN/Santa Fe Baytown Branch traffic.
- * Beaumont. BN/Santa Fe's existing yard will serve Beaumont and the new train service described above.
- * Lafayette. BN/Santa Fe will employ two switch crews to serve Lafayette Yard and to classify New Orleans traffic in both directions.
- * New Orleans. BN/Santa Fe through trains will do any necessary work at Avondale and Westwego in conjunction with their own trains. Lafayette Yard will classify New Orleans interchange traffic in both directions. Delivery of non-run-through interchange traffic to connecting lines in New Orleans is now planned to be by

BN/Santa Fe crews unless more efficient service can be implemented using the New Orleans Public Belt or other carrier.

2. Houston-Memphis/East St. Louis. BN/Santa Fe is pursuing two alternatives in this corridor to assure that service offered to its new and existing customers maximizes BN/Santa Fe's competitive posture.

The first alternative focuses on new BN/Santa Fe direct train service between Houston and Memphis utilizing UP/SP trackage rights and Illinois Central ("IC") beyond. North of Memphis, Conrail and Norfolk Southern interchange traffic, otherwise routed over the East St. Louis, IL Gateway, would move over Effingham, IL and Centralia, IL junctions, respectively, via the IC, on a direct Memphis connection. To the extent such traffic is not pre-blocked by BN/Santa Fe, IC would block the train for Effingham and Centralia interchanges at Fulton, KY. Other traffic would move beyond Memphis on existing BN/Santa Fe trains.

The second alternative would use trackage rights on UP/SP over the entire route as provided by the BNSF Agreement. The full UP/SP route would be used to access East St. Louis as the gateway to the Northeast. BN/Santa Fe trains described herein would route north of Brinkley, AR and Bald Knob, AR on UP/SP lines to and from East St. Louis as provided by the BNSF Agreement. In such event, a BN/Santa Fe crew change point would be established at Dexter, MO. Memphis traffic would be passed

in-block to and from existing BN/Santa Fe Memphis-Springfield, MO trains at Jonesboro, AR or Hoxie, AR.

This Operating Plan describes operations under both alternative routings, UP/SP to East St. Louis and the IC routings to Eastern junctions. BN/Santa Fe anticipates utilizing the IC routings if an agreement is finalized in advance of December 16, 1996. (Attachment 1 to the Verified Statement of Frank D. Clifton is a BN/Santa Fe press release describing the BN/Santa Fe and IC letter of intent for this service.) No delay is expected, under either alternative, in the date direct BN/Santa Fe train service is planned to commence.

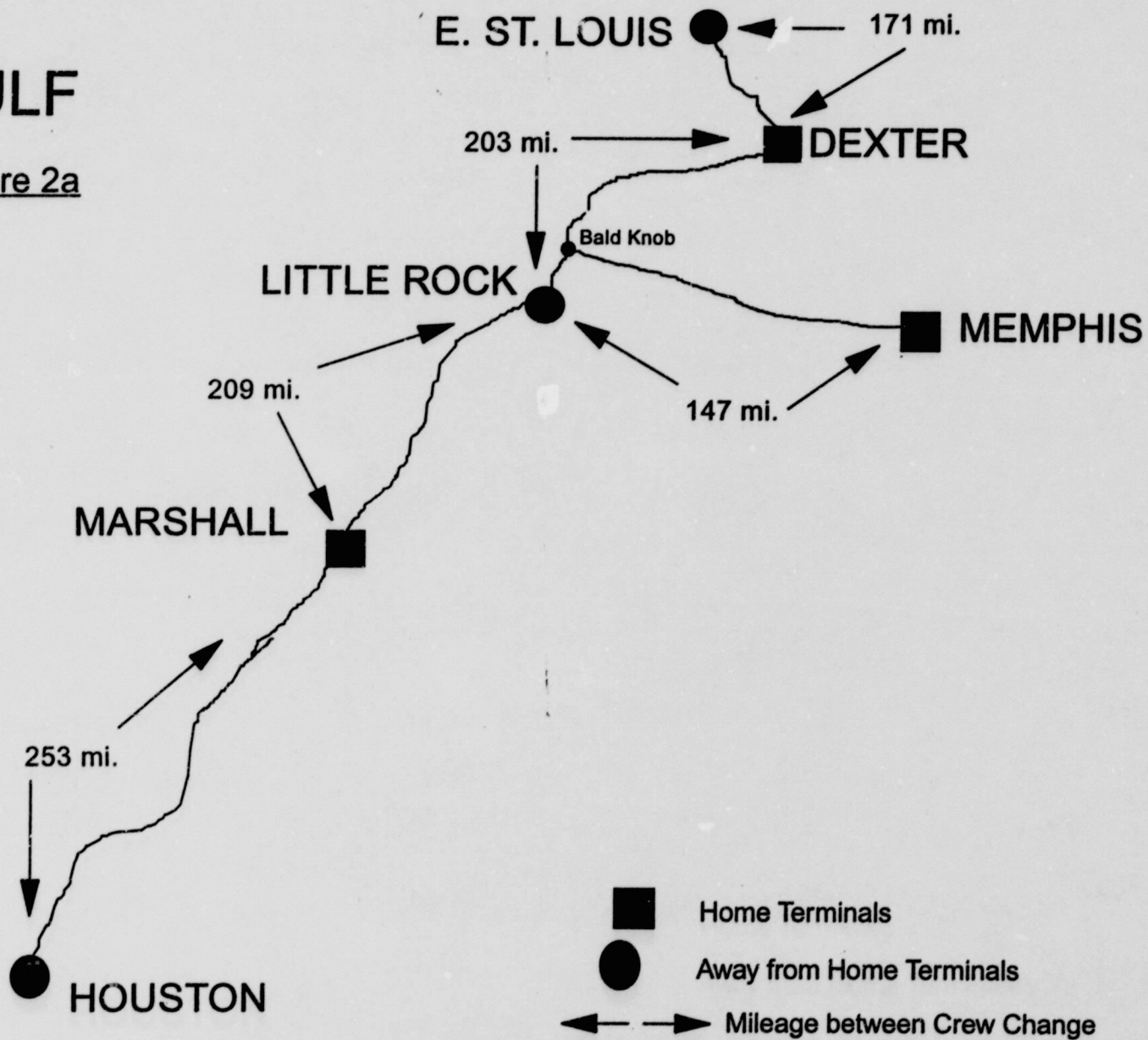
The routes and train crew districts in this corridor are shown by Figures 2a and 2b. The IC route is depicted in Figure 2c. Through train service descriptions are provided below for each alternative.

a. Alternative 1 -- Through Train Service Using the IC.

Two daily through trains in each direction are planned to serve the corridor. One train-pair replaces BN/Santa Fe trains 177-178, which now operate between Houston and St. Louis via Tulsa, OK. The second train-pair will be new BN/Santa Fe service between Houston and Memphis. Until volume warrants the second train-pair, the single northbound train will handle Memphis traffic to BN/Santa Fe's Tennessee Yard after passing the CR-NS interchange block to an IC connecting train in Memphis at BN/Santa Fe's Yale Yard. Southbound, BN/Santa Fe will start

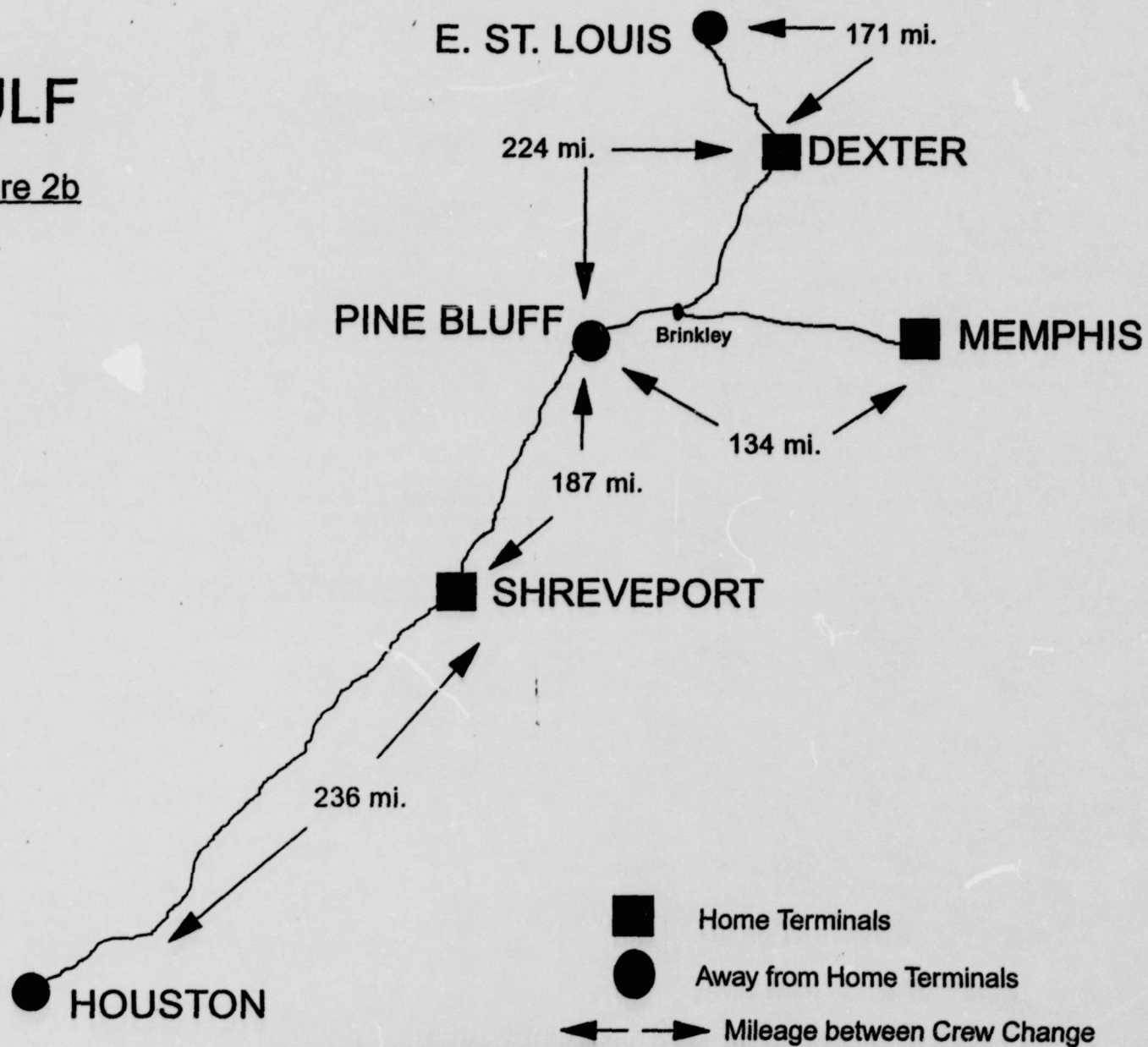
GULF

Figure 2a



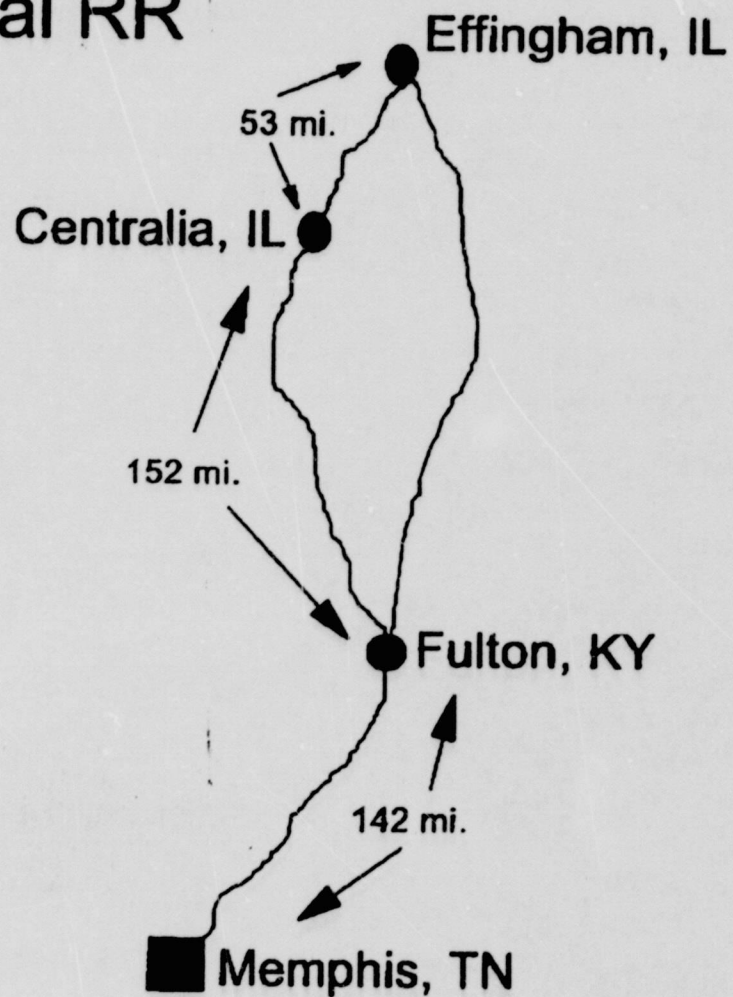
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Figure 2b



Memphis to Effingham via Illinois Central RR

Figure 2C



■ Home Terminal
↔ Mileage

trains from Tennessee Yard to receive a direct connection from the IC in Memphis.

Initially, all BN/Santa Fe trains will operate exclusively on SP's route via Pine Bluff and Brinkley. At such time as UP/SP begins directional train service, northbound BN/Santa Fe trains will, with the exception of local and switch moves, use UP's northbound route via Longview, North Little Rock and Bald Knob, while southbound trains will, with the same exceptions, remain on SP's route.

- * Trains M-HOUMEM(1) and M-MEMHOU(1) will commence operation on or about December 16, 1996. The trains will set out and pick up at Shreveport and Pine Bluff. Upon the start of directional running, the northbound train will work at Longview and North Little Rock.^{1/} Initially, this train will carry both IC interchange and Memphis proper blocks. Subsequently, this train will carry only IC traffic.
- * Trains M-HOUMEM(2) and M-MEMHOU(2) are planned to begin operation in the second quarter 1997. Its on-line operation would be essentially the same as the previous train-pair. It is planned as a train for Memphis Tennessee Yard without an IC interchange block.
- b. Alternative 2 --Through Train Service Using UP/SP Trackage.

Two daily through trains in each direction are planned to serve this corridor. One train-pair replaces BN/Santa Fe trains 177-178, which now operate between Houston and St. Louis, MO via Tulsa, OK. The second train-pair will be new BN/Santa Fe service

^{1/} Due to operational constraints, UP/SP has indicated it will shuttle Longview pick up/set out traffic to and from Marshall, TX. Similarly, Little Rock traffic would be shuttled to and from Bald Knob. This operation would also apply to subsequent references in the Operating Plan to through trains setting out or picking up at Longview or North Little Rock.

between Houston and East St. Louis. Until volume warrants the second train-pair, the single train will handle all East St. Louis traffic to and from the Alton & Southern ("A&S") Gateway Yard. The two-train-pair service is being planned as one A&S Yard train and one Conrail interchange train.

Initially, all BN/Santa Fe trains will operate on UP's route via Little Rock and Hoxie. At such time as UP/SP begins directional train service, northbound BN/Santa Fe trains will, with the exception of local and switch moves, continue to use UP's route, while southbound trains will, with the same exceptions, use SP's route via Jonesboro and Pine Bluff.

- * Trains M-HOUESL(1) and M-ESLHOU(1) will start operation on or about December 16, 1996. The trains will set out and pick up at Longview and North Little Rock. Memphis traffic will be passed in-block to existing BN/Santa Fe trains at Hoxie. Upon start of directional running, southbound trains will perform their work at Jonesboro, Pine Bluff and Shreveport, respectively.
- * Trains M-HOUESL(2) and M-ESLHOU(2) are planned to begin operation in the second quarter 1997. Its on-line operation will be essentially the same as the previous train-pair. At East St. Louis, one of the two schedule-pairs is planned as a Conrail interchange train, the second as an A&S Yard train.

Schedule outlines for these trains are contained in the Operating Plan Appendix.

c. Local Train Service.2/

- * Existing BN/Santa Fe local service will serve Longview. Northbound and southbound traffic will be placed in the UP/SP Yard for pick up by through trains. With directional running, southbound traffic will be handled by the BN/Santa Fe local to Tenaha, where UP/SP will shuttle the traffic to Shreveport for BN/Santa Fe through trains. The process will be reversed for arriving southbound traffic.
- * Martin Lake coal will be handled by BN/Santa Fe local service via Texarkana and/or Shreveport on an as-needed basis. Other Texarkana traffic will be hauled by UP/SP to and from North Little Rock or Marshall for BN/Santa Fe through trains.
- * UP/SP will provide local service for BN/Santa Fe to and from Camden. Traffic will connect with BN/Santa Fe trains at Pine Bluff or North Little Rock. No change is planned for Rail Link switching at the Camden IP Plant.
- * UP/SP will provide haulage for BN/Santa Fe traffic between Pine Bluff and North Little Rock.
- * UP/SP will provide switching service for BN/Santa Fe at Forest City, AR.
- * UP/SP will provide switching service for BN/Santa Fe at Paragould, AR and Dexter, MO.

d. Yard Operation.

- * Houston. East St. Louis/Memphis manifest trains will originate and terminate at HB&T's New South yard. HB&T will switch BN/Santa Fe traffic for connections and Houston industry.
- * Shreveport. UP/SP will switch any BN/Santa Fe traffic at Shreveport. This includes initial service to and from Longview.

2/ There may be some minor variations to the local service described in this section depending on BN/Santa Fe's selection of Alternative 1 or Alternative 2.

- * Pine Bluff. UP/SP will switch BN/Santa Fe traffic at Pine Bluff. This includes service to local industries. No change is planned for Rail Link switching at the Pine Bluff IP Plant.
- * Little Rock. UP/SP will switch BN/Santa Fe traffic at Little Rock/North Little Rock. This includes service to local industries and interchange.
- * Memphis. BN/Santa Fe's existing yard will block outbound trains for Houston, Shreveport/Longview and Pine Bluff/Little Rock.
- * East St. Louis. Under Alternative 2, BN/Santa Fe now plans to use the A&S Gateway Yard for necessary switching.

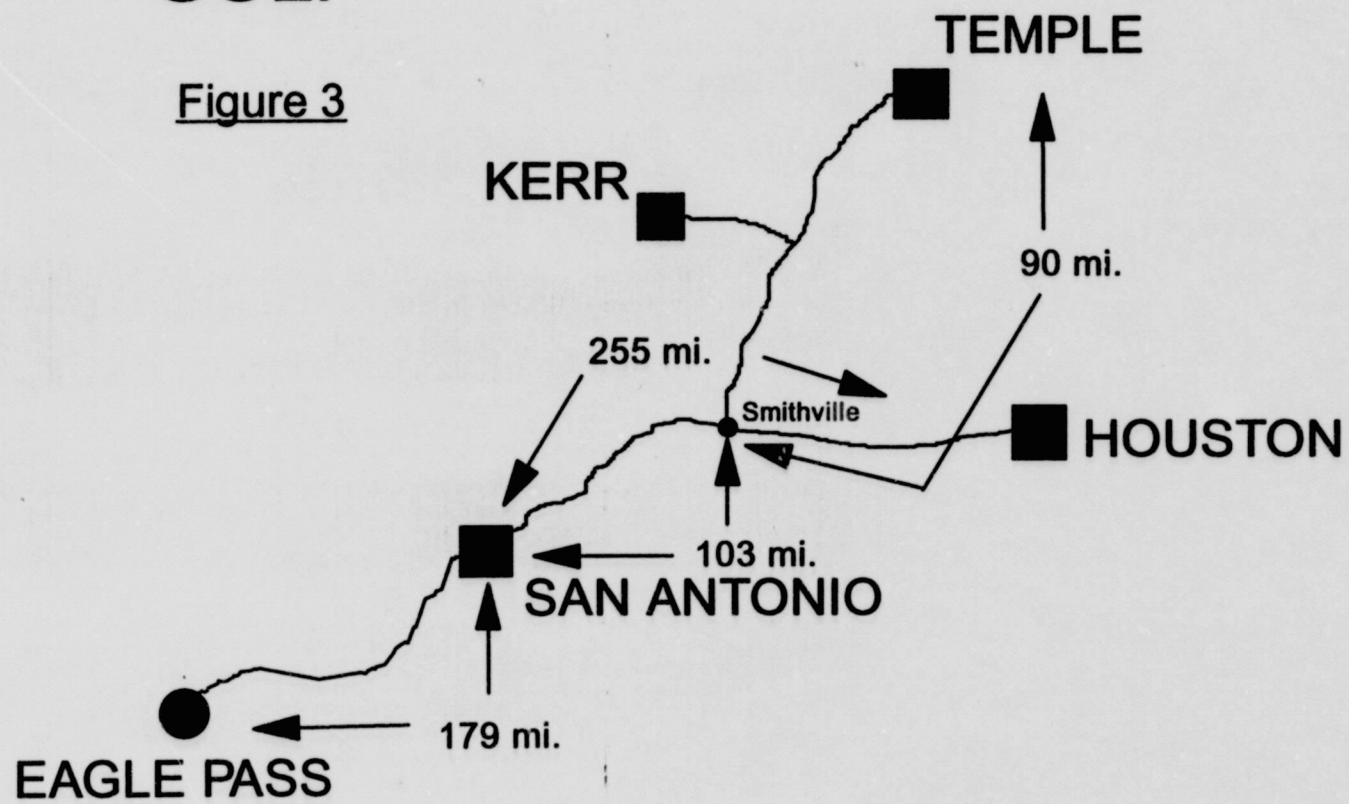
3. Houston/Temple-San Antonio/Eagle Pass. The routes and train crew districts in this corridor are shown by Figure 3.

a. Through Train Service.

- * Trains M-TEMEAG and M-EAGTEM are now operating with BN/Santa Fe crews under the previous BN/Santa Fe-SP arrangement running via the Caldwell-Flatonia haulage route. The trains handle San Antonio and Eagle Pass traffic. UP/SP moves Eagle Pass traffic beyond San Antonio under the haulage arrangement. BN/Santa Fe crews will operate directly between Temple and San Antonio via the Smithville trackage rights starting in mid-December 1996. UP/SP will continue Eagle Pass haulage service until March 1997 to permit hiring and training of new BN/Santa Fe personnel. Service frequency is planned three times weekly in each direction.
- * Trains M-HOUKER and M-KERHOU between Houston and Kerr, TX are planned to start about October 9, 1996. Their primary purpose is to haul aggregates from the Georgetown Railroad to the greater Houston area and return empties. The trains will run on an on-call basis. Dependent upon specific traffic destination, some of these trains will run between Kerr and Temple. Houston operation will normally be over existing UP/SP trackage rights east of Rosenberg, TX. Manifest traffic between Houston and San Antonio will be handled via Temple until volumes warrant direct service.
- * Unit coal trains will operate between Temple and the CPSB facility at San Antonio, and between Temple and

GULF

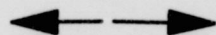
Figure 3



Home Terminals



Away from Home Terminal



Mileage between Crew Change

the LCRA facility at Halsted, TX on an as-needed basis.

As traffic volumes grow, BN/Santa Fe will increase weekly frequencies and/or add new service to this corridor. Schedule outlines for the Eagle Pass and Georgetown Railroad aggregate trains are contained in the Operating Plan Appendix.

b. Local Train Service.

- * BN/Santa Fe will base a road switcher crew to perform interchange and other switching at Eagle Pass.
- * Elgin, TX will be served by BN/Santa Fe through trains M-TEMEAG and M-EAGTEM.
- * Waco will be served by a BN/Santa Fe turnaround local train operating three times weekly from Temple. This service will commence about December 16, 1996.

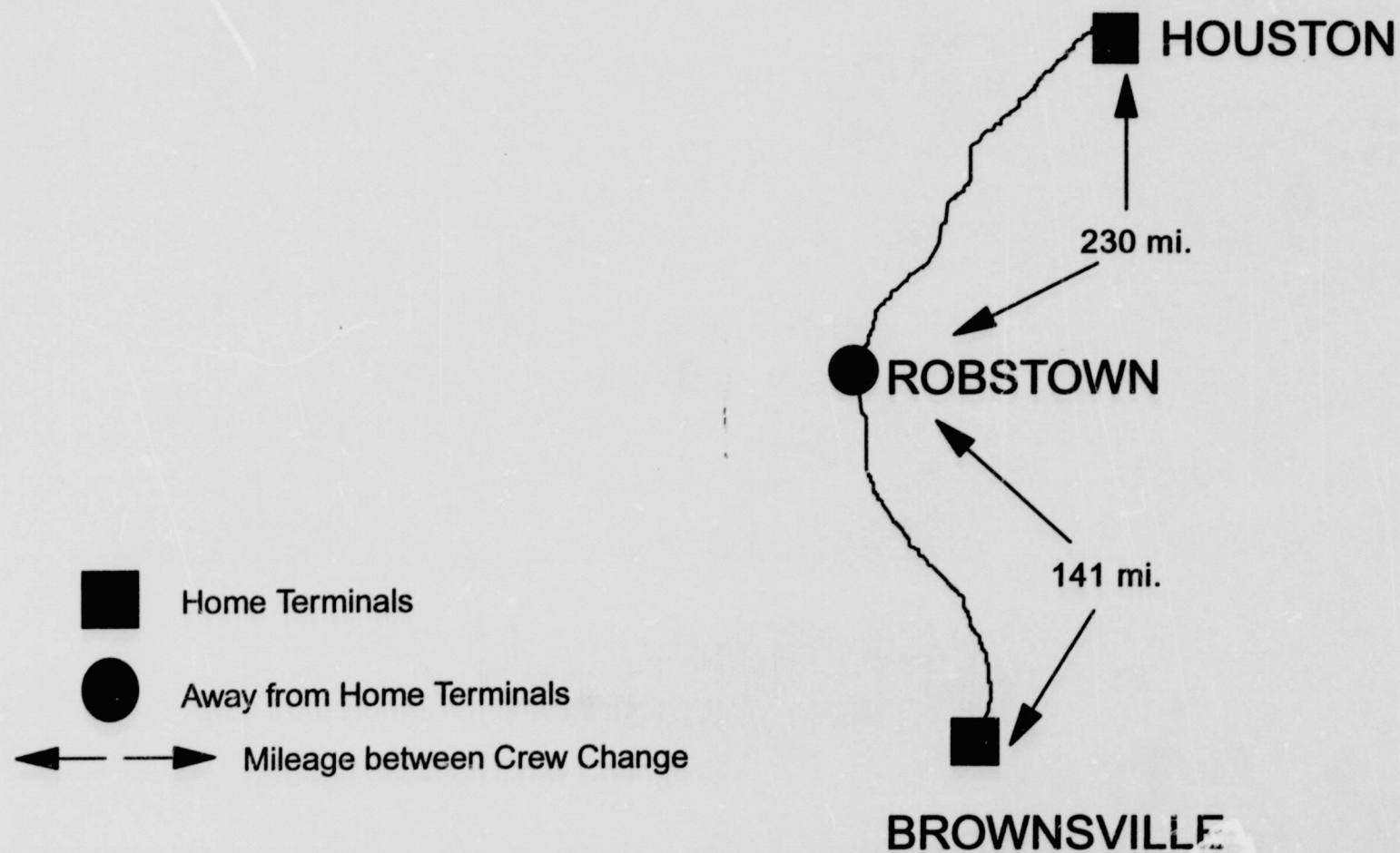
c. Yard Operation.

- * Houston. Manifest trains will originate and terminate at the HB&T's New South Yard. Unit train operation will be governed by traffic destination. HB&T will switch any BN/Santa Fe traffic for connections and Houston industry.
- * San Antonio. UP/SP will switch BN/Santa Fe traffic at San Antonio. BN/Santa Fe through trains will set out and pick up on the Adams Siding.
- * Eagle Pass. BN/Santa Fe will use its current two 10,000 foot yard tracks at Eagle Pass as storage to stage Ferrocarriles Nacionales De Mexico ("FNM") interchange traffic.
- * Temple. BN/Santa Fe's existing yard will block San Antonio, Eagle Pass and Mexican interchange traffic for movement on M-TEMEAG. The Waco local and some Georgetown Railroad trains will also originate/terminate at Temple.

4. Houston-Brownsville. This corridor and its train crew districts are depicted by Figure 4.

GULF

Figure 4



a. Through Train Service.

- * Trains M-CORHOU and M-HOUCOR will begin operation October 9, 1996 between Houston and Corpus Christi with BN/Santa crews. Frequency will be three times weekly in each direction. The southbound train will carry Corpus Christi and Laredo blocks for delivery to the Texas Mexican Railroad ("TM").
- * Initially, BN/Santa Fe operation will be based in Houston. As traffic volumes and weekly frequencies increase, the crew terminal will move to Robstown/Corpus Christi. Trains will then operate to and from Algoa, just south of Houston. Houston and Temple traffic will be passed to and from appropriate existing BN/Santa Fe trains at Algoa.
- * UP/SP will provide haulage for BN/Santa Fe traffic between Houston and Brownsville using its existing service.

b. Local Train Service.

- * BN/Santa Fe has an existing local on this line between Houston and Bay City, TX. No change is planned in the operation of this local. No new BN/Santa Fe local service is planned at this time.

c. Yard Operation.

- * Houston. Manifest traffic will be switched at the HB&T's New South Yard. HB&T will switch any BN/Santa Fe traffic for connections and Houston industry.
- * Corpus Christi. TM will switch BN/Santa Fe traffic at Corpus Christi and haul blocks to and from Robstown for BN/ Santa Fe connecting trains.
- * Brownsville. UP/SP will switch BN/Santa Fe traffic at Brownsville including cross border interchange. BRGI will handle BN/Santa traffic for the Port of Brownsville.

5. El Paso-Sierra Blanca. El Paso-Sierra Blanca segment traffic will be handled by existing BN/Santa Fe train service

to/from El Paso with reciprocal movement for local industries by UP/SP.

6. Two-to-One Stations Not on Trackage Rights. UP/SP will provide haulage/switching service for BN/Santa Fe traffic at 2-to-1 stations not on trackage rights in the Gulf Region. Interchange will occur at locations providing the most efficient connection, generally the nearest interchange to the 2-to-1 station.

7. Other Operations.

a. Crew Districts and Personnel. BN/Santa Fe will operate the Gulf Region using the following home terminal locations. The number of employees required to operate new train and engine service, including extra board employees, is estimated for each location. Houston, Temple, Silsbee and Memphis are existing BN/Santa Fe terminals. The remaining locations are new to the system.

<u>Home Terminal</u>	<u>Train</u>	<u>Engine</u>
Houston	9	9
Silsbee	8	7
Lafayette	16	11
Temple ^{3/}	0	0
Kerr	3	3
Eagle Pass/San Antonio	6	6
Marshall/Shreveport ^{4/}	8	8
Memphis/Dexter ^{5/}	4	4

Train and engine crew districts were depicted on the corridor maps, Figures 1-4.

b. Blocking Plan. Terminals will make new blocks to implement BNSF's Operating Plan as follows:

Houston HB&T New South Yard ^{6/}
 New Orleans CSXT
 Lafayette
 Beaumont
 Dayton
 Memphis IC (Conrail & NS)^{7/}
 Memphis
 Pine Bluff/North Little Rock

^{3/} BN/Santa Fe's current train and engine forces are adequate to handle new service to and from Temple.

^{4/} Marshall/Shreveport must be considered a contiguous home terminal where crews may be taxed to an on duty point of either Marshall or Shreveport. A similar arrangement is needed for a contiguous away-from-home terminal at Little Rock/Pine Bluff.

^{5/} Memphis is applicable under Alternative 1, Dexter under Alternative 2.

^{6/} Any requirement for HB&T to make added blocks to implement Tex Mex's trackage rights may impair HB&T's ability to provide some of these blocks needed by BN/Santa Fe to fully implement this plan.

^{7/} Under Alternative 2, this block would become East St. Louis Conrail. All other East St. Louis traffic would be blocked to the A&S. The same is true for blocking plans at Pine Bluff/North Little Rock and Longview/Shreveport.

Longview/Shreveport
Robstown/Laredo
Robstown/Corpus Christi
Kerr

Corpus Christi/Laredo
Houston HB&T via BN/Santa Fe

Temple
Waco
San Antonio
Lafayette
New Orleans CSXT

San Antonio (UP/SP)
Temple

Dayton (Storage Yard)
Houston HB&T

Beaumont
New Orleans CSXT
Lafayette
Houston HB&T
Orange/Lake Charles shorts

Lafayette
New Orleans CSXT
New Orleans Public Belt
New Orleans IC
New Orleans NS
New Orleans KCS
Avondale UP/SP
Beaumont
Houston HB&T
Temple
Clovis TOFC/COFC
Los Angeles TOFC/COFC

New Orleans Avondale/Westwego
Lafayette
Clovis TOFC/COFC
San Bernardino TOFC/COFC
Los Angeles TOFC/COFC

Memphis^{8/}
Pine Bluff/Little Rock
Shreveport/Longview
Houston HB&T

Pine Bluff/North Little Rock (UP/SP)
Memphis IC
Memphis
Houston HB&T

Shreveport/Longview
Memphis IC
Memphis
Houston HB&T

Clovis, N.M.
New Orleans TOFC/COFC

Los Angeles, CA
New Orleans TOFC/COFC

c. Storage-in-Transit. BN/Santa Fe will continue to use its existing storage-in-transit ("SIT") facilities, including trackage at Casey, TX, and will utilize the Dayton storage yard and its own yard at Lafayette to service Gulf Region shippers' needs.

As requirements expand, BN/Santa Fe plans to work with the management at Dayton to assure adequate capacity for its customers' needs. In addition, BN/Santa Fe is continuing to explore other alternatives for SIT facilities for use as such business develops and is working with individual shippers to determine what supplemental SIT capacity, if any, is required to meet their needs.

^{8/} Under Alternative 2, East St. Louis A&S would also make these blocks.

d. Terminal Trackage Rights. In Shreveport, all BN/Santa Fe trains moving in either direction over the former SP route will use terminal trackage rights granted by the STB over KCS lines. Under Alternative 1, this includes all four Houston-Memphis trains until such time as UP/SP's operation becomes directional. After that time, both Alternatives 1 and 2 would include BN/Santa Fe's two southbound East St. Louis/Memphis to Houston trains.

All BN/Santa Fe trains moving through Beaumont in either direction, on both the Houston-New Orleans and Temple-New Orleans routes, will use terminal trackage rights granted by the STB over KCS lines in Beaumont. This includes the six through trains described above and the Beaumont-Lake Charles turnaround local train.

In addition to the terminal trackage rights in Beaumont, the four Temple-New Orleans trains and the Lake Charles local will need to use SP's "Lacy" connection which connects BN/Santa Fe's main line to the terminal trackage rights. It is planned that UP/SP will assign SP's rights for this connection to BN/Santa Fe prior to December 16, 1996 and that an appropriate notice of exemption will be filed with the Board in the near future.

e. Mechanical Requirements.

Locomotives. No new facilities are planned. Road locomotives will be fueled and serviced at existing BN/Santa Fe facilities at Houston, St. Louis, Temple and Memphis. Yard and

local locomotives will be serviced at Lafayette. UP/SP will provide emergency fueling at San Antonio.

Cars. BN/Santa Fe will locate a road truck for mechanical support at Lafayette. Emergency and minor repairs at New Orleans and westward to Iowa Jct. will be covered from this location. Three new car repair positions will be established to staff the road truck. Train, engine and yard personnel will perform inspections and conduct air tests at Avondale and Lafayette.

UP/SP's road truck will handle on line requirements on trackage rights segments. Existing BN/Santa Fe forces will handle any needed repairs in the Memphis, Houston and Temple areas. UP/SP road truck support will be provided for other on-line emergency and minor repairs between Houston and Memphis, Houston and Eagle Pass and between Houston and Brownsville.

f. Interchanges. New interchange locations for BN/Santa Fe include:

New Orleans	All railroads
New Iberia, Schriever	L&D
Lafayette	L&D
Corpus Christi	Corpus Christi Terminal Association, TM, UP/SP
Robstown	TM
Brownsville	FNM, Brownsville Rio Grande International
Kerr	Georgetown Railroad
Eagle Pass	FNM
Elgin	Longhorn Railroad
Little Rock	Little Rock & Western

g. Administrative Functions. The line acquired by BN/Santa Fe between Iowa Jct. and Avondale and the New Orleans terminal will become part of BN/Santa Fe's Texas Division

headquartered in Temple. The Dallas-Waxahachie segment will also become part of BN/Santa Fe's Texas division. Both segments will be dispatched from Fort Worth.

BN/Santa Fe operations between Houston and Iowa Jct and on the Dayton branch will be supervised by Texas Division officers located at Silsbee/Beaumont.

Houston to Memphis operations will be supervised by Texas and Southeastern Division officers.

Houston/Temple to San Antonio and Houston to Robstown operations will be supervised by Texas Division officers.

BN/Santa Fe will add a Road Foreman's supervisory position at Pine Bluff/Little Rock. Between Lafayette and Avondale, BN/Santa Fe plans to have one Road Foreman and three Trainmasters. Additionally, there will be one Roadmaster and one Mechanical Supervisor.

Gulf Region Customer Service will be assigned to BN/Santa Fe's Customer Service Center in Topeka, KS.

BN/Santa Fe's TSS computer system will be installed on Gulf Region lines.

h. Equipment. Operating Plan train service, as a self-contained operation, requires 44 locomotive units. BN/Santa Fe expects that 21 of these units will come from trains 177-178 and existing service from Temple; and by retaining 23 locomotives in its existing leased fleet otherwise due for return during the last quarter of 1996.

BN/Santa Fe's existing car fleet is adequate for service detailed herein. Normal course-of-business adjustments will be made in fleet size and assignments as business volumes develop on individual Gulf Region corridors.

8. Capital Requirements.

a. New Orleans. Following modifications in the BNSF Agreement, BN/Santa Fe will now acquire SP's Old Yard at Avondale, instead of the New Yard. BN/Santa Fe will also acquire ownership of UP Main Track #1 (UP/SP's middle main track) from SP Mile Post 14.2 eastward to West Bridge Jct. Three connections at Avondale/New Orleans will be constructed to facilitate BN/Santa Fe and UP/SP train and switching operations. An overview of the terminal, and new connections, is shown in Figure 5. The total cost of the three Avondale projects, estimated to be \$5.7 million, will be shared by BN/Santa Fe and UP/SP. Construction is planned to begin within 60 days of STB's grant of UP/SP's exemption petitions (now estimated to be about December 1, 1996).

- * An interlocking and universal connections will be built near Live Oak Road west of Avondale at SP Mile Post 14.5. The four crossovers provide full flexibility for traffic on any of the three main tracks to access the other two. They will also assist in reducing the incidence of conflict between BN/Santa Fe and UP/SP train and switch movements at the west end of Avondale. The new crossovers are displayed by Figure 6.
- * Six turnouts and approximately 2000 feet of new track are planned east of George Road (SP MP 12.25). This will connect the BN/Santa Fe Yard (SP Old Yard) westward to both its own main track (former UP #1 main) and to the SP main track. It also will provide crossover capability for trains from the BN/Santa Fe main track to the SP main track eastward (also to the SP New Yard). This construction is shown by Figure 7.

STB

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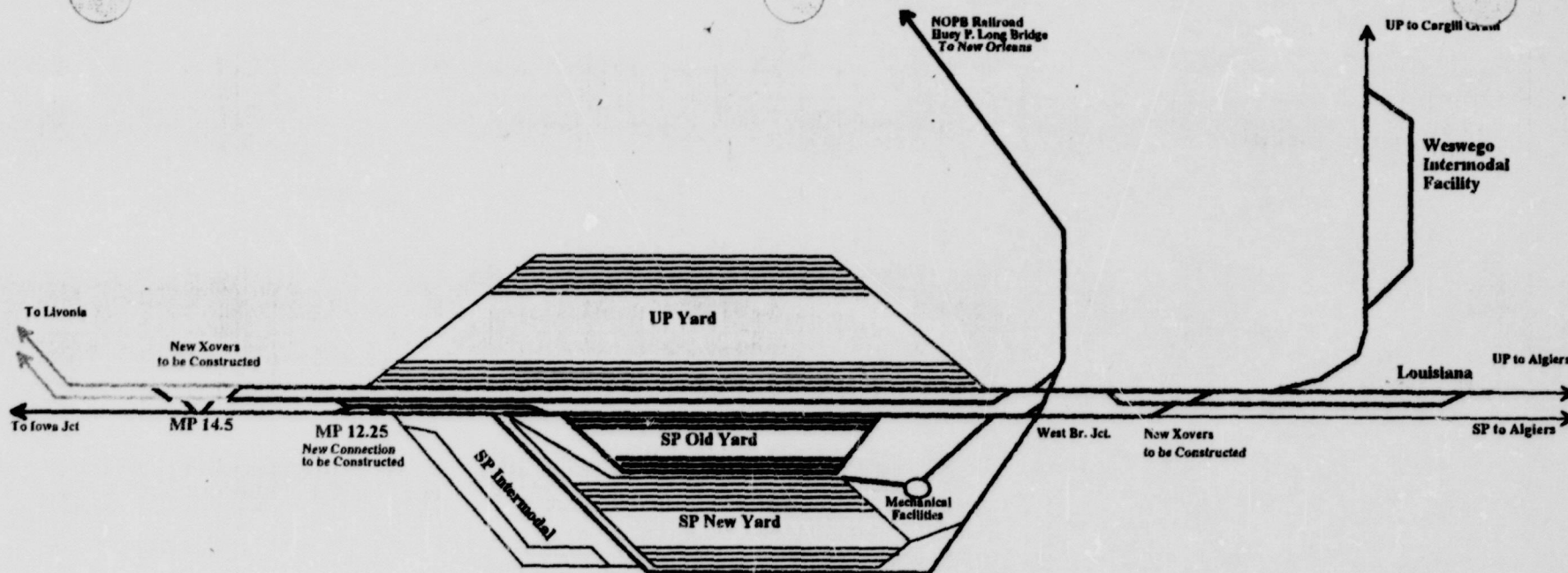
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Legend:

- BNSF Ownership, UP/SP has Trackage Rights
- UP/SP Ownership, BNSF has Trackage Rights
- New Connections
- UP/SP Main Line
- BNSF Ownership (Yard Tracks)
- UP/SP Ownership (Yard Tracks)
- NOPB (New Orleans Public Belt) Trackage

**FIGURE 5 - NEW ORLEANS
TERMINAL OVERVIEW**

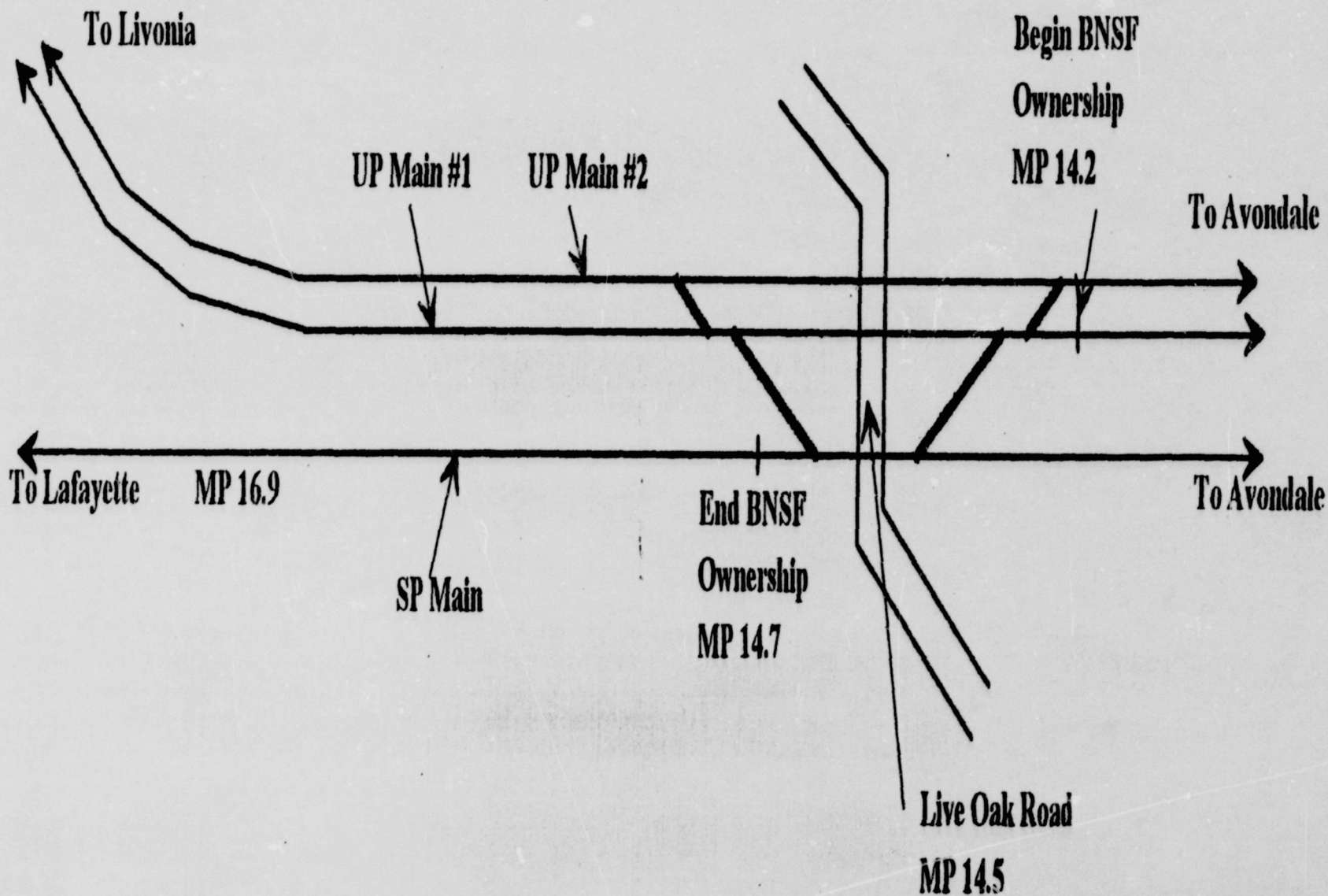
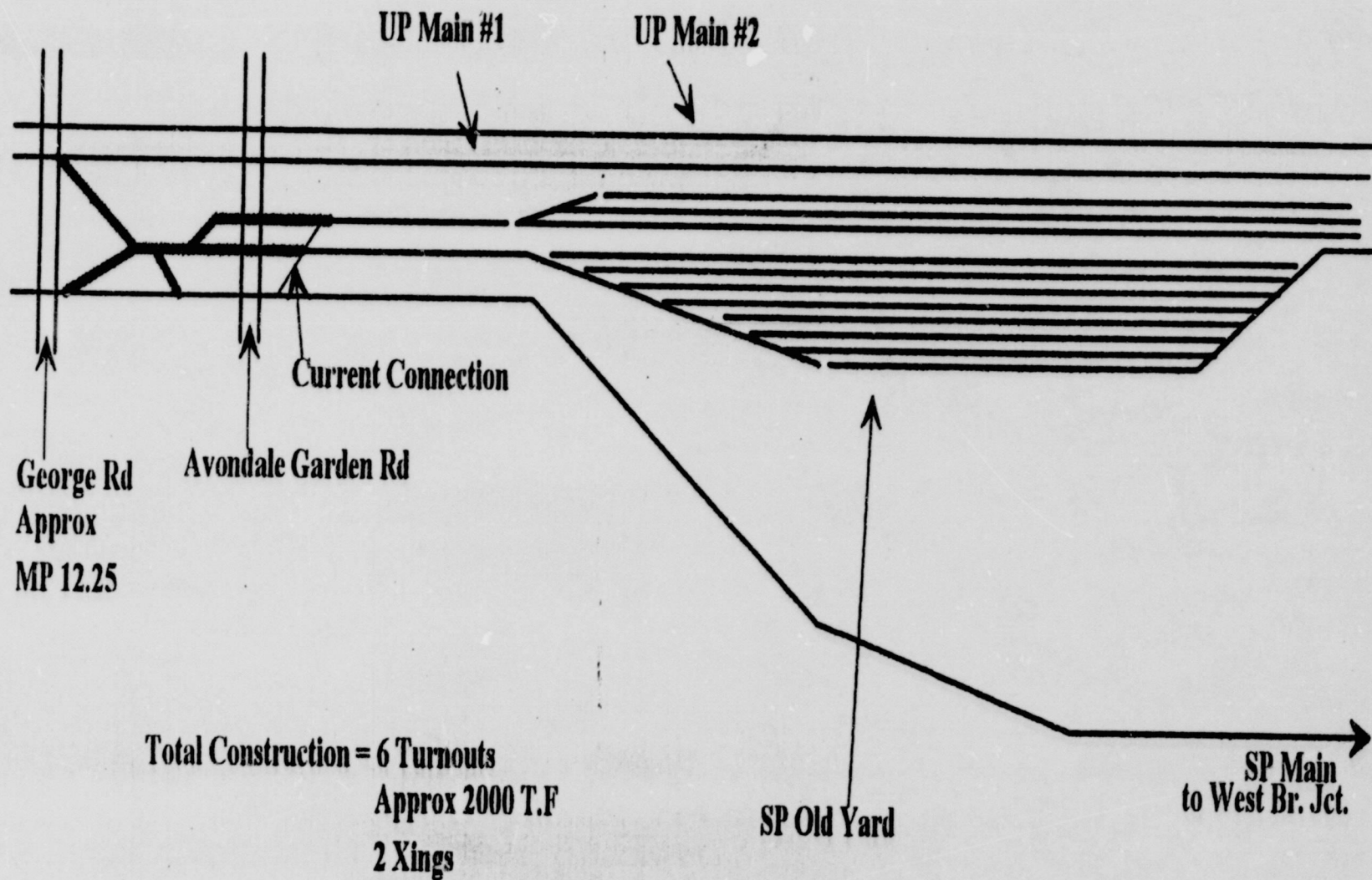


FIGURE 6 - CONNECTIONS AT MP 14.5 AVONDALE, LA



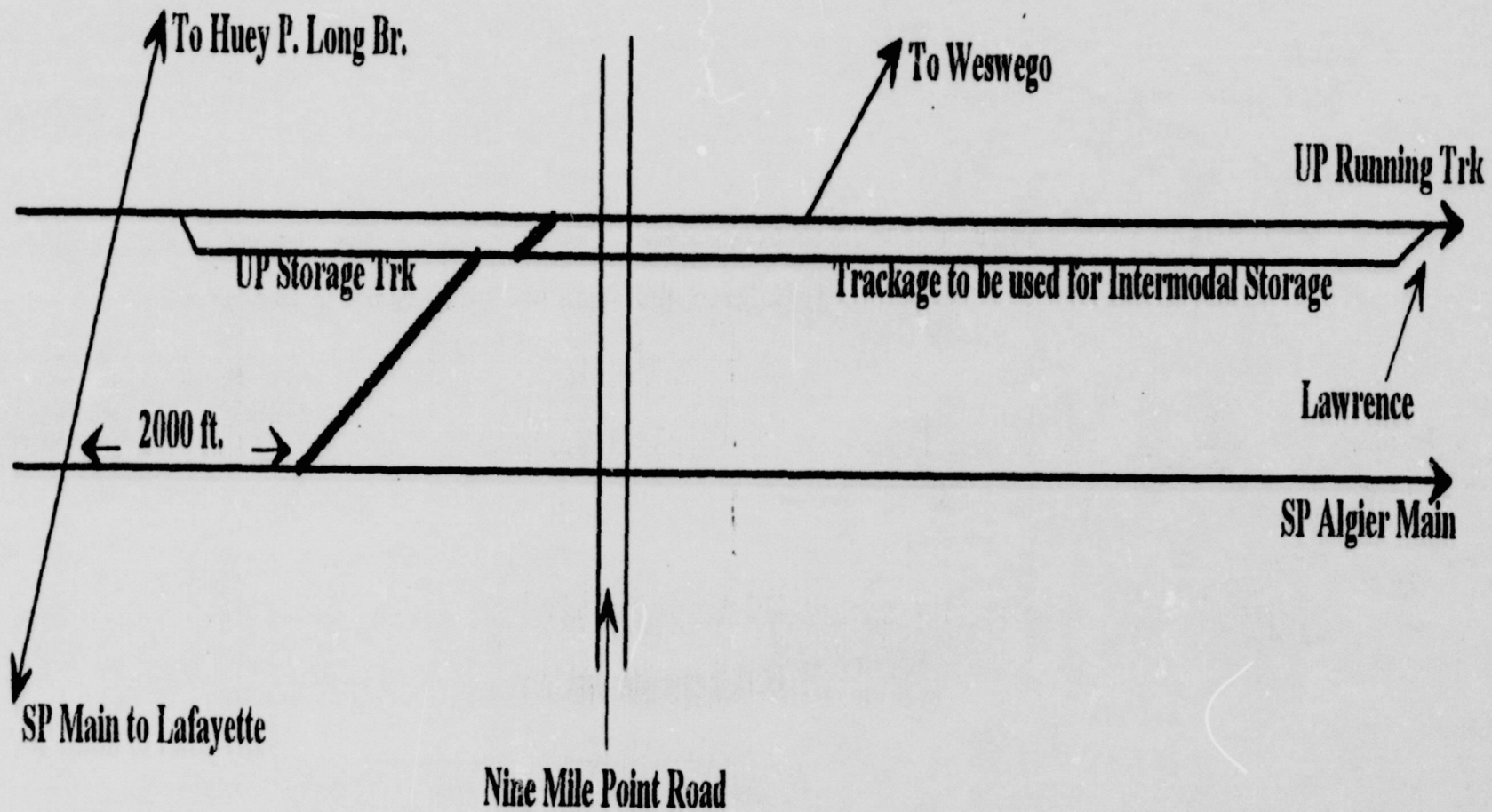
**FIGURE 7 - CONNECTIONS AT MP
12.25 AVONDALE, LA**

- * Two crossovers are planned from the SP Algiers branch to a UP storage track, and thence to the UP Algiers running track. This will permit direct access for BN/Santa Fe movements between the Westwego Intermodal Ramp and the BN/Santa Fe Yard. Figure 8 shows the proposed trackage.

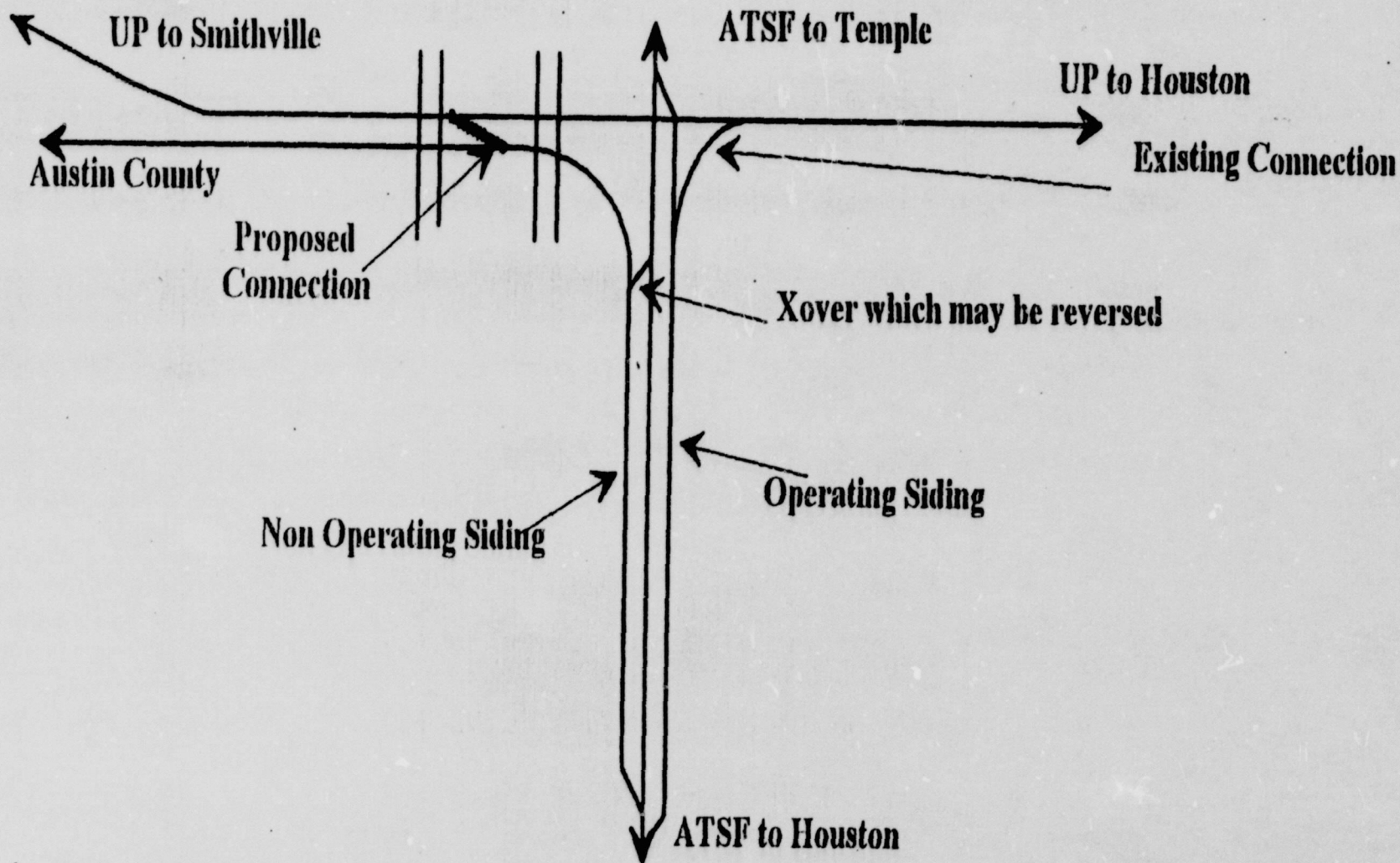
b. Sealy, TX. A new connection will be built between BN/Santa Fe trackage toward Houston and UP/SP's main track toward Smithville. This connection, estimated to cost \$600,000, will allow direct movement of BN/Santa Fe Kerr unit aggregate trains and manifest trains between Houston and Smithville. The connection will be a crossover from Austin County owned trackage to the UP/SP main track. The connection is shown in Figure 9. Construction is planned to start the first week of October 1996.

c. West Memphis, AR. A connection will be reestablished in the southwest quadrant of the BN/Santa Fe-UP/SP crossing at Bridge Jct., AR (see Figure 10). This connection, estimated to cost \$1.8 million, is receiving first priority. Preliminary work began September 16, 1996, and completion is expected prior to initial direct train service on December 16.

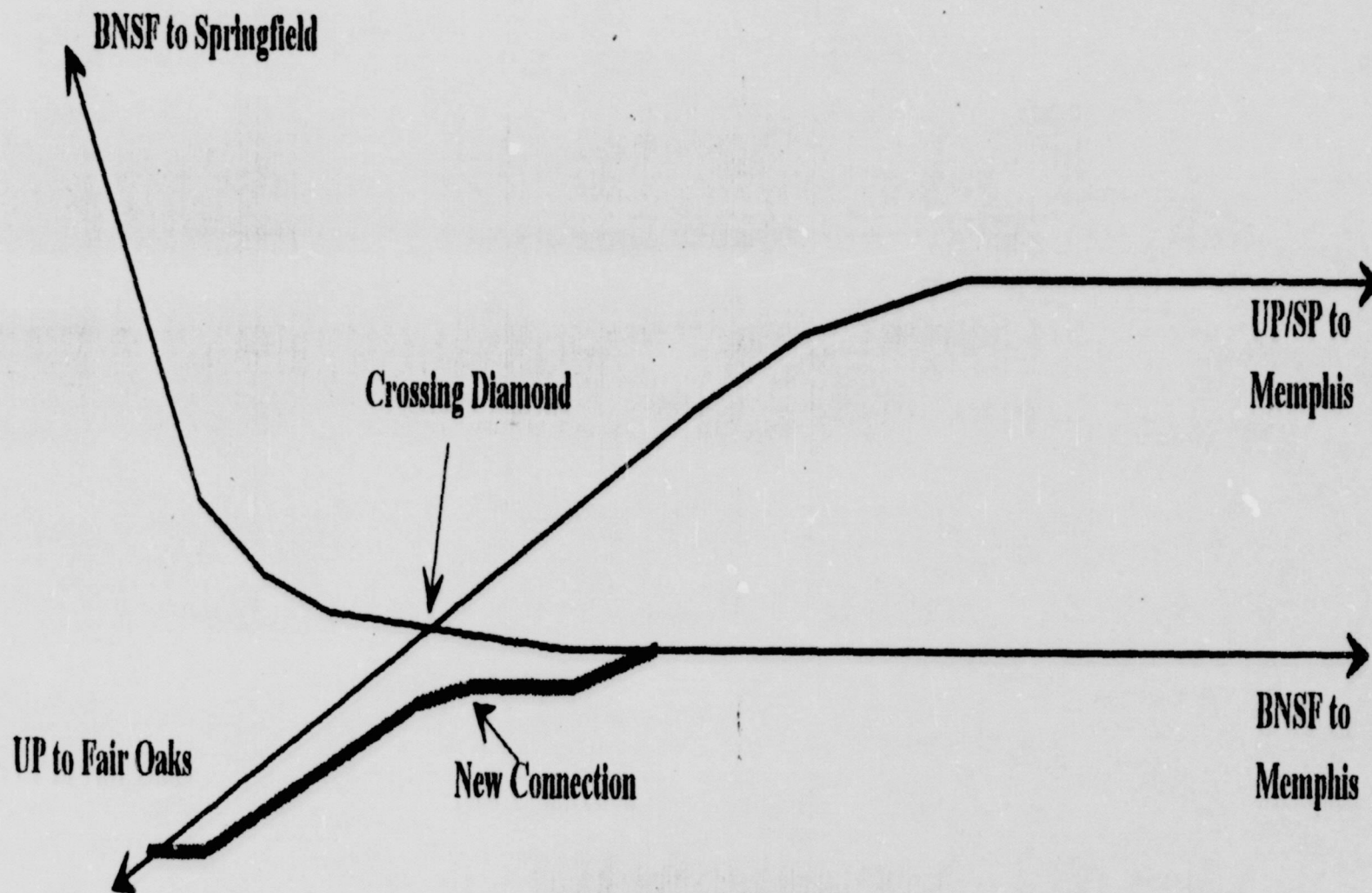
d. Robstown. A new connection to enable direct Houston-Laredo train movements was submitted as part of BN/Santa Fe's original service description. The same, or similar, connection was projected by Texas Mexican's Operating Plan. BN/Santa Fe does not plan to build this connection as part of its Operating Plan. If Tex Mex plans for such a connection go forward, BN/Santa Fe would anticipate entering into negotiation with Tex Mex for mutually satisfactory operating arrangements.



**FIGURE 8 - WESTWEGO, LA
CONNECTIONS**



**FIGURE 9 - CONNECTION AT
SEALY, TX**



**FIGURE 10 - CONNECTION AT
WEST MEMPHIS, AR**

B. CENTRAL REGION

1. Denver-Stockton/Richmond. This corridor and its train crew districts are depicted by Figures 11 and 12.

a. Through Train Service. BN/Santa Fe will begin to serve this corridor with two daily trains, one in each direction, which will be mixed manifest/intermodal trains. As traffic volumes increase, BN/Santa Fe will increase the number of through trains that operate over the Central Corridor. BN/Santa Fe also will run additional grain trains as needed as is further described in the Verified Statement of Richard W. Brown.

- * Trains M-STODEN and M-DENSTO will operate between Stockton and Denver starting on or about October 10, 1996. These trains will carry manifest, automotive and intermodal traffic using UP's route west of Winnemucca, NV via Portola, CA and Keddle. Both will set out and pick up in Portola, Elko, NV and Salt Lake City. UP/SP crews will operate the trains for a period of up to one year between Denver and Salt Lake City, and until further notice between Salt Lake City and Stockton/Richmond.
- * Unit coal trains from the Utah Railway will be operated as needed in either direction from Grand Junction, CO and Provo, UT.

Schedule outlines for the above trains are contained in the Operating Plan Appendix.

b. Local Train Service.

- * UP/SP will provide local service for BN/Santa Fe to and from 2 to 1 stations in Nevada. BN/Santa Fe through trains will set out and pick up this traffic in Elko and Portola.
- * UP/SP will provide local service for BN/Santa Fe to and from Reno, NV. BN/Santa Fe through trains will set out and pick up this traffic in Elko and Stockton.

Figure 11

CENTRAL SP ROUTE

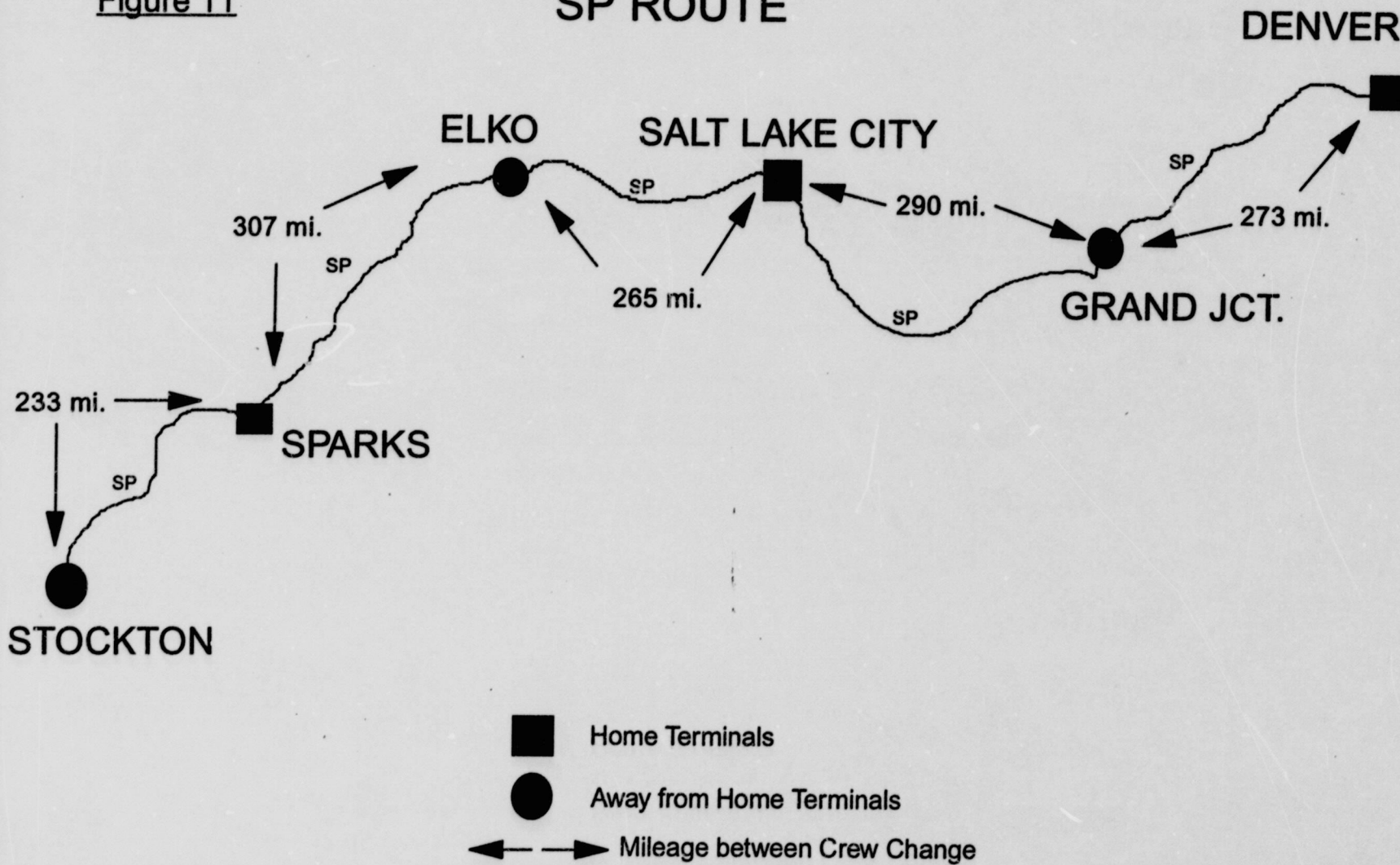
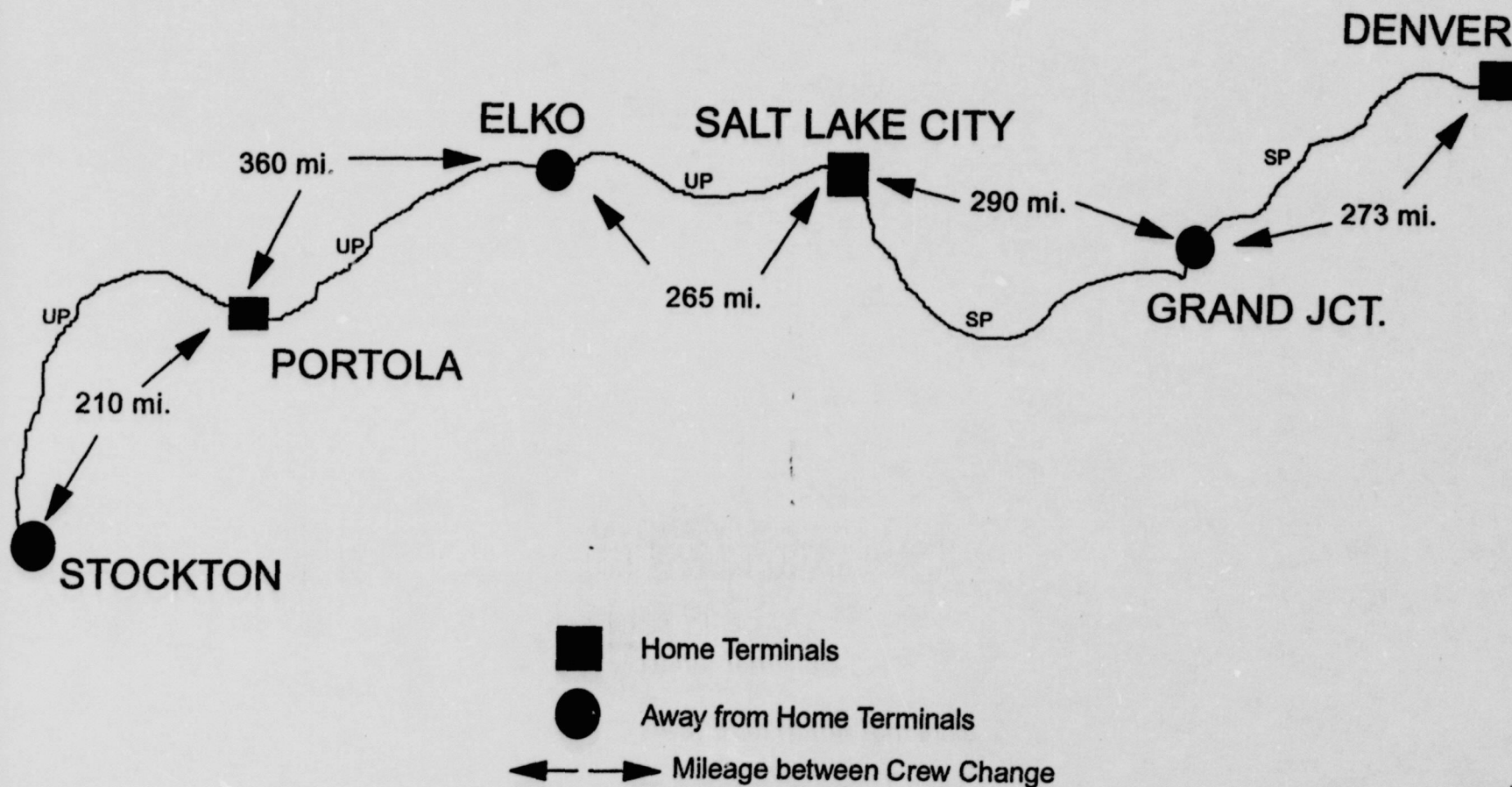


Figure 12

CENTRAL UP ROUTE



- * UP/SP will provide local service for BN/Santa Fe to and from stations in the Ogden/Salt Lake City/Provo corridor. BN/Santa Fe through trains will set out and pick up this traffic in Salt Lake City.

c. Yard Operation.

- * Denver. Trains will originate and terminate at BN/Santa Fe's existing Denver Yard. This yard will block westbound traffic for set out by M-DENSTO and will classify traffic arriving on M-STODEN for all connections.
- * Provo/Grand Junction/Helper. Utah Railway interchange will be handled by BN/Santa Fe road crews.
- * Salt Lake City. UP/SP will switch BN/Santa Fe traffic at Salt Lake City. This includes intermodal traffic which BN/Santa Fe will serve from current SP Roper Yard facilities. UP/SP will handle BN/Santa Fe local traffic to and from the Greater Salt Lake City corridor, including interchange traffic, using SP's Roper Yard for gathering and distribution.
- * Sacramento. UP/SP will switch BN/Santa Fe traffic in the Sacramento area. BN/Santa Fe through trains will set out and pick up at The UP South Sacramento Yard.
- * Stockton. BN/Santa Fe trains will use the existing BN/Santa Fe Mormon Yard. Train M-STODEN will be blocked from Stockton for through movement to Denver.
- * Richmond. BN/Santa Fe trains will use the existing BN/Santa Fe Yard. Central Corridor manifest traffic will move on existing trains to Stockton for placement on Denver trains. Richmond Yard will originate a BN/Santa Fe local hauling traffic for the Oakland-San Jose corridor.

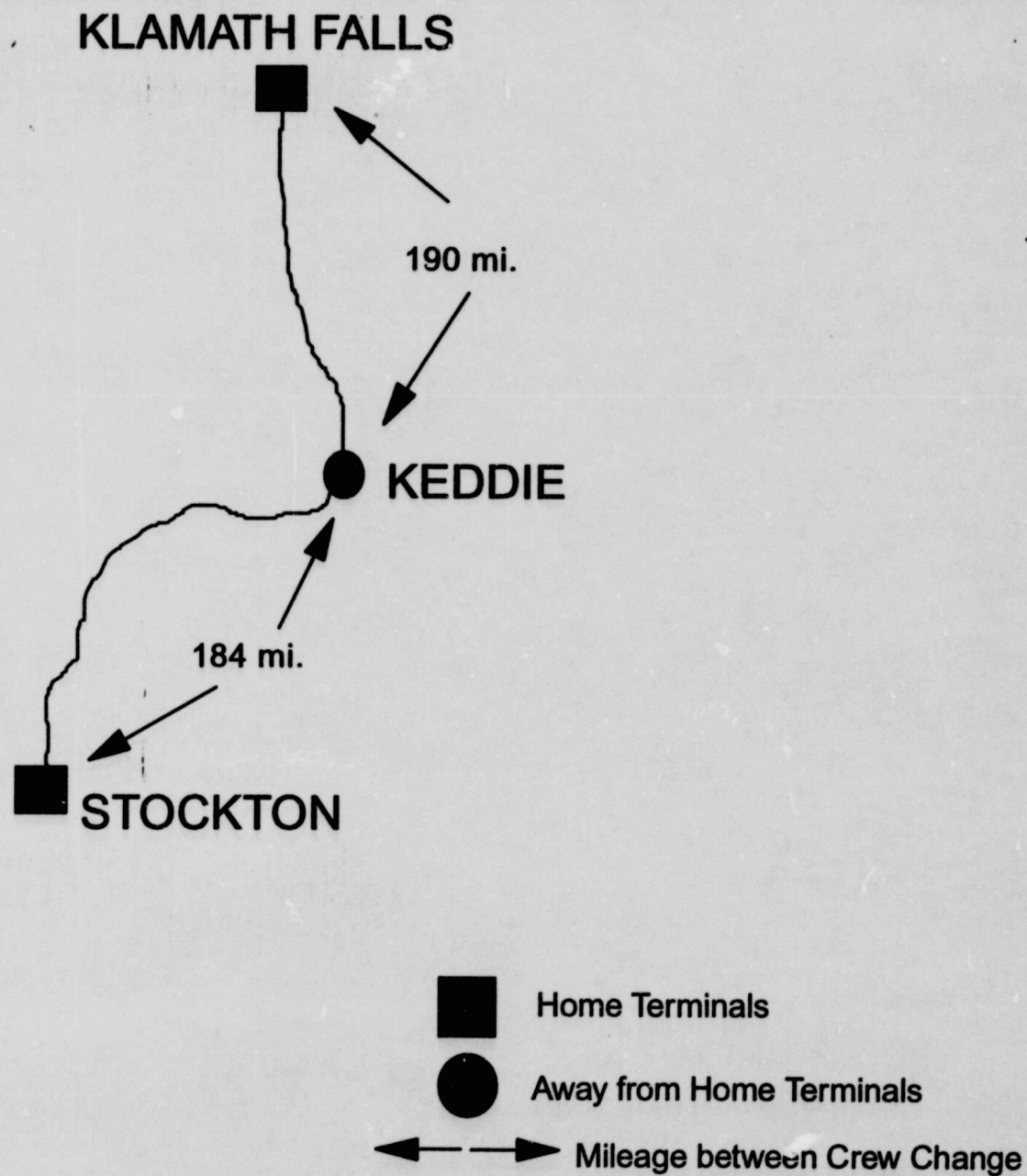
2. Bieber-Stockton/Richmond. This corridor and its train crew districts are depicted by Figure 13.

a. Through Train Service. BN/Santa Fe will serve this corridor with one daily through train, in each direction.

- * Trains M-KLABAR and M-BARKLA will operate between Barstow, CA and Klamath Falls, OR. The start-up date is planned for no later than December 16, 1996. Richmond and San Joaquin Valley connections will be made at Stockton. At Klamath Falls, Pasco, WA and

I-5 Corridor

Figure 13



Vancouver, WA, blocked traffic will also move on connections.

As traffic volumes grow, BN/Santa Fe will introduce new service to this corridor. Schedule outlines for the above trains are contained in the Operating Plan Appendix.

b. Local Train Service.

- * BN/Santa Fe through trains will provide local service on the Bieber to Keddie segment acquired by BN/Santa Fe. There is no local service to be performed on the trackage rights segment between Stockton and Keddie.

c. Yard Operation.

- * Klamath Falls. Trains will originate and terminate at BN/Santa Fe's existing Klamath Falls Yard. This yard will block southbound traffic for M-KLABAR and will classify traffic arriving on M-BARKLA for continuing northward movement. North of Klamath Falls, Seattle-Portland traffic will be handled on existing trains 681-682, and Pasco-Spokane traffic will move on trains 671-672.
- * Sacramento. UP/SP will switch BN/Santa Fe traffic in the Sacramento area. BN/Santa Fe through trains will set out and pick up the UP South Sacramento Yard.
- * Stockton. BN/Santa Fe trains will use the existing BN/Santa Fe Mormon Yard. Train M-BARKLA will be filled and blocked from Stockton for through movement to Klamath Falls.
- * Richmond. BN/Santa Fe trains will use the existing BN/Santa Fe Yard. I-5 Corridor manifest traffic will move on existing trains to Stockton for placement on Klamath Falls trains.

3. Northern California Local. BN/Santa Fe will operate a daily local train between Richmond and Warm Springs, CA. Traffic south of Warm Springs (Milpitas, CA and San Jose, CA) will be switched for BN/Santa Fe by UP/SP with interchange in the Warm Springs

area. The local's schedule appears in the Appendix as train L-RICWAR.

Traffic for 2-to-1 customers at Turlock will be handled by BN/Santa Fe to Empire, CA for interchange to the Modesto & Empire Traction Railroad.

4. Los Angeles Basin. BN/Santa Fe will operate a weekday local between its San Bernardino, CA Yard and Ontario, CA to serve new industries. The local's schedule appears in the Appendix as train L-SANONT.

Traffic for Southgate/Patata will be switched by UP/SP on a reciprocal basis. The same is true for most LaHabra branch traffic. Interchange will be at BN/Santa Fe's Los Angeles Hobart Yard. Some LaHabra branch traffic may be served directly by existing BN/Santa Fe locals based in Pico Rivera, CA, dependent upon volume and actual destination.

5. Two-to-One Stations Not on Trackage Rights. UP/SP will provide haulage/switching service for BN/Santa Fe traffic at 2-to-1 stations not on trackage rights in the Central Region. Interchange will occur at locations providing the most efficient connection, generally the nearest interchange to the 2-to-1 station.

6. Other Operations.

a. Crew Districts and Personnel. BN/Santa Fe will operate the Central Region using the following home terminal locations. The number of employees required to operate new train and engine service, including extra board employees, is estimated for each

location. Denver, Richmond/Stockton and Klamath Falls are existing BN/Santa Fe terminals. Salt Lake City is new to the system.

<u>Home Terminal</u>	<u>Train</u>	<u>Engine</u>
Denver	6	6
Salt Lake City	5	5
Klamath Falls	3	3
Stockton/Richmond ^{9/}	0	0

Train and engine crew districts were depicted on the corridor maps, Figures 11-13.

b. Blocking Plan. Terminals will make new blocks to implement BNSF's Operating Plan as follows:

Denver

Salt Lake City
Nevada Shorts
California Shorts
Stockton/Richmond

Salt Lake City

Denver
Nevada Shorts
California Shorts
Stockton/Richmond

Stockton

Klamath Falls
Denver
Salt Lake City
Nevada Shorts
California Shorts

^{9/} BN/Santa Fe's current train and engine forces are adequate to handle new Central Corridor train service.

Klamath Falls

Barstow
Stockton/Richmond
California Shorts

Barstow

Klamath Falls

c. Mechanical Requirements.

Locomotives. No new facilities are planned. Road locomotives will be fueled and serviced at existing BN/Santa Fe facilities at Denver, Stockton/Richmond and Klamath Falls. UP/SP will provide any needed locomotive servicing at Salt Lake City Roper Yard.

Cars. BN/Santa Fe's existing forces at Richmond/Stockton and Klamath Falls will handle most on-line requirements in California. Existing BN/Santa Fe forces will also handle any needed repairs on trackage rights lines in the Denver area. UP/SP road truck support will be provided for other on-line emergency and minor repairs at elsewhere in the Central Region. UP/SP forces will perform necessary 1000 mile inspections in Roper Yard, Salt Lake City.

d. Interchanges. New interchange locations for BN/Santa Fe include:

Grand Junction/Provo	Utah Railway
Salt Lake City	Garfield & Western
Ogden	Utah Central
Shafter	Nevada Northern
Sacramento	Yolo Shortline

e. Administrative Functions. The line acquired by BN/Santa Fe between Bieber and Keddle will become part of

BN/Santa Fe's Oregon Division headquartered in Vancouver, WA. The segment will be dispatched from Fort Worth.

BN/Santa Fe operations between Denver and Salt Lake City, including the Salt Lake City area, will be supervised by officers of its Colorado Division headquartered in Denver.

West of Salt Lake City to Stockton/Richmond operations will be supervised by BN/Santa Fe's Northern California Division headquartered in Stockton. This includes trackage rights on both former UP and SP lines between Sacramento and Stockton.

BN/Santa Fe will establish a supervisory Trainmaster's position at Salt Lake City.

Central Region Customer Service will be assigned to BN/Santa Fe's Customer Service Center in Topeka.

BN/Santa Fe's TSS computer system will be installed on Central Region lines.

f. Equipment. Operating Plan Central Region train service, as a self-contained operation, requires 34 locomotive units. BN/Santa Fe expects that 4 of these units will come from existing local service between Klamath Falls and Bieber; and by retaining 30 locomotives in its existing leased fleet, otherwise due for return during the last quarter of 1996.

BN/Santa Fe's existing car fleet is adequate for service detailed herein. Normal course-of-business adjustments will be made in fleet size and assignments as business volumes develop on individual Central Region line segments.

7. Capital Requirements.

a. Stockton. A new connection will be constructed in the northeast quadrant of the UP/SP and BN/Santa Fe railroad intersection in Stockton. This will permit direct movement of trains between trackage rights north of Stockton and BN/Santa Fe's trackage to its Mormon Yard at Stockton and continuing eastward toward Barstow. Final engineering for this connection is dependent upon detailed UP/SP planning for route consolidation in the city of Stockton, but, will be high on BN/Santa Fe's priority list. The connection is estimated to cost \$1.0 million. Figure 14 shows the construction as now planned. Until the connection is constructed, BN/Santa Fe trains will use an existing connection in the southeast quadrant.

b. Richmond. A connection will be reestablished between UP/SP and BN/Santa Fe main tracks east of the present grade separated intersection in Richmond. However, construction of this connection will be deferred until such time as direct train service, requiring access to Richmond Yard, begins on UP/SP's Cal-P route west of Sacramento. No construction is needed to implement Richmond-Warm Springs local service.

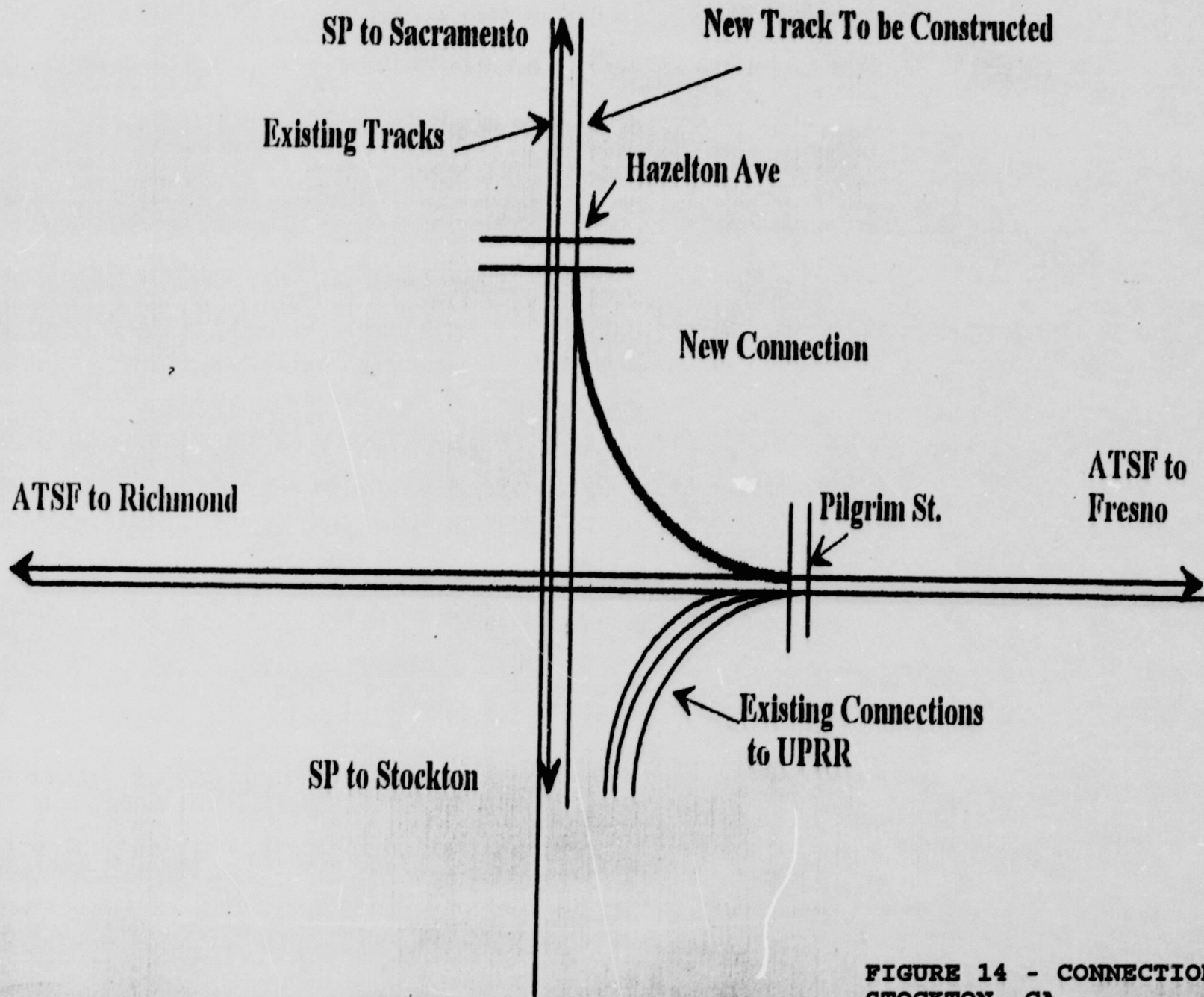


FIGURE 14 - CONNECTION AT STOCKTON, CA

APPENDIX -- THROUGH TRAIN SCHEDULES

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M HOUNEO1 A 1
 M HONE1 A 1

Days of Operation Origin Destination Effective 12/16/96
 MO TU WE TH FR SA SU HOUSTON TO NEW ORLEANS Expiration XX/XX/XX
 Service Type M Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
HOUSTON	TX	CT	1	ORIG 0600	Y N N	1.7						9000	8000	
BEAUMONT	TX		1	0900 0930	N N N	1.7						9000	8000	
LAFAYETTE	LA		1	1700 1900	Y N N	1.7						9000	8000	
AVONDALE	LA		2	0045 0115	N N N	1.7						9000	8000	
NEW ORLEA	LA		2	0245 DEST	Y N N	1.7						9000	8000	

Description:
 HOUSTON TO NEW ORLEANS-CSXT MANIFEST TRAIN

Total Run Time 20 hours 45 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M HOUNEO1 A 1

Station	Numb	Seq	W	Blk	Trn	SO	Stn	Description
HOUSTON	10	F	BEAUM	BEAUM	BEAUMONT MANIFEST (INCLUDES ORANGE, LAKE CHARLES)			
	20	F	LAFAY	LAFAY	LAFAYETTE MANIFEST			
	30	F	AVOND	LAFAY	AVONDALE MANIFEST (CONNECTS TO TEMNEO)			
	40	F	NEWOC	NEWOC	NEW ORLEANS CSXT MANIFEST			
BEAUMONT	10	T	LAFAY	LAFAY	LAFAYETTE MANIFEST			
	20	T	AVOND	AVOND	AVONDALE MANIFEST (CONNECTS TO TEMNEO)			
	30	T	NEWOC	NEWOC	NEW ORLEANS CSXT MANIFEST			
LAFAYETTE	10	F	NEWOC	NEWOC	NEW ORLEANS CSXT MANIFEST			
AVONDALE	10	T	NEWOC	NEWOC	NEW ORLEANS CSXT MANIFEST			

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M NEOHOUL A 1
 M NEOHOL A 1

Days of Operation Origin Destination Effective 12/16/96
 MO TU WE TH FR SA SU NEW ORLEANS TO HOUSTON Expiration XX/XX/XX
 Service Type M Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	R E S	U N HPT	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
NEW ORLEA	LA	CT	1	ORIG 1600	Y N N	1.7						9000	8000
AVONDALE	LA		1	1730 1800	N N N	1.7						9000	8000
LAFAYETTE	LA		2	2345 0630	Y N N	1.7						9000	8000
BEAUMONT	TX		3	1330 1430	N N N	1.7						9000	8000
HOUSTON	TX		2	1730 DEST	Y N N	1.7						9000	8000

Description:
 NEW ORLEANS (FROM CSXT) TO HOUSTON MANIFEST TRAIN. CLASSIFY AT LAFAYETTE.

Total Run Time 25 hours 30 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M AVOHOUL A 1

Seq	Trn	SO	Station Numb	W Blk	Stn	Description
-----	-----	----	--------------	-------	-----	-------------

NEW ORLEA 10 F LAFAY LAFAY LAFAYETTE AND BEYOND MANIFEST

LAFAYETTE 10 F HOUST HOUST HOUSTON MANIFEST

BEAUMONT 10 F HOUST HOUST HOUSTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M NEOTEM1 A 1
 M NETE1 A 1

Days of Operation Origin Destination Effective 2Q 1997
 MO TU WE TH FR SA SU NEW ORLEANS TO TEMPLE Expiration XX/XX/XX
 Service Type M Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
NEW ORLEA	LA	CT	1	ORIG 1630		Y	N	N	1.0				9000	8000
AVONDALE	LA	CT	1	1800 1900		N	N	N	1.0				9000	8000
LAFAYETTE	LA		1	0045 0730		Y	N	N	1.0				9000	8000
BEAUMONT	TX		1	1430 1530		Y	N	N	1.7				9000	8000
TEMPLE	TX		2	0230 DEST		Y	N	N	1.7				9000	8000

Description:
 NEW ORLEANS TO TEMPLE MANIFEST TRAIN. CLASSIFY AT LAFAYETTE.

Total Run Time 34 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M NEOTEM1 A 1

Station	Numb	W	Blk	Trn	SO	Description
NEW ORLEA	10	F	LAFAY	LAFAY		LAFAYETTE AND BEYOND MANIFEST
AVONDALE	10	F	LAFAY	LAFAY		LAFAYETTE AND BEYOND MANIFEST
LAFAYETTE	10	F	BEAUM	BEAUM		BEAUMONT MANIFEST
	20	F	TEMPL	TEMPL		TEMPLE MANIFEST
BEAUMONT	10	F	TEMPL	TEMPL		TEMPLE MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 Q LOSAV01 A 1
 Q LAAV1 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type Q

Origin Destination
 LOS ANGELES TO AVONDALE

Effective 3Q 1997
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I	R U N	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						W L P	E E S	HPT					
LOS ANGEL	CA	PT	1	ORIG	2100	Y N N	3.0					6000	7500
BARSTOW	CA		2	0230	0400	Y N N	3.0					6000	7500
NEEDLES	CA		2	0830	0845	Y N N	3.0					6000	7500
WINSLOW	AZ	MT	2	1700	1715	Y N N	3.0					6000	7500
BELEN	NM		3	0001	0115	Y Y Y	3.0					6000	7500
CLOVIS	NM		3	0745	0915	Y N N	3.0					6000	7500
SLATON	TX	CT	3	1245	1300	Y N N	3.0					6000	7500
SWEETWATE	TX		3	1545	1600	Y N N	3.0					6000	7500
TEMPLE	TX		4	0045	0215	Y Y Y	3.0					6000	7500
SILSBEE	TX		4	1015	1030	Y N N	3.0					6000	7500
LAFAYETTE	LA		4	1615	1630	Y N N	3.0					6000	7500
AVONDALE	LA		4	2100	DEST	Y N N	3.0					6000	7500

Description:
 LOS ANGELES TO AVONDALE INTERMODAL TRAIN

Total Run Time 70 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 Q LOSAV01 A 1

Seq	Trn	SO	Station Numb	W	Blk	Stn	Description
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LOS ANGEL 10 F AVONT AVONT AVONDALE INTERMODAL

CLOVIS 10 F AVONT AVONT AVONDALE INTERMODAL

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 Q AVOLOS1 A 1
 Q AVLAI A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type Q

Origin Destination
 AVONDALE TO LOS ANGELES

Effective 3Q 1997
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
AVONDALE	LA	CT	1	ORIG 0700	0700	Y	N	N	3.0				6000	7500
LAFAYETTE	LA		1	1130	1145	Y	N	N	3.0				6000	7500
SILSBEE	TX		1	1730	1745	Y	N	N	3.0				6000	7500
TEMPLE	TX		2	0145	0315	Y	N	N	3.0				6000	7500
SWEETWATE	TX		2	1200	1215	Y	N	N	3.0				6000	7500
SLATON	TX		2	1500	1515	Y	N	N	3.0				6000	7500
CLOVIS	NM	MT	2	1645	1815	Y	N	N	3.0				6000	7500
BELEN	NM		3	0045	0200	Y	Y	Y	3.0				6000	7500
WINSLOW	AZ		3	0845	0900	Y	N	N	3.0				6000	7500
NEEDLES	CA	PT	3	1515	1530	Y	N	N	3.0				6000	7500
BARSTOW	CA		3	2000	2130	Y	N	N	3.0				6000	7500
LOS ANGEL	CA		4	0300	DEST	Y	N	N	3.0				6000	7500

Description:

AVONDALE TO LOS ANGELES INTERMODAL TRAIN

Total Run Time 70 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 Q AVOLOS1 A 1

Seq Trn SO
 Station Numb W Blk Stn

Description

AVONDALE	10	F	LOSAN	LOSAN	LOS ANGELES INTERMODAL
	20	F	SANBE	SANBE	SAN BERNADINO INTERMODAL
CLOVIS	10	F	LOSAN	LOSAN	LOS ANGELES INTERMODAL

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M TEMNEO1 A 1
 M TENEL A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type M

Origin Destination
 TEMPLE TO NEW ORLEANS

Effective 2Q 1997
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
TEMPLE	TX	CT	1	ORIG 1700		Y	N	N	1.7					
BEAUMONT	TX		2	0400 0800		Y	N	N	1.0			9000	8000	
LAFAYETTE	LA		2	1500 2200		Y	N	N	1.0			9000	8000	
AVONDALE	LA		3	0445 0545		N	N	N	1.0			9000	8000	
NEW ORELE	LA		3	0715 DEST		Y	N	N	1.0			9000	8000	

Description:
 TEMPLE TO NEW ORLEANS MANIFEST TRAIN. CLASSIFY AT LAFAYETTE.

Total Run Time 38 hours 15 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M TEMAVOL A 1

Station	Seq	W	Trn	Blk	Stn	Description
TEMPLE	10	F	BEAUM	BEAUM		BEAUMONT MANIFEST
	20	F	LAFAY	LAFAY		LAFAYETTE MANIFEST
	30	F	AVOND	AVOND		AVONDALE MANIFEST
	40	F	NEWOC	LAFAY		NEW ORLEANS CSXT MANIFEST (CONNECTS TO HOUNEO1)
BEAUMONT	10	F	LAFAY	LAFAY		LAFAYETTE MANIFEST
	20	F	AVOND	AVOND		AVONDALE MANIFEST
	30	F	NEWOC	LAFAY		NEW ORLEANS CSXT MANIFEST (CONNECTS TO HOUNEO1)
LAFAYETTE	10	F	AVOND	AVOND		AVONDALE MANIFEST
	20	F	NEOPB	NEOPB		NEW ORLEANS PORT MANIFEST
	30	F	NEOIC	NEOIC		NEW ORLEANS ICG MANIFEST
	40	F	NEOKC	NEOKC		NEW ORLEANS KCS MANIFEST
	50	F	NEONS	NEONS		NEW ORLEANS NS MANIFEST
AVONDALE	10	T	NEOPB	NEOPB		NEW ORLEANS PORT MANIFEST
	20	T	NEOIC	NEOIC		NEW ORLEANS ICG MANIFEST
	30	T	NEOKC	NEOKC		NEW ORLEANS KCS MANIFEST
	40	T	NEONS	NEONS		NEW ORLEANS NS MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 L BEALKC1 A 1
 L BALK1 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type L

Origin Destination
 BEAUMONT-LK. CHARLES-BEAUMONT

Effective 12/16/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						P	U	N						
BEAUMONT	TX	CT	1	ORIG 1100		Y	N	N	1.0				9000	8000
ORANGE	TX		1	1300	1400	N	N	N	1.0				9000	8000
LAKE CHAR	LA		1	1600	1700	N	N	N	1.0				9000	8000
ORANGE	TX		1	1900	2000	N	N	N	1.0				9000	8000
BEAUMONT	TX		1	2200	DEST	Y	N	N	1.0				9000	8000

Description:

BEAUMONT TO LAKE CHARLES AND RETURN LOCAL TRAIN

Total Run Time 11 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 L BEALKC1 A 1

Seq Trn SO
 Station Numb W Blk Stn

Description

BEAUMONT 10 F LOCAL

BEAUMONT - LAKE CHARLES SHORTS

LAKE CHAR 10 F LOCAL

LAKE CHARLES - BEAUMONT SHORTS

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 L HOUSJ01 A 1
 L HOSJ1 A 1

Days of Operation MO TU WE TH FR SA SU
 Service Type L
 Origin HOUSTON-SJOLANDER-HOUSTON
 Destination
 Effective 12/16/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I R U N E E S W L P	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
HOUSTON	TX	CT	1	ORIG 0315	0315	Y N N	1.0				9000	8000
DAYTON	TX		1	0515	0715	N N N	1.0				9000	8000
SJOLANDER	TX		1	0815	1015	N N N	1.0				9000	8000
DAYTON	TX		1	1115	1315	N N N	1.0				9000	8000
HOUSTON	TX		1	1500	DEST	N N N	1.0				9000	8000

Description:
 HOUSTON TO SJOLANDER AND RETURN LOCAL TRAIN

Total Run Time 11 hours 45 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 L HOUSJ01 A 1

Seq Trn SO
 Station Numb W Blk Stn

Description

HOUSTON	10 F LOCAL	HOUSTON TO DAYTON AND SJOLANDER SHORTS
SJOLANDER	10 F LOCAL	SJOLANDER AND DAYTON TO HOUSTON SHORTS

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M HOUMEM1 A 1
 M HOME1 A 1

Days of Operation Origin Destination Effective 12/16/96
 MO TU WE TH FR SA SU HOUSTON TO MEMPHIS (SP2) Expiration XX/XX/XX
 Service Type M Last Update 09/17/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
HOUSTON	TX	CT	1	ORIG 2200	Y N N	2.0								
SHREVEPOR	LA	2		0800 0930	Y N N	2.0						9000	7500	
PINE BLUF	AR	2		1730 1900	Y N N	1.0						9000	7500	
MEMPHIS	TN	3		0001 DEST	Y N N	1.0						9000	7500	

Description:
 HOUSTON TO MEMPHIS MANIFEST TRAIN

Total Run Time 26 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M HOUMEM1 A 1

Station	Numb	W	Blk	Stn	Seq	Trn	SO	Description
HOUSTON	10	F	PINEB	PINEB				PINE BLUFF MANIFEST (INCLUDES LITTLE ROCK, CAMDEN)
	20	F	MEMPH	MEMPH				MEMPHIS MANIFEST (INCLUDES ST LOUIS PROPER)
	30	F	MEMPI	MEMPI				MEMPHIS ICG INTERCHANGE MANIFEST
SHREVEPOR	10	T	PINEB	PINEB				PINE BLUFF MANIFEST (INCLUDES LITTLE ROCK, CAMDEN)
	20	F	MEMPH	MEMPH				MEMPHIS MANIFEST (INCLUDES ST LOUIS PROPER)
	30	F	MEMPI	MEMPI				MEMPHIS ICG INTERCHANGE MANIFEST
PINEBLUFF	10	F	MEMPH	MEMPH				MEMPHIS MANIFEST (INCLUDES ST LOUIS PROPER)
	20	F	MEMPI	MEMPI				MEMPHIS ICG INTERCHANGE MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M MEMHOUI A 1
 M MEHO1 A 1

Days of Operation MO TU WE TH FR SA SU
 Service Type M
 Origin EAST ST LOUIS
 Destination TO HOUSTON (SP2)
 Effective 12/16/96
 Expiration XX/XX/XX
 Last Update 09/17/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I	R U N	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
MEMPHIS	TN	CT	1	ORIG	2200	Y	N N	1.0					
PINE BLUF	AR		2	0300	0430	Y	N N	2.0			9000	7500	
SHREVEPOR	LA		2	1230	1400	Y	N N	2.0			9000	7500	
HOUSTON	TX		3	0001	DEST	Y	N N	2.0			9000	7500	

Description:
 MEMPHIS TO HOUSTON MANIFEST TRAIN

Total Run Time 26 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 2
 M MEMHOUI A 1

Station	Numb	W	Blk	Trn	SO	Stn	Description
MEMPHIS	10	F	PINEB	PINEB			PINE BLUFF MANIFEST (INCLUDES LITTLE ROCK, CAMDEN)
	20	F	LONGV	SHREV			LONGVIEW MANIFEST
	30	F	HOUST	HOUST			HOUSTON MANIFEST
PINEBLUFF	10	F	LONGV	SHREV			LONGVIEW MANIFEST
	20	F	HOUST	HOUST			HOUSTON MANIFEST
SHREVEPOR	10	T	HOUST	HOUST			HOUSTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M HOUMEM2 A 1
 M HOME2 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type M

Origin Destination
 HOUSTON TO MEMPHIS

Effective 2Q 1997
 Expiration XX/XX/XX
 Last Update 08/08/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
HOUSTON	TX	CT	1	ORIG	2200	Y	N	N	2.0				9000	7500
SHREVEPOR	LA		2	0800	0815	Y	N	N	2.0				9000	7500
PINE BLUF	AR		2	1615	1630	Y	N	N	2.0				9000	7500
MEMPHIS	TN		2	2130	DEST	Y	N	N	2.0				9000	7500

Description:HOUSTON TO MEMPHIS ICG MANIFEST TRAIN

Total Run Time 23 hours 30 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M HOUMEM2 A 1

Seq Trn SO
 Station Numb W Blk Stn

Description

HOUSTON	10	F	MEMPI	MEMPI	MEMPHIS - ICG MANIFEST
SHREVEPOR	10	T	MEMPI	MEMPI	MEMPHIS - ICG MANIFEST
PINEBLUFF	10	T	MEMPI	MEMPI	MEMPHIS - ICG MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M MEMHOU2 A 1
 M MEHO2 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type M

Origin Destination
 MEMPHIS TO HOUSTON

Effective 2Q 1997
 Expiration XX/XX/XX
 Last Update 09/17/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
MEMPHIS	TN	CT	1	ORIG	2200	Y	N	N	2.0				9000	7500
PINE BLUF	AR		2	0300	0315	Y	N	N	2.0				9000	7500
SHREVEPOR	LA		2	1115	1130	Y	N	N	2.0				9000	7500
HOUSTON	TX		2	2130	DEST	Y	N	N	2.0				9000	7500

Description:
 MEMPHIS - ICG TO HOUSTON MANIFEST TRAIN

Total Run Time 23 hours 30 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M MEMHOU2 A 1

Station	Numb	W	Seq	Trn	Blk	SO	Stn	Description

MEMPHIS	10	F	HOUST	HOUST				HOUSTON MANIFEST
PINEBLUFF	10	T	HOUST	HOUST				HOUSTON MANIFEST
SHREVEPOR	10	T	HOUST	HOUST				HOUSTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M HOUESL1 A 1
 M HOES1 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type M

Origin Destination
 HOUSTON TO EAST ST LOUIS

Effective 12/16/96
 Expiration XX/XX/XX
 Last Update 09/17/96

Station	St	TZ	Day	Arr Time	Dpt Time	RUN	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
				C F I								
				W L P								
HOUSTON	TX	CT	1	ORIG 2200	Y N N	1.5						
PALESTINE	TX		2	0530 0545	Y N N	1.5				9000	7200	
LONGVIEW	TX		2	0815 0945	N N N	1.5				9000	7200	
TEXARKANA	AR		2	1415 1430	Y N N	1.5				9000	7200	
LITTLE RO	AR		2	1930 2100	Y N N	1.0				9000	7200	
HOXIE	AR		3	0001 0100	N N N	1.0				9000	7200	
POPLAR BL	MO		3	0330 0345	Y N N	1.0				9000	7200	
EAST ST L IL			3	1145 DEST	Y N N	1.0				9000	7200	

Description:

HOUSTON TO EAST ST LOUIS MANIFEST TRAIN

Total Run Time 37 hours 45 mins

***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M HOUESL1 A 1

Seq Trn SO
 Station Numb W Blk Stn

Description

HOUSTON	10 F	LITTL	LITTL	LITTLE ROCK MANIFEST (INCLUDES PINE BLUFF, CAMDEN)
	20 F	MEMPH	HOXIE	MEMPHIS MANIFEST (INCLUDES ST LOUIS PROPER)
	30 F	ESTLO	ESTLO	EAST ST LOUIS MANIFEST
LONGVIEW	10 T	LITTL	LITTL	LITTLE ROCK MANIFEST (INCLUDES PINE BLUFF, CAMDEN)
	20 F	MEMPH	HOXIE	MEMPHIS MANIFEST (INCLUDES ST LOUIS PROPER)
	30 F	ESTLO	ESTLO	EAST ST LOUIS MANIFEST
LITTLE RO	10 F	MEMPH	HOXIE	MEMPHIS MANIFEST (INCLUDES ST LOUIS PROPER)
	20 F	ESTLO	ESTLO	EAST ST LOUIS MANIFEST
HOXIE	10 T	ESTLO	ESTLO	EAST ST LOUIS MANIFEST

**** Train System ****
 - TSP Train Schedule -

Train Sch ID Alt
 M ESLHOU1 A 1
 M ESHO1 A 1

Days of Operation Origin Destination Effective 12/16/96
 MO TU WE TH FR SA SU EAST ST LOUIS TO HOUSTON
 Expiration XX/XX/XX
 Service Type M Last Update 09/17/96

Station	St	TZ	Day	Arr Time	Dpt Time	R E S	U E S	N HPT	Max Yard Time	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
EAST ST L	IL	CT	1	ORIG	2200	Y	N	N	1.0				9000	7200
POPLAR BL	MO		2	0600	0615	Y	N	N	1.0				9000	7200
HOXIE	AR		2	0845	0945	N	N	N	1.0				9000	7200
LITTLE RO	AR		2	1245	1415	Y	N	N	1.5				9000	7200
TEXARKANA	AR		2	1915	1930	Y	N	N	1.5				9000	7200
LONGVIEW	TX		3	0001	0230	N	N	N	1.5				9000	7200
PALESTINE	TX		3	0400	0415	Y	N	N	1.5				9000	7200
HOUSTON	TX		3	1145	DEST	Y	N	N	1.5				9000	7200

Description:
 EAST ST LOUIS TO HOUSTON MANIFEST TRAIN VIA UP ROUTE

Total Run Time 37 hours 45 mins
 ***** End of Data *****

- TSP Train Block Information -

Train	Sch ID	Alt	Seq	Trn	SO	Station Numb	W	Blk	Stn	Description
M ESLHOU1	A	1								
			10	F	LITTL	LITTL				LITTLE ROCK MANIFEST (INCLUDES PINE BLUFF, CAMDEN)
			20	F	LONGV	LONGV				LONGVIEW MANIFEST
			30	F	HOUST	HOUST				HOUSTON MANIFEST
HOXIE			10	F	LITTL	LITTL				LITTLE ROCK MANIFEST (INCLUDES PINE BLUFF, CAMDEN)
			20	F	HOUST	HOUST				HOUSTON MANIFEST
			30	F	LONGV	LONGV				LONGVIEW MANIFEST
			50	T	HOUST	HOUST				HOUSTON MANIFEST
LITTLE RO			10	F	HOUST	HOUST				HOUSTON MANIFEST
			20	T	LONGV	LONGV				LONGVIEW MANIFEST
			30	T	HOUST	HOUST				HOUSTON MANIFEST
LONGVIEW			10	F	HOUST	HOUST				HOUSTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M HOUESL2 A 1
 M HOES2 A 1

Days of Operation Origin Destination Effective 2Q 1997
 MO TU WE TH FR SA SU HOUSTON TO EAST ST LOUIS Expiration XX/XX/XX
 Service Type M Last Update 09/17/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I	R U N	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
HOUSTON	TX	CT	1	ORIG 2200	Y N N 1.5	W L P					9000	7200	
PALESTINE	TX		2	0530 0545	Y N N 1.5						9000	7200	
LONGVIEW	TX		2	0815 0815	N N N 1.5						9000	7200	
TEXARKANA	AR		2	1245 1300	Y N N 1.5						9000	7200	
LITTLE RO	AR		2	1800 1815	Y N N 1.5						9000	7200	
HOXIE	AR		2	2115 2115	N N N 1.5						9000	7200	
POPLAR BL	MO		3	2345 0001	Y N N 1.5						9000	7200	
EAST ST L	IL		3	0800 DEST	Y N N 1.5						9000	7200	

Description:
 HOUSTON TO EAST ST LOUIS INTERCHANGE MANIFEST TRAIN
 Total Run Time 34 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M HOUESL2 A 1

Station	Numb	W	Blk	Stn	Description
HOUSTON	10	F	ESTLO	ESTLO	EAST ST LOUIS INTERCHANGE MANIFEST
LONGVIEW	10	T	ESTLO	ESTLO	EAST ST LOUIS INTERCHANGE MANIFEST
LITTLE RO	10	T	ESTLO	ESTLO	EAST ST LOUIS INTERCHANGE MANIFEST
HOXIE	10	T	ESTLO	ESTLO	EAST ST LOUIS INTERCHANGE MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M ESLHOU2 A 1
 M ESHO2 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type M

Origin Destination
 EAST ST LOUIS TO HOUSTON

Effective 2Q 1997
 Expiration XX/XX/XX
 Last Update 09/17/96

Station	St	TZ	Day	Arr Time	Dpt Time	R	U	N	Max	Yard	Road	Cumul	Max	Max	Max
						C	F	I							
						E	E	S	HFT	Time	Time	Time	Cars	Wght	Lgth
						W	L	P							
EAST ST L	IL	CT	1	ORIG	2200	Y	N	N	1.5					9000	7200
POPLAR BL	MO		2	0600	0615	Y	N	N	1.5					9000	7200
HOXIE	AR		2	0845	0845	N	N	N	1.5					9000	7200
LITTLE RO	AR		2	1145	1200	Y	N	N	1.5					9000	7200
TEXARKANA	AR		2	1700	1715	Y	N	N	1.5					9000	7200
LONGVIEW	TX		2	2145	2145	N	N	N	1.5					9000	7200
PALESTINE	TX		3	0015	0030	Y	N	N	1.5					9000	7200
HOUSTON	TX		3	0800	DEST	Y	N	N	1.5					9000	7200

Description:
 EAST ST LOUIS INTERCHANGE TO HOUSTON MANIFEST TRAIN

Total Run Time 34 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M ESLHOU2 A 1

Station	Numb	W	Blk	Stn	Description
EAST STLO	10	F	HOUST	HOUST	HOUSTON MANIFEST
HOXIE	10	T	HOUST	HOUST	HOUSTON MANIFEST
LITTLE RO	10	T	HOUST	HOUST	HOUSTON MANIFEST
LONGVIEW	10	F	HOUST	HOUST	HOUSTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M TEMEAG1 A 1
 M TEEA1 A 1

Days of Operation Origin Destination Effective 12/16/96
 MO TU WE TH FR SA SU TEMPLE TO EAGLE PASS Expiration XX/XX/XX
 Service Type M Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	R	U	N	Max Yard	Road	Cumul Time	Max Cars	Max Wght	Max Lgth
TEMPLE	TX	CT	1	ORIG	2200	Y	N	N	1.5				9000	8000
SMITHVILL	TX		2	0300	0300	N	N	N	1.5				9000	8000
SAN ANTON	TX		2	0900	1100	Y	Y	Y	1.5				9000	8000
EAGLE PAS	TX		2	1800	DEST	Y	N	N	1.5				9000	8000

Description:
 TEMPLE TO EAGLE PASS MANIFEST TRAIN, SAN ANTONIO SET OUT AND PICKUP IS AT UP ADAMS YARD

Total Run Time 20 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M TEMEAG1 A 1

Station Numb	W	Seq	Trn	SO	Blk	Stn	Description
TEMPLE		10	F	SANAN	SANAN	SAN ANTONIO	MANIFEST
		20	F	EAGLE	EAGLE	EAGLE PASS	MANIFEST
SAN ANTON		10	F	EAGLE	EAGLE	EAGLE PASS	MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M EAGTEM1 A 1
 M EATE1 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type M

Origin Destination
 EAGLE PASS TO TEMPLE

Effective 12/16/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
EAGLE PAS	TX	CT	1	0800	0800	Y	N	N	1.5					
SAN ANTON	TX		2	1500	1700	Y	N	N	1.5			9000	8000	
SMITHVILL	TX		2	2300	2500	N	N	N	1.5			9000	8000	
TEMPLE	TX		4	0400	DEST	Y	N	N	1.5			9000	8000	

Description:

EAGLE PASS TO TEMPLE MANIFEST TRAIN, SAN ANTONIO SET OUT AND PICKUP IS AT UP ADAMS YARD

Total Run Time 20 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M EAGTEM1 A 1

Seq	Trn	SO	Description
Station Numb	W	Blk	Stn

EAGLE PAS	10	F	SANAN	SANAN	SAN ANTONIO MANIFEST
	20	F	TEMPL	TEMPL	TEMPLE MANIFEST

SAN ANTON	10	F	TEMPL	TEMPL	TEMPLE MANIFEST
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***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M HOUKER1 A 1
 M HOKE1 A 1

Days of Operation Origin Destination Effective 10/08/96
 MO TU WE TH FR SA SU HOUSTON TO KERR Expiration XX/XX/XX
 Service Type M Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
HOUSTON	TX	CT	1	ORIG 1600		Y	N	N	1.7				9000	7000
SEALY	TX		1	1900	1900	N	N	N	1.7				9000	7000
SIMTHVILL	TX		1	2200	2200	N	N	N	1.7				9000	7000
KERR	TX		2	0300	DEST	Y	N	N	1.7				9000	7000

Description:
 HOUSTON TO KERR MANIFEST TRAIN

Total Run Time 11 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M HOUKER1 A 1

Station	Numb	W	Blk	Trn	SO	Stn	Description

HOUSTON	10	F	KERR	KERR			KERR MANIFEST
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***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M KERHOU1 A 1
 M KEH01 A 1

Days of Operation MO TU WE TH FR SA SU
 Service Type M
 Origin KERR TO HOUSTON
 Destination
 Effective 10/08/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I	R UN	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
KERR	TX	CT	1	ORIG 1500		W L P	Y N N	1.7				9000	7000
SMITHVILL	TX		1	2000	2000		N N N	1.7				9000	7000
SEALY	TX		1	2300	2300		N N N	1.7				9000	7000
HOUSTON	TX		2	0200	DEST		Y N N	1.7				9000	7000

Description:
 KERR TO HOUSTON MANIFEST TRAIN

Total Run Time 11 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M KERHOU1 A 1

Station	Seq	Trn	SO	Description
Numb	W	Blk	Stn	
KERR	10	F	HOUST	HOUST HOUST HOUSTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M CORHOU1 A 1
 M COH01 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type N

Origin Destination
 CORPUS CHRISTI TO HOUSTON

Effective 10/08/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	R E S	U N	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
CORPUS CH	TX	CT	1	ORIG 0900	Y N N	1.0							
ALGOA	TX		1	1900 DEST	N N N	1.0					9000	7000	
HOUSTON	TX		1	2000 DEST	Y N N	1.0					9000	7000	

Description:
 CORPUS CHRISTI TO HOUSTON MANIFEST TRAIN

Total Run Time 11 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M CORHOU1 A 1

Seq Trn SO
 Station Numb W Blk Stn

Description

CORPUS CH 10 F HOUST HOUST HOUSTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M HOUCOR1 A 1
 M HOC01 A 1

Days of Operation
 MO TU WE TH FR SA SU
 Service Type M

Origin Destination
 HOUSTON TO CORPUS CHRISTI

Effective 10/08/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
HOUSTON	TX	CT	1	ORIG 1500		Y	N	N	1.0				9000	7000
ALGOA	TX		1	1600	1600	N	N	N	1.0				9000	7000
CORPUS CH	TX		2	0100	DEST	Y	N	N	1.0				9000	7000

Description:
 HOUSTON TO CORPUS CHRISTI MANIFEST TRAIN

Total Run Time 10 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M HOUCOR1 A 1

Station	Numb	W	Seq	Blk	Trn	SO	Stn	Description

HOUSTON	10	F	CORPU	CORPU	CORPUS CHRISTI MANIFEST
	20	F	LARED	CORPU	LAREDO MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M STODEN1 A 1
 M STDE1 A 1

Days of Operation MO TU WE TH FR SA SU
 Service Type M
 Origin STOCKTON Destination TO DENVER
 Effective 10/08/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
STOCKTON	CA	PT	1	ORIG 1730	Y N N	1.5							9000	6000
PORTOLA	CA		2	0200 0300	Y N N	1.5							9000	6000
ELKO	NV		2	1200 1300	Y N N	1.5							9000	6000
SALT LAKE	UT	MT	3	2230 0130	Y Y Y	2.0							5500	6000
GRAND JCT	CO		3	1230 1245	Y N N	2.0							5500	6000
DENVER	CO		4	2345 DEST	Y N N	2.0							5500	6000

Description:
 STOCKTON TO DENVER MANIFEST TRAIN

Total Run Time 53 hours 15 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M DENSTOL A 1

Station	Numb	Seq	W	Trn	Blk	SO	Stn	Description
STOCKTON	10	F	PORTO	PORTO				PORTOLA MANIFEST (HERLONG)
	20	F	ELKO	ELKO				ELKO MANIFEST (WINNEMUCCA-ELKO)
	30	F	SALTTL	SALTTL				SALT LAKE CITY MANIFEST
	40	F	DENVE	DENVE				DENVER MANIFEST
PORTOLA	10	F	ELKO	ELKO				ELKO MANIFEST (WINNEMUCCA-ELKO)
	20	F	DENVE	DENVE				DENVER MANIFEST
	30	F	SALTTL	SALTTL				SALT LAKE CITY MANIFEST
	40	T	DENVE	DENVE				DENVER MANIFEST
ELKO	10	F	DENVE	DENVE				DENVER MANIFEST
	20	F	SALTTL	SALTTL				SALT LAKE CITY MANIFEST
	30	T	DENVE	DENVE				DENVER MANIFEST
SALT LAKE	10	F	DENVE	DENVE				DENVER MANIFEST

Train Sch ID Alt
M DENST01 A 1
M DEST1 A 1

- TSP Train Schedule -

Days of Operation
MO TU WE TH FR SA SU
Service Type M

Origin Destination
DENVER TO STOCKTON

Effective 10/08/96
Expiration XX/XX/XX
Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I	R	U	N	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
DENVER	CO	MT	1	ORIG 1445		W L P	Y	N	N	2.0				4500	6000
GRAND JCT	CO		2	0145	0200		Y	N	N	2.0				4500	6000
SALT LAKE	UT		2	1300	1600		Y	Y	Y	1.5				9000	6000
ELKO	NV	PT	3	2330	0030		Y	N	N	1.5				9000	6000
PORTOLA	CA		3	0930	1030		Y	N	N	1.5				9000	6000
STOCKTON	CA		4	1900	DEST		Y	N	N	1.5				9000	6000

Description:
DENVER TO STOCKTON MANIFEST TRAIN

Total Run Time 53 hours 15 mins
***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
M DENST01 A 1

Station	Seq	W	Trn	Blk	SO	Stn	Description
DENVER	10	F	SALT	SALT			SALT LAKE CITY MANIFEST
	20	F	ELKO	ELKO			ELKO MANIFEST (ELKO-WINNEMUCCA, HERLONG, RENO TCF)
	30	F	STOCK	STOCK			STOCKTON MANIFEST
SALT LAKE	10	F	STOCK	STOCK			STOCKTON MANIFEST
	20	F	ELKO	ELKO			ELKO MANIFEST (ELKO-WINNEMUCCA, HERLONG, RENO TCF)
	30	T	STOCK	STOCK			STOCKTON MANIFEST
ELKO	10	F	PORTO	PORTO			PORTOLA MANIFEST (HERLONG)
	20	F	STOCK	STOCK			STOCKTON MANIFEST
PORTOLA	10	F	STOCK	STOCK			STOCKTON MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M KLABAR1 A 1
 M KLBA1 A 1

Days of Operation Origin Destination Effective 12/16/96
 MO TU WE TH FR SA SU KLAMATH FALLS TO BARSTOW Expiration XX/XX/XX
 Service Type M Last Update 09/18/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
KLAMATH F	OR	PT	1	ORIG 0445	Y N N	2.5						5000	6000	
KEDDIE	CA		1	1545 1600	Y N N	2.5						5000	6000	
SACRAMENT	CA		1	2100 2200	N N N	2.5						9000	6000	
STOCKTON	CA		2	0100 0300	Y N N	3.5						8450	7000	
FRESNO	CA		2	0700 0715	Y N N	3.5						8450	7000	
BAKERSFIE	CA		2	1045 1100	Y N N	3.5						8450	7000	
BARSTOW	CA		2	1830 DEST	Y N N	3.5						8450	7000	

Description:
 KLAMATH FALLS TO BARSTOW MANIFEST TRAIN

Total Run Time 37 hours 45 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M KLABAR1 A 1

Station	Seq	Numb	W	Trn	SO	Description
				Blk	Stn	
KLAMATH F	10	F	LOCAL			KLAMATH FALLS TO KEDDIE SHORTS
	20	F	STOCK	STOCKT		STOCKTON MANIFEST
	30	F	BRSTW	BARSTO		BARSTOW MANIFEST
KEDDIE	10	T	STOCK	STOCKT		STOCKTON MANIFEST
	20	T	BRSTW	BARSTO		BARSTOW MANIFEST
STOCKTON	10	F	BRSTW	BARSTO		BARSTOW MANIFEST

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 M BARKLAL A 1
 M BAKL1 A 1

Days of Operation Origin Destination Effective 12/16/96
 MO TU WE TH FR SA SU BARSTOWN TO KLAMATH FALLS Expiration XX/XX/XX
 Service Type M Last Update 09/18/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I			Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
						R	U	N						
BARSTOW	CA	PT	1	ORIG 0530	Y N N	3.0						7000	7000	
BAKERSFIE	CA		1	1300 1315	Y N N	3.0						7000	7000	
FRESNO	CA		1	1645 1700	Y N N	3.0						7000	7000	
STOCKTON	CA		1	2100 2300	Y N N	2.5						9000	6000	
SACRAMENT	CA		2	0200 0300	N N N	2.5						3800	6000	
KEDDIE	CA		2	0800 0815	Y N N	2.5						3800	6000	
KLAMATH F OR			2	1915 DEST	Y N N	2.5						3800	6000	

Description:
 BARSTOW TO KLAMATH FALLS MANIFEST TRAIN. MAX WEIGHT DEPARTING SACRAMENTO MAY INCREASE TO 4300 TONS FROM APRIL TO OCTOBER

Total Run Time 37 hours 45 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 M BARKLF1 A 1

Station Numb	W	Blk	Seq	Trn	SO	Description
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BARSTO	10 F	STOCK	STOKTO	STOCKTON	MANIFEST	
	20 F	KLAMA	KLAMAT	KLAMATH FALLS	MANIFEST	

STOCKTON	10 F	LOCAL		KEDDIE - KLAMATH FALLS	SHORTS	
KLAMA	KLAMAT	KLAMATH FALLS	MANIFEST			

20 F

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 L RICWARI A 1
 L RIWA A 1

Days of Operation MO TU WE TH FR SA SU
 Service Type L
 Origin RICHMOND-WARM SPRINGS-RICHMOND
 Destination RICHMOND-WARM SPRINGS-RICHMOND
 Effective 12/16/97
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I	R U N	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
RICHMOND	CA	PT	1	ORIG 0100		W L P	Y N N	1.0					
WARM SPRI	CA		2	0430 0600			N N N	1.0			9000	8000	
RICHMOND	CA		2	0900 DEST			Y N N	1.0			9000	8000	

Description:

RICHMOND TO WARM SPRINGS AND RETURN LOCAL TRAIN, MAY TURN AT MILPITAS IF TRACKS OCCUPIED AT WARM SPRINGS

Total Run Time 8 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 L RICWARI A 1

Station Numb	Seq	W	Blk	Trn	SO	Stn	Description
RICHMOND	10	F	LOCAL				RICHMOND TO WARM SPRINGS SHORTS
	20	F	SANJO WARMS				SAN JOSE MANIFEST (DELIVER TO SP)
WARM SPR	10	F	LOCAL				WARM SPRINGS TO RICHMOND SHORTS

***** Train System *****
 - TSP Train Schedule -

Train Sch ID Alt
 L SANONT1 A 1
 L SAON1 A 1

Days of Operation
 MO TU WE TH FR
 Service Type L

Origin Destination
 SAN BERNADINO TO ONTARIO

Effective 12/16/96
 Expiration XX/XX/XX
 Last Update 09/16/96

Station	St	TZ	Day	Arr Time	Dpt Time	C F I	W L P	Max Yard	Road Time	Cumul Time	Max Cars	Max Wght	Max Lgth
SAN BERN	CA	PT	1	0700	0700	Y N N	1.0				9000	6000	
RIVERSIDE	CA		1	0830	0830	N N N	1.0				9000	6000	
ONTARIO	CA		1	1000	1400	N N N	1.0				9000	6000	
RIVERSIDE	CA		2	1530	1530	N N N	1.0				9000	6000	
SAN BERN	CA		2	1700	DEST	Y N N	1.0				9000	6000	

Description:
 SAN BERNADINO TO ONTARIO AND RETURN LOCAL TRAIN

Total Run Time 10 hours 00 mins
 ***** End of Data *****

- TSP Train Block Information -

Train Sch ID Alt - Blocking Alt 1
 L SANONT1 A 1

Station	Seq	Numb	W	Blk	Trn	SO	Stn	Description
SAN BERN	10	F	LOCAL					SAN BERNADINO TO ONTARIO SHORTS
ONTARIO	10	F	LOCAL					ONTARIO TO SAN BERNADINO SHORTS

**VERIFIED STATEMENT
OF
FRANK D. CLIFTON**

My name is Frank D. Clifton. I am Assistant Vice President Operations of the Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively, "BN/Santa Fe") at the address of 2600 Lou Menk Drive, Fort Worth, Texas 76131.

I began my railroad career in 1973 as a trainman for the St. Louis San Francisco Railway Company prior to its merger with BN and have held various positions in the Operating and Marketing Departments of BN. These positions have included Assistant Trainmaster, Terminal Trainmaster, Division Trainmaster, Terminal Superintendent, Director of Service, Division Superintendent, and General Superintendent. I assumed my present position in March of 1996.

I am the person with overall responsibility for the Progress Report and the Operating Plan which is being filed today with the Board. These documents describe in detail the operations, as implemented to date and as will be implemented, of BN and Santa Fe pursuant to the Board's Decision No. 44 in Finance Docket No. 32760 (served August 12, 1996).^{1/}

^{1/} On April 29, 1996, I previously testified in Finance Docket No. 32760 as the leader of a team of BN/Santa Fe personnel. In that statement, I described the process the implementation team had been following to date, including its mission, accomplishments, and ongoing efforts. I also described specific decisions the team had made as to proposed BN/Santa Fe customer service and train operations assuming the Surface Transportation Board were to approve UP/SP's application conditioned on the various settlement agreements.

As leader of the BN/Santa Fe implementation team, I have worked full-time since March 1996 on the plans for implementation of operations over the lines to which BN/Santa Fe has been granted access. The methodology used to develop the Operating Plan is a continuation of the many efforts described in my earlier verified statement. I, together with a comprehensive multi-disciplinary team of individuals from various BN/Santa Fe departments,^{2/} identified and completed, among others, the following items for inclusion in the Operating Plan: schedule and details associated with the line purchases, coordination and timing of dispatching control on line purchase segments, preparations for direct BN/Santa service, preparations for interim haulage, and plans for direct train service start-up on each of the lines over which BN/Santa Fe was granted trackage rights.

There are a myriad of issues which must be considered in creating an Operating Plan such as this. For example, BN/Santa Fe's plans for direct BN/Santa Fe train service are based in part on information I learned from individuals in the marketing department who have been assigned to the implementation team and who have contacted the two-to-one stations and shippers. These marketing efforts are more fully described in the Verified Statement of Richard W. Brown. Another area of importance to

^{2/} The departments involved in contributing to the Operating Plan include contracts, customer service, engineering, finance, interline, labor relations, law, marketing, mechanical, network planning, and operating departments.

being able to provide direct train service to shippers is the process of qualifying supervisory personnel through trips over purchased and trackage rights lines. Those trips, which will enable operating supervisors to train and qualify train and engine personnel for each route, have already been completed on all trackage rights lines except the Central and I-5 Corridors.

In my view, the Operating Plan being filed today, which details train service BN/Santa Fe plans to operate by the end of the first full year following consummation of the UP/SP merger, is feasible and highly efficient. Most importantly, with respect to trackage rights operations over the key corridors previously identified by the Board -- between Houston and New Orleans, between Houston and Memphis and in the Central Corridor -- BN/Santa Fe's Operating Plan shows that such operations are planned to be in place by December 16, 1996, just over three months' time from the effective date of Decision No. 44. BN/Santa Fe intends to compete so vigorously for the traffic opened up to it that it has even sought even to maximize other possible alternatives by engaging in ongoing negotiations to route Conrail and Norfolk Southern interchange traffic via Effingham and Centralia, IL via Illinois Central ("IC"), on a direct Memphis connection.^{3/} If such an alternative is not

^{3/} On September 19, 1996, BN/Santa Fe and IC signed a letter of intent acknowledging their commitment to continue their negotiations to finalize an agreement which would permit such movement of interchange traffic. While these negotiations are ongoing, BN/Santa Fe is optimistic that an agreement will be reached in the near future. Accordingly, the Operating Plan
(continued...)

accomplished, BN/Santa Fe intends to use its trackage rights on the UP/SP over the entire Houston-Memphis/East St. Louis route.

As mentioned earlier, the Operating Plan details service BN/Santa Fe plans to operate by the end of the first full year following implementation of the UP/SP merger. As volumes grow and traffic develops, additional train service beyond that reflected in the Operating Plan will be made available to shippers on each of the corridors. Further, as demonstrated by the through train schedules contained in the Appendix to the Operating Plan, BN/Santa Fe direct train service as implemented will offer competitive schedules on each of the new routes.

To summarize, I believe that the Operating Plan is practical, will enable BN/Santa Fe to compete effectively with UP/SP, and can be implemented by BN/Santa Fe in the phases and time schedules described therein.

3/(...continued)

discusses in detail plans for the routing of such traffic via the IC as an alternative to the plans to use the UP/SP trackage rights north of Memphis. See BN/Santa Fe press release dated September 30, 1996, attached hereto as Attachment 1.

BNSF



Attachment 1

NEWS

Contacts: Richard Russack (BNSF)
(817) 352-6425

Ann Thoma (IC)
(312) 755-7591

Burlington Northern Santa Fe and Illinois Central Sign Haulage Letter of Intent

FORT WORTH, Texas, and CHICAGO, Ill., September 30, 1996 -- Burlington Northern Santa Fe Corporation (NYSE:BNI) (BNSF) and Illinois Central Corporation (NYSE:IC) have signed a letter of intent for a long-term haulage agreement between Memphis, Tenn., and Effingham, Illinois. Under the terms of the agreement, IC provides power, fuel and crews in return for a per-car fee from BNSF.

In addition, the agreement will include volume-based haulage between New Orleans and Memphis and between Memphis and Chicago, as well as switching agreements at Chicago and New Orleans.

Further, the agreement provides overhead trackage rights for BNSF over IC track between Portage, Ill., and Chicago, as well as allowing BNSF to move cars over IC's connection between BNSF's Corwith and Cicero yards.

"With this agreement, we can provide improved levels of service -- both consistency and shorter transit times -- between the Texas Gulf and the Northeast region, adding to our competitiveness," said Matthew Rose, BNSF senior vice president, Merchandise Business Unit.

"This is another example of cooperative agreements Illinois Central has developed with major railroads," said IC senior vice president Donald H. Skelton. "This agreement allows BNSF to take advantage of Illinois Central's superior service offering and the fact that IC has the most efficient, and therefore the most cost-effective, route between the Great Lakes and the Louisiana Gulf. Cooperative agreements of this sort among railroads benefit the shipping public by reducing transit time and making better overall use of the rail network."

The agreement is expected to become effective during the fourth quarter 1996 upon completion of a definitive agreement.

more . . .

BNSF, IC SIGN AGREEMENT / Page Two

Burlington Northern Santa Fe owns one of the largest rail networks in the United States, with more than 31,000 route miles covering 27 states and two Canadian provinces.

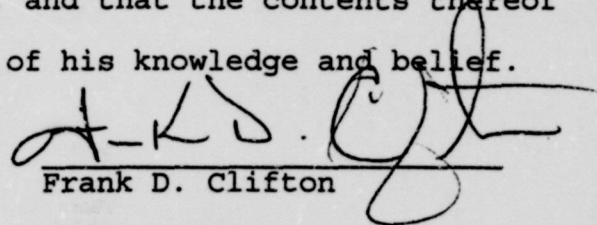
Illinois Central Corporation is a holding company whose principal subsidiaries are the Illinois Central and the Chicago Central railroads. Illinois Central operates a 2,600-mile freight system from Chicago south to the Gulf of Mexico. Chicago Central operates an 850-mile freight system from Chicago west through Iowa.

#

VERIFICATION

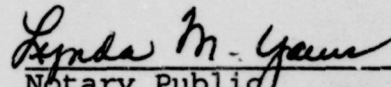
THE STATE OF TEXAS)
)
COUNTY OF TARRANT)

Frank D. Clifton, being duly sworn, deposes and says that he has read the foregoing statement, and that the contents thereof are true and correct to the best of his knowledge and belief.



Frank D. Clifton

Subscribed and sworn to before me on this 26th day of September, 1996.



Notary Public

My Commission Expires: 09/30/96

STB

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10-1-96

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3/3

**VERIFIED STATEMENT
OF
RICHARD W. BROWN**

My name is Richard W. Brown, and I am General Director of the Chemicals Business Unit of Burlington Northern Railroad Company ("BN") and The Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively, "BN/Santa Fe"). I have been working for either Santa Fe or BN/Santa Fe continuously since 1971, when I joined the Pricing Department at Santa Fe. From 1993 until the merger of BN and Santa Fe in 1995, I was Assistant Vice President of the Carload Business Unit of Santa Fe, with responsibility for strategic planning and development for the carload business, including chemicals, plastics, metals, forest products, and consumer goods. In that position I also had responsibility for Santa Fe's transload program. From 1988 to 1993, I was Assistant Vice President Chemicals for Santa Fe. I received a B.S. degree in economics from Syracuse University in 1967 and an M.B.A. from Northwestern University in 1971.

As General Director of the Chemicals Business Unit of BN/Santa Fe I am responsible for strategic planning and new business development for chemicals. Currently, however, I am on special assignment with responsibility for all commercial activities with respect to implementation of BN/Santa Fe's settlement agreement with UP and SP in connection with their merger, including implementation of the conditions that the Board imposed to augment that settlement agreement.

The purpose of this Verified Statement is to explain the steps that BN/Santa Fe has taken, at this early stage, to make

itself competitive with UP/SP using the trackage rights and other rights it was granted in the UP/SP merger case (by settlement agreement or otherwise). We have already had remarkable success attracting business in the very first days of operation under our rights.

Furthermore, as I will discuss more fully below, we have made extensive contact with 2-to-1 customers to which BN/Santa Fe was granted access. As we work toward generating business from those customers, we are building our density on the trackage rights operations and proving that we can be successful by using the rights to provide new service to existing customers. I will give several examples of movements that have already occurred on BN/Santa Fe just in the three weeks since the UP/SP merger was consummated, or are scheduled to begin in the very near future.

At the same time that we are achieving some remarkable successes, we face some obstacles. Other carriers have filed with this Board petitions to alter or "clarify" the Board's decision in ways that would substantially lessen BN/Santa Fe's rights and substantially impair its competitiveness. The very fact that those petitions are pending has caused uncertainty among shippers and, at least temporarily, has made it difficult or impossible to sign contracts with those shippers until the uncertainty is removed. In addition, negotiations with UP/SP concerning the I-5 Corridor and with Tex Mex concerning service over Laredo have not progressed to the point where we are able to finalize plans to provide the kind of competitive service we hope

and expect to provide in those regions. The positions that UP/SP has taken before this Board concerning transloads, new facilities, and the reopening of contracts, and its intransigence in negotiations concerning the I-5 Corridor, give us particular concern.

Where we do not face such obstacles, we are already experiencing great success. The UP/SP merger was consummated -- and most of BN/Santa Fe's rights therefore became effective -- on September 11, 1996. As early as September 13, 1996, we were using our new rights to ship a significant volume of liquefied petroleum gas (LPG) from Borger, TX, to Salt Lake City, UT, a point we did not reach before the UP/SP merger. Our movement of LPG to Salt Lake City is ongoing. At present, we are approximating single-line service by giving the traffic to SP at Denver to carry to Salt Lake City under the interim haulage arrangement that will exist until our trackage rights become fully effective. We anticipate being able to carry this traffic in full single-line service in the future.

The Borger movement is instructive in showing BN/Santa Fe's capabilities under its new rights. The LPG that is now moving in BN/Santa Fe service to Salt Lake City once moved in joint-line Santa Fe-SP service. The shipper, however, found the service (particularly the car utilization) unacceptable and began to move this product by a combination of truck and pipeline rather than by rail. Now that BN/Santa Fe can provide single-line service (which will only get better when our interim haulage rights soon

become full trackage rights), however, the shipper has rapidly determined that rail is once again an efficient and cost-effective -- indeed, the best -- mode of transportation for this product. Our rapid success in diverting traffic back to the railroad from trucks and pipelines shows what we are capable of doing and should help us to sell our services to 2-to-1 shippers who have not previously used BN/Santa Fe.

Another commodity as to which rates are already in place, and which we have begun moving, is crushed stone. This product moves from Kerr, TX, to various points in Texas. By taking the traffic over trackage rights (or, for the time being, interim haulage) north to Temple, TX, where it moves onto BN/Santa Fe's own lines, BN/Santa Fe can deliver this traffic to destinations that it could not previously reach in single-line service.

Another customer that has agreed to ship substantial freight -- 500 cars a month -- via BN/Santa Fe as a result of our new rights is located in Cheek, TX. Previously, BN/Santa Fe has carried this customer's traffic to Beaumont, TX, and interchanged it there with SP for delivery to New Orleans. Now that we can serve New Orleans in single-line service, this customer has agreed to ship substantial volume using that service, effective October 1, 1996.

Our Agricultural Commodities Unit has booked, and in some instances carried, substantial numbers of carloads going to various destinations that BN/Santa Fe did not serve before the UP/SP merger. A grain company originating traffic at Salina, KS,

Hutchinson, KS, Topeka, KS, and Amarillo, TX, moved more than 350 cars of wheat to Corpus Christi for export on the BN/Santa Fe system in September. This traffic had been scheduled for movement in October and November, but BN/Santa Fe quoted the customer a favorable rate that caused the traffic to move early.

BN/Santa Fe has also put into effect very competitive rates to move wheat from Nebraska and Kansas origins to Salt Lake/Ogden, UT. For example, for movements from Sidney, NE, the rate (which is contained in published tariffs) is \$1500/carload, exactly the same as UP's rate. For wheat from Hastings, NE, the rate is \$1850/carload, less than UP's \$1885 rate. We anticipate that traffic will begin moving on these routes very soon.

Grain (barley, meal, or corn) will be able to move over BN/Santa Fe's Central Corridor rights to the San Joaquin Valley in California, and we have published tariffs with rates for such movements that are competitive with UP's published rates. Already, 100 cars per week of corn are moving over the Central Corridor on BN/Santa Fe, and we expect this traffic to grow, especially once our interim haulage rights convert to trackage rights. We also expect to be moving corn in 75-car trains to Ontario, CA (using the trackage rights from Riverside, CA, to Ontario), once the corn harvest occurs at the end of October. We have also published competitive rates to move corn and grain sorghum to Brownsville, TX, and Eagle Pass, TX.

Similarly, because we have put in place (in tariff ICC-BN-4022-I, issued September 10 and effective September 12 and 13,

1996) rates that are highly competitive with UP, we are optimistic that when soybeans are harvested in early October we will move substantial volumes from Nebraska, Iowa, South Dakota, and Minnesota, and other states to export points in Texas (including Laredo, Eagle Pass, Brownsville, and Corpus Christi) using our interim haulage rights and soon our trackage rights.

Malted barley is moving to export points in Texas via trackage rights as well. In particular, we moved a 26-car malted barley train to Eagle Pass the week of September 16, just after the UP/SP merger occurred, and we expect to move 50-75 cars a week of this commodity to Eagle Pass in the near future.

These short-term successes are remarkable in light of the limited time we have had to achieve them and the start-up nature of our new operations. But they are extremely modest compared to what we expect to be able to do with our trackage rights (and other rights) as we gain business from 2-to-1 customers who have not previously used our services. And we are already well along in the process of marketing our services to those customers.

In the course of the implementation process -- which was ongoing during the merger case before the Board and has continued since the Board's decision -- we received from UP a list of almost 600 2-to-1 customers. We have contacted more than 400 of those customers. BN/Santa Fe has made offerings or bids to the customers who actually control substantially more than half of the total traffic of this group (more than 150,000 carloads/year). I am optimistic that, given the success story we

can already tell about movements to new points in just the first weeks of operation under our new rights, many of these customers will recognize that we can compete using our new rights and will garner substantial business.

BN/Santa Fe is already building its density on the trackage rights lines. With the whole BN/Santa Fe network behind us, and with the traffic that we are carrying already, we will be a formidable competitor, and I anticipate that 2-to-1 customers will use our services.

We have taken other steps, besides carrying traffic, in the first three weeks since the merger to build our traffic base and market our new services. BN/Santa Fe has hired a marketing representative in Salt Lake City, which is a new market for our railroad. We have published hundreds of rate authorities covering new routes made possible by the conditions on the UP/SP merger, including grain rates from all BN/Santa Fe territory into the 2-to-1 areas. These rate authorities are most important for carrying agricultural traffic, but they are important for other commodities as well. In forest products, for example, our new rate authorities are so important and so numerous that a new employee has been hired for the sole purpose of updating our rate authorities to add the 2-to-1 points and our new routes.

None of this is to say that we do not face obstacles to competing effectively with UP/SP. One serious obstacle at this early stage -- although I expect it to be temporary -- is simple shipper uncertainty. Because our ability to serve the Lake

Charles area of Louisiana has been called into question by a KCS filing before this Board, for example, shippers in that area understandably are reluctant to commit business to us before the Board resolves the issue, and we are in no position to commit to provide service if our right to do so could be abrogated in the near future. In addition, if the Board's contract reopener condition does not apply to UP/SP contracts with shippers in the Lake Charles area, our ability to compete there will be seriously impaired.

Service to Mexico is another area of present uncertainty, although we hope to resolve the uncertainty soon. We are eager to provide service to shippers over Laredo, but doing so requires agreement with Tex Mex. We are working hard to achieve agreement with Tex Mex on the terms on which we would serve shippers desiring service over Laredo, but the negotiations have not yet been concluded. Shippers' choices between an Eagle Pass routing into Mexico and a Laredo routing into Mexico will depend in large part on what terms we are able to negotiate with Tex Mex, and final decisions therefore must await the conclusion of negotiations, which we are trying to expedite.

Yet another present uncertainty pertains to whether certain shippers are or are not 2-to-1 shippers covered by the settlement agreements between UP/SP and BN/Santa Fe and the Board's decision. For example, Intermod Industries at Stockton, California, is served by UP on one side of the plant and SP on the other. It seems clear to us that Intermod is a 2-to-1 point

to which BN/Santa Fe receives access, but we are unable to do business with Intermod (and other shippers whose 2-to-1 status is uncertain for any reason) unless and until we receive either agreement from UP/SP or clarification from the Board, which we will have to seek if we cannot resolve the question with UP/SP.

There are additional obstacles potentially in our path aside from temporary uncertainty. I understand that the Board has already been made aware of BN/Santa Fe's concerns about the possible ineffectiveness -- depending on how it is interpreted -- of the Board's condition opening up at least 50% of the volume at 2-to-1 points. I understand that the Board also has been made aware of UP/SP's position that BN/Santa Fe's ability to serve new transload and other facilities should be severely circumscribed, in a way that would harm BN/Santa Fe's competitiveness. UP/SP's position is already causing uncertainty in the marketplace, to the detriment of BN/Santa Fe's competitiveness, and will have a longer lasting detrimental effect if the Board accepts UP/SP's invitation to cut back on the literal terms of its decision.

Finally, although I will not provide details in this Verified Statement because the negotiations are ongoing, there are potential obstacles to BN/Santa Fe's competitiveness as a result of positions that other carriers have taken in negotiations. UP/SP has taken positions in negotiations with respect to the I-5 Corridor on the West Coast that seriously threaten BN/Santa Fe's competitiveness there. In addition, since negotiation with Tex Mex to determine the basis on which traffic

will be handled to Laredo are not yet finalized, there remain uncertainties about BN/Santa Fe's ability to compete to Mexico over Laredo.

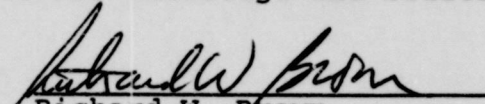
All of these obstacles may, depending on actions by the Board and by other railroads, hurt -- perhaps severely -- BN/Santa Fe's ability to carry out the promise of full competitiveness that it has made to shippers and that the Board itself made when it approved the UP/SP merger in heavy reliance on BN/Santa Fe's ability to compete vigorously against UP/SP throughout the West.

Once those obstacles are overcome, however, I am convinced that nothing stands in the way of BN/Santa Fe's ability to grow its traffic base using the rights it was granted, to satisfy existing customers that it can take their traffic to new destinations efficiently and reliably at competitive rates, and over time to satisfy new customers that they will benefit greatly from the competition that BN/Santa Fe provides.

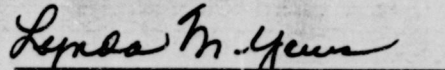
VERIFICATION

THE STATE OF TEXAS)
)
COUNTY OF TARRANT)

Richard W. Brown, being duly sworn, deposes and says that he has read the foregoing statement, and that the contents thereof are true and correct to the best of his knowledge and belief.


Richard W. Brown

Subscribed and sworn to before me on this 26th day of September, 1996.


Notary Public

My Commission Expires: 09/30/96

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CHARLOTTE OFFICE

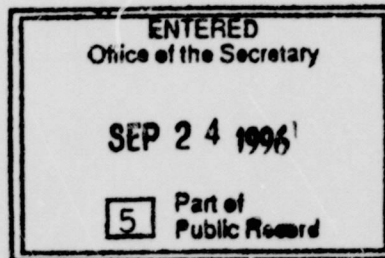
SUITE 2150
227 WEST TRADE STREET
CHARLOTTE, NORTH CAROLINA 28202-1675
TELEPHONE (704) 375-0057
FAX (704) 332-1197

WRITER'S DIRECT DIAL NUMBER:
(419) 321-1325

September 23, 1996

Via Federal Express and
Ordinary United States Mail

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423



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

Dear Secretary Williams:

Please find enclosed for filing with the Board an original and twenty (20) copies of the Petition to Intervene For The Purpose of Submitting a Request for Clarification and Comments on behalf of the Glass Producers Transportation Council ("GPTC") for filing in this proceeding. In accordance with 49 C.F.R. § 1180.4(a)(2), this party selects the acronym GPTC and, accordingly, the enclosed document is identified as GPTC-1.

In addition, we are enclosing for filing with the Board an original and twenty (20) copies of GPTC's accompanying Request For Clarification and Comments. This document is identified as GPTC-2.

Copies of the enclosed documents are being served upon Applicants' counsel, Administrative Law Judge Jerome Nelson, and all known parties of record. Also enclosed is a 3.5-inch disk containing the text of these pleadings in WordPerfect 5.1 format.

Honorable Vernon A. Williams
September 23, 1996
Page 2

Should you have any questions concerning the enclosed documents,
please do not hesitate to contact the undersigned.

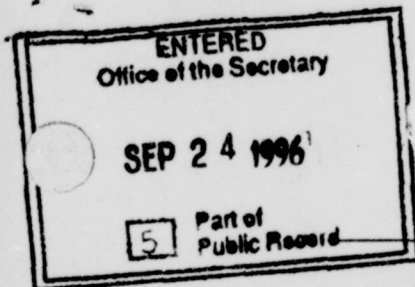
Respectfully submitted,

Michael M. Briley

Michael M. Briley
Attorney for Glass Producers
Transportation Council

MMB:jas
Enclosures

cc: Hon. Jerome Nelson
All parties of Record



BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

-Control and Merger-

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

PETITION FOR LEAVE TO INTERVENE FOR
THE PURPOSE OF SUBMITTING COMMENTS

Comes now the Glass Producers Transportation Council ("GPTC") through its counsel, and hereby submits its Motion for Leave to Intervene for the Purpose of Submitting Comments, wherein GPTC seeks leave from the Board to file the accompanying Request for Clarification and Comments in this proceeding. In support of its Motion, GPTC respectfully states the following:

1. GPTC is the trade association representing approximately 30 companies that manufacture glass products and produce raw materials used in the manufacture of glass products.

2. GPTC's members are substantial users of the nation's railroads for the receipt of inbound commodities and the shipment of outbound commodities. Many GPTC members are users of railroad services provided by the applicants and other railroads in the Western United States, and such members would be affected, directly or indirectly, by the proposed merger and related transactions at issue in this important proceeding. GPTC, on behalf of its

members, is vitally concerned with the preservation and enhancement of competitive rail rates and services.

3. GPTC recognizes that, pursuant to Decisions No. 6, served October 19, 1995, and No. 9, served December 27, 1995, notices of intent to participate in this proceeding were due on January 16, 1996. However, GPTC's interest was not clarified until its recent receipt of Order No. 44 approving the merger, a portion of which order GPTC is concerned will, if not clarified, cause substantial harm to its membership.

4. Granting of the instant Petition will not cause any delay in the proceeding.

5. GPTC respectfully submits that the granting of its Petition for the sole purpose of making comment on the Board's Order No. 44 would be consistent with the spirit of the Board's Rules of Practice, specifically 49 C.F.R. § 1100.3 which, among other things, states that the Board's rules will be construed liberally to secure a just determination of issues presented.

WHEREFORE, GPTC respectfully requests the Board to grant its Petition and to permit GPTC to offer its comments and request for clarification in this important proceeding.

Respectfully submitted,

Michael M. Briley

Michael M. Briley
SHUMAKER, LOOP & KENDRICK, LLP
North Courthouse Square
1000 Jackson St.
Toledo, Ohio 43624-1573
(419) 241-9000

September 23, 1996

Attorney for Glass Producers
Transportation Council

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85-954

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TELEFAX: 44-(71)-495-3101

BRUSSELS CORRESPONDENT OFFICE

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TELEPHONE: 32-2-512-9890

TELEFAX: 32-2-502-1598

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

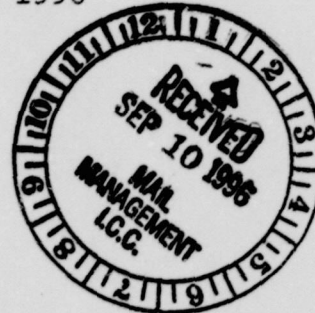
DIRECT TELEFAX NUMBER

(202) 778-5388

September 10, 1996

BY HAND

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



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

Dear Secretary Williams:

The Applicants have been served with a petition to
reopen, dated September 3, by Charles W. Downey. We intend to
respond to this petition, which we received by mail several
days after it was filed, on or before September 23.

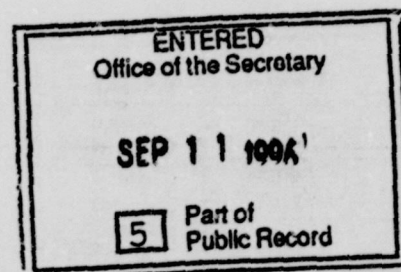
Sincerely,

Arvid E. Roach II

Arvid E. Roach II

On Behalf of the Applicants

cc: All Parties of Record



STB

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32760

7-30-96

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86421

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DIRECT DIAL NUMBER

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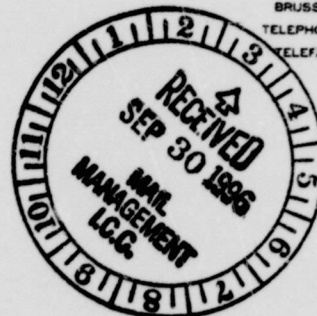
DIRECT TELEFAX NUMBER

(202) 778-5388

September 30, 1996

BY HAND

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



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

Dear Secretary Williams:

We are in receipt of a petition for clarification filed on September 23 by the Lower Colorado River Authority (LCRA-4 and -5), and a pleading filed on September 20 by Railco, Inc., which, while denominated "Railco, Inc.'s, Reply in Support of Its Request for Clarification or Modification," is in fact a new request (see Decision No. 44, p. 13 n.18; letter from the undersigned to Secretary Williams, Aug. 7, 1996). Applicants intend to reply to these filings on or before the applicable deadlines (October 15 for the LCRA petition and October 10 for the Railco filing).

Sincerely,

Arvid E. Roach II

Attorney for the Applicants

cc: All Parties of Record



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6-28-96

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Item No. _____

Page Count 1

June 229

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TELEFAX: 32-2-502-1568

June 28, 1996

BY HAND

Hon. Vernon A. Williams

Secretary

Surface Transportation Board

Twelfth Street and Constitution Ave., N.W.

Washington, D.C. 20423



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

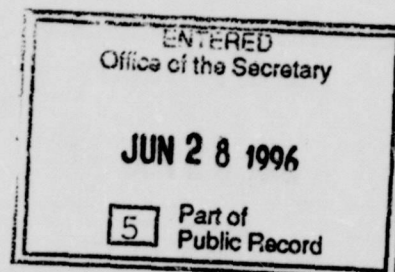
Dear Secretary Williams:

This letter responds to the Board's Decision No. 42, served June 21, 1996, regarding identification of staff assisting with visual displays at the oral argument in the above-captioned proceeding. Applicants anticipate that they will have three persons present to assist with visual displays -- Tim Hester, David Meyer and Mike Rosenthal.

Sincerely,

Arvid E. Roach II

Arvid E. Roach II



STB

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32760

6-3-96

J

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SCOTT MANATT*

Attorney at Law
May 30, 1996

Box 473
Corning Arkansas 72422
Telephone: (501) 857-3163

Vernon A. Williams, Secretary
Service Transportation Board
U. S. Department of Transportation
Room 1324, 12th and Constitution Avenue N.W.
Washington, D. C. 20423

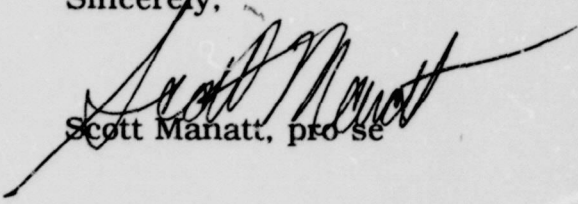
F032760



Dear Mr. Williams:

Please be advised that Scott Manatt, Sr. requests 20 minutes in opposition to the application of Union Pacific Railroad's merger. Twenty copies of this request is submitted.

Sincerely,


Scott Manatt, pro se

SM/sg

Item No. _____
Page Count 1
JUNE, 1996 #52

ENTERED Office of the Secretary	
JUN 05 1996	
5	Part of Public Record

STB FD

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5-23-96

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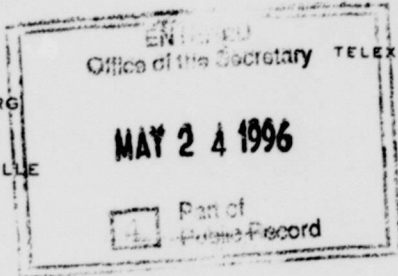
LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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WRITER'S DIRECT DIAL:
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LOS ANGELES
NEWARK
PITTSBURGH
PORTLAND, OR
SALT LAKE CITY
SAN FRANCISCO
BRUSSELS
MOSCOW
ALMATY
LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)

May 23, 1996

VIA HAND DELIVERY

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Room 2215
1201 Constitution Ave., N.W.
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 23 4 44 PM '96
OFFICE OF SECRETARY

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

Dear Secretary Williams:

As counsel for Western Shippers' Coalition ("WSC"), this is in response to the directive of the Board that parties advise you of their desire to participate in the oral argument scheduled for July 1, 1996. WSC's interests primarily relate to SP's Central Corridor. WSC includes more than 25 shippers and shipper organizations, and thus speaks for a broad cross-section of the shippers in the Central Corridor.

WSC intends to address the effect of the proposed merger on competition in the Central Corridor, whether the UP-BN Settlement Agreement adequately resolves the competitive problems created by the proposed merger, whether the proposed merger with the UP-BN Settlement Agreement is in the public interest, and whether the responsive Application of Montana Rail Link, Inc. should be granted. Included in these issues are the effect of the proposed merger on existing competition between SP-origin coals and UP-origin coals, the importance of overhead traffic to grain and other shippers between Colorado and Kansas City, and the lack of access that BN-SF receives to shippers who now enjoy competition.

Item No. _____
Page Count _____
May 1996 # 136

FILE-ORIGINAL
+ 20

Mr. Vernon A. Williams
May 23, 1996
Page 2

To address these significant issues, WSC hereby requests that it be afforded at least 15 minutes of oral argument time.

Respectfully submitted,

Michael F. McBride

Michael F. McBride

cc: All Parties on Service List

STB FD

327600

5-23-96

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Item No. _____

Page Count _____

May 1996 # 133

83712

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000

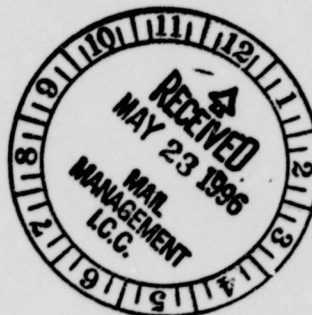
FACSIMILE: (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6335

CMA-11

April 23, 1996

Hon. Vernon A. Williams, Secretary
Surface Transportation Board
Room 2215
1201 Constitution Avenue, N.W.
Washington, DC 20423
attn: oral argument



Re: Finance Docket No. 32760 - Oral Argument

Dear Mr. Williams:

The Chemical Manufacturers Association wishes to participate in oral argument. CMA will address its settlement agreement with the Applicants and the Burlington Northern Santa Fe.

CMA initially opposed the merger, but under its settlement has agreed to withdraw its opposition.

CMA requests 5 minutes to state its position.

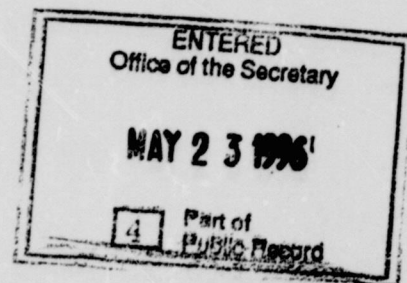
Sincerely,

A handwritten signature in dark ink, appearing to read "Scott N. Stone".

Scott N. Stone

Counsel for Chemical Manufacturers
Association

cc: Thomas E. Schick, Esq.



STB

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Item No. _____

Page Count _____

May 1996 # 128

83680

TROUTMAN SANDERS LLP
ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

1300 I STREET, N.W.
SUITE 500 EAST
WASHINGTON, D.C. 20005-3314
TELEPHONE: 202-274-2900
FACSIMILE: 202-274-2994

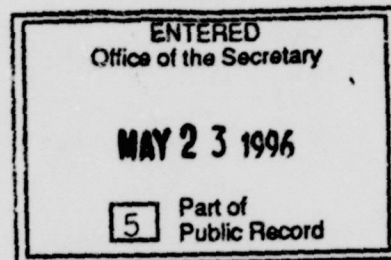
WILLIAM A. MULLINS

DIRECT: 202-274-2953

May 21, 1996

HAND DELIVERED

Mr. Vernon A. Williams
Surface Transportation Board
Case Control Branch
Room 2215
1201 Constitution Avenue, N.W.
Washington, D.C. 20423



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

Dear Secretary Williams:

Enclosed for filing in the above-captioned case are an original and twenty copies of The Kansas City Southern Railway Company's Supplement to Motion to Strike (KCS-53).

Also enclosed is a 3.5 inch Word Perfect diskette containing the text of KCS-54.

Finally, enclosed are 5 copies of KCS-54A, which contains excerpts of the deposition that KCS has moved to have stricken.

Sincerely yours,

William A. Mullins

William A. Mullins

Enclosures

cc: The Honorable Jerome Nelson
All Parties of Record

(carroll)\wpdocs\mot\hnc\kcs\upsp\williams.reg

OFFICE OF SECRETARY
JCC

MAY 22 9 48 AM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

STB FD

32760

5-21-96

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83614

CHARLES L. LITTLE
International President

BYRON A. BOYD, JR.
Assistant President

ROGER D. GRIFFETH
General Secretary and Treasurer

83614

**United
transportation
union**



14600 DETROIT AVENUE
CLEVELAND, OHIO 44107-4250
PHONE: 216-228-9400
FAX: 216-228-0937

LEGAL DEPARTMENT

CLINTON J. MILLER, III
General Counsel

• KEVIN C. BRODAR
Associate General Counsel

• ROBERT L. MCCARTY
Associate General Counsel

• DANIEL R. ELLIOTT, III
Assistant General Counsel

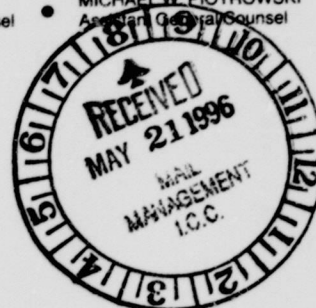
• MICHAEL W. PIOTROWSKI
Assistant General Counsel

Item No. _____

May 15, 1996

Page Count _____

May 1996 #114



Vernon A. Williams
Surface Transportation Board
Room 2215
12th Street and Constitution Ave., N.W.
Washington, DC 20423
(202) 939-3470

Re: Finance Docket No. 32760 Oral Argument

Dear Mr. Williams:

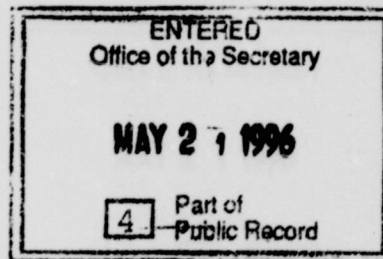
United Transportation Union wishes to participate in oral argument. UTU will address its conditional support of the merger from the perspective of the nation's largest railroad labor organization.

UTU requests 10 minutes to state its position.

Sincerely,

Daniel R. Elliott, III
Assistant General Counsel

cc: C. L. Little, International President
B. A. Boyd, Assistant President
C. J. Miller, III, General Counsel
UP & SP General Chairpersons
All Parties of Record



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32760

5-20-96

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South Orient Railroad Company, Ltd.

May 14, 1996

Item No. _____

Page Count 1

May 1996 # 107



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

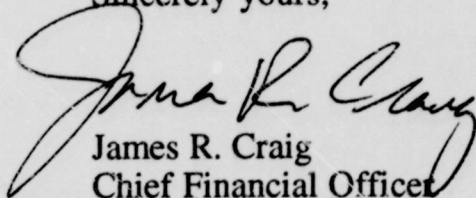
Re: Union Pacific Corp., et al -- Control and Merger --
Southern Pacific Rail Corp., et al - Finance Docket No.
32760

Dear Secretary Williams:

This letter is to serve as notification to remove Cen-Tex Rail Link, Ltd./South Orient Railroad Company, Ltd. ("Cen-Tex/South Orient") as a Party of Record in the subject merger application process.

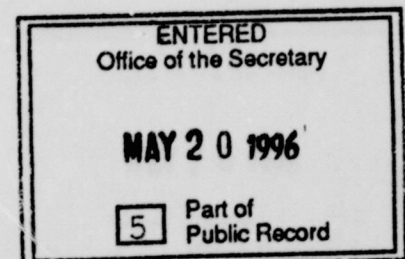
Please delete Cen-Tex/South Orient from all future mailings. If you have any questions, please do not hesitate to contact me at 214/528-2888. Thank you for your prompt attention to the above request.

Sincerely yours,


James R. Craig
Chief Financial Officer

JRC/lt

cc: Administrative Law Judge Nelson
All Parties of Record



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32760

5-17-96

J

83560

Item No. _____

Page Count 2

May, 1996 # 102

83560
ORIGINAL

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

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

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

ERIKA Z. JONES
202-778-0642



May 17, 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.

In response to inquiries we have received, this is to confirm that BN/Santa Fe has removed the "Highly Confidential" designation of the deposition transcript of Robert D. Krebs, except as to the following portion of the transcript which is designated as "Confidential".

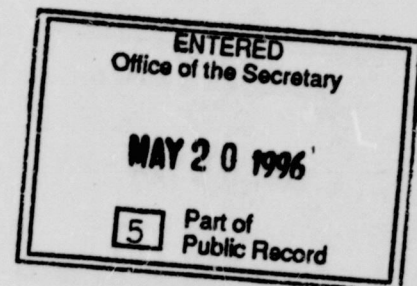
Page 36, Line 23 through Page 37, line 20

A redacted version of the transcript will be available in the BN/Santa Fe document depository.

Sincerely,

Erika Z. Jones
Erika Z. Jones

cc: Hon. Vernon A. Williams
Hon. Jerome Nelson



MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

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

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

WRITER'S DIRECT DIAL NUMBER

May 17, 1996



VIA HAND DELIVERY

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

Re: Finance Docket No. 32760, Union Pacific Corp., et al. --
Control and 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 a letter sent today from Erika Z. Jones to All Counsel on the Restricted Service List.

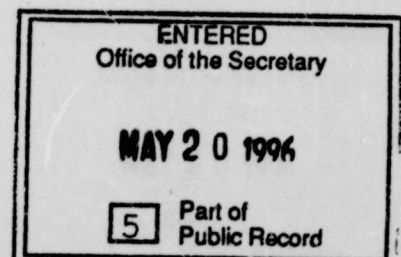
I would appreciate it if you would date-stamp the enclosed extra copy and return it to the messenger for our files.

Sincerely,

Ted R. Bardach

Ted R. Bardach
Paralegal

Enclosures



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32760

5-15-96

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Item No. _____

Page Count 4

May #96

83488

*File Original
#20*

DEUF, LAMB, GREENE & MA
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATE

NEW YORK
WASHINGTON
ALBANY
BOSTON
DENVER
HARRISBURG
HARTFORD
JACKSONVILLE

1875 CONNECTICUT AVENUE, N.W.
WASHINGTON, DC 20009-5728

(202) 986-8000

TELEX 440274 FACSIMILE: (202) 986-8102

WRITER'S DIRECT DIAL:

(202) 986-8030

May 15, 1996

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

ENTERED
Office of the Secretary

MAY 15 1996

2 Part of
Public Record

VIA HAND DELIVERY

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
U.S. Department of Transportation
1201 Constitution Avenue, N.W.
Washington, DC 20423



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

Dear Secretary Williams:

Enclosed are the original, twenty copies, and a
diskette of the Motion of Western Shippers' Coalition For
Clarification or Reconsideration of Decision No. 36.

Thank you for your help in filing this Motion

Very truly yours,

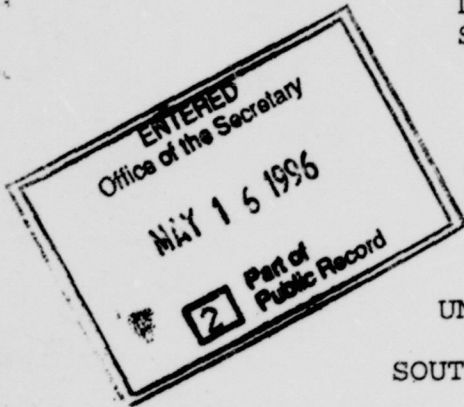
Daniel Aronowitz
Daniel Aronowitz

Enclosures

EXPEDITED CONSIDERATION REQUIRED

WSC-19

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

**MOTION OF WESTERN SHIPPERS' COALITION
FOR CLARIFICATION OR RECONSIDERATION
OF DECISION NO. 36**

Western Shippers' Coalition ("WSC") hereby moves for clarification or reconsideration of Decision No. 36, served May 9, 1996. In the Decision, the Board stated "It is anticipated that the time for argument will be limited to 240 minutes, to be divided equally between the primary applicants (including Burlington Northern Railroad Company and The Atchison, Topeka, and Santa Fe Railway Company), on the one hand, and all other participants on the other [footnote omitted]."

There are certain participants, such as Utah Railway, Canadian National, and some shippers, who support the support the primary Applicants. Obviously, the large number of parties who are opposed in whole or in part to the primary Application should be granted an allocation of time equal to that granted to those

who support it. It is not clear that the Board intended to align supporters of the primary Application with those opposed to it, but if it did, WSC hereby seeks reconsideration of that allocation. Given the Board's determination to allocate a total of four hours for oral argument, the Board should allocate two hours to those who support primary Application and two hours to those who oppose it (in whole or in part).

The Board may also wish to indicate its general approach to allocating the two hours of those opposed to the primary Application (in whole or in part). For example, to assist the Board in analysis of the issues, the Board could allocate a reasonable portion of the two hours to those opposed (in whole or in part) by Corridor (such as the Cotton Belt/Gulf Coast and the Central Corridor) and provide that the remainder be allocated to those parties whose positions cannot be confined primarily to one Corridor. Allocating oral argument time this way would be logical, would facilitate the Board's consideration of the complicated issues in this proceeding, and would permit the alignment of those carriers who have filed responsive applications with the Corridor to which their Application pertains (such as Montana Rail Link, Inc. in the Central Corridor). WSC's interests are associated with the Central Corridor, and it is willing to coordinate oral argument time with others whose interests are primarily in the Central Corridor. However, if the Board does not intend to divide the allotted argument time that way, parties may be wasting their time in

attempting to allocate amongst themselves the time allotted to the Corridor to which their interests pertain.

WSC intends to discuss a more specific allocation of time with other parties who are opposed (in whole or in part) to the primary Application and hopes to have a more specific suggestion to make to the Board on or before Friday, May 24, 1996. However, if the Board were to clarify Decision No. 36 in the manner described herein, the Board would greatly assist the coordination anticipated by representatives of the parties opposed (in whole or in part) to the primary Application. We so pray.

CONCLUSION

For the reasons stated herein, the Board should allocate oral argument time equally between those supporting the primary Application and those opposed (in whole or in part) to the primary Application, and it should allocate the time provided those opposed (in whole or in part) to the primary Application by Corridor.

Respectfully submitted,

Michael F. McBride

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

Attorneys for Western
Shippers' Coalition

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Item No. _____

Page Count 2

Apr # 390

82898

Attorneys at Law

1299 Pennsylvania Ave., N.W.

Washington, D.C. 20004-2402

(202) 783-0800

FAX (202) 383-6610

April 29, 1996

In Los Angeles

(213) 892-1800

Mark L. Josephs

(202) 383-7353

HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20549

Re: Finance Docket No. 32760



Dear Secretary Williams:

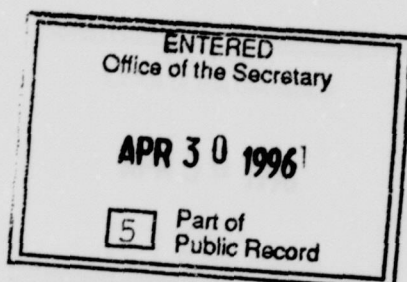
Pursuant to Decision Number 32, enclosed are an original and five copies of the certificate of service indicating that The Coastal Corporation has served each Party of Record designated in Decision Number 32 with copies of each filing Coastal Corporation has made to date in the above-referenced proceeding.

Thank you for your attention to this matter.

Sincerely,

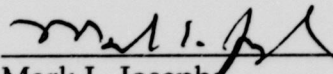
Mark L. Josephs

Enclosures



CERTIFICATE OF SERVICE

I hereby certify that, pursuant to Surface Transportation Board Decision Number 32, copies of the Notice of Appearance of the Coastal Corporation (COAC-1) and the Supplemental Notice of Appearance of the Coastal Corporation (COAC-2), previously filed with the Surface Transportation Board, were served by regular United States mail, postage prepaid, this 29th day of April, 1996 on all Parties of Record designated in Decision Number 32.



Mark L. Josephs

Dated: April 29, 1996



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32760

4-29-96

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82897

Item No. _____

Page Count 4

Apr #391

EARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

1100 NEW YORK AVENUE, N.W.

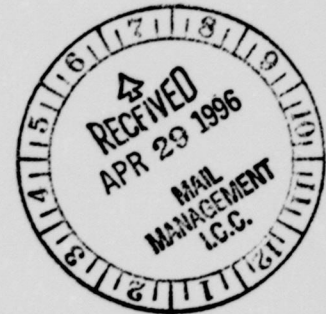
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

April 29, 1996

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C.



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

Dear Secretary Williams:

Pursuant to Decision No. 32, enclosed for filing with the Board is an original and five (5) copies of the Certificate of Service of The Dow Chemical Company ("DOW") certifying that a copy of an index listing all numbered documents filed to date by Dow has been mailed to all additional parties of record in this proceeding.

Respectfully submitted,

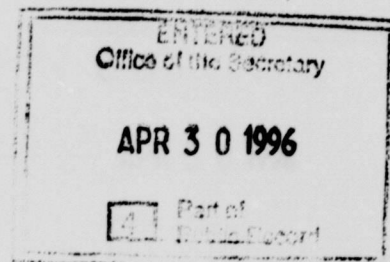
A handwritten signature in dark ink, appearing to read "Nicholas J. DiMichael".

Nicholas J. DiMichael

Jeffrey O. Moreno

Attorneys for The Dow Chemical Company

ENCLOSURES
1750-020

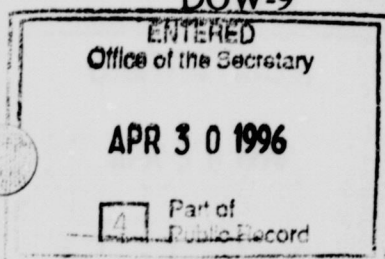


DOW-21

**Index of Documents Filed With the
Surface Transportation Board
By DOW Chemical Company
Finance Docket No. 32760**



<u>Document No.</u>	<u>Date Filed</u>	<u>Description</u>
DOW-1	1/16/96	Notice of Intent to Participate.
DOW-2	1/26/96	First Set of Interrogatories and Request for Production of Documents of the Dow Chemical Company to Applicants
DOW-3	2/26/96	Index of Documents filed by DOW pursuant to Decision No. 16.
DOW-4	3/4/96	The Dow Chemical Company's Objections to Applicants' First Set of Interrogatories and Requests for Production of Documents.
DOW-5	3/5/96	Notice to the Surface Transportation Board correcting number used on DOW-4.
DOW-6	3/11/96	Index of Documents filed with the Surface Transportation Board sent to additional parties of record.
DOW-7	3/12/96	The DOW Chemical Company's Initial Responses to Applicants' First Set of Interrogatories and Requests for Production of Documents.
DOW-8	3/13/96	Reply to Applicants' Appeal from ALJ's Order Granting DOW's Request to Take Certain Deposition.
DOW-9	3/18/96	Reply to Applicants' Appeal from ALJ's Order Restricting Applicants' Discovery.



DOW-10	3/15/96	Letter from DOW Chemical to Linda Morgan, Chairman, STB.
DOW-11	3/29/96	Highly Confidential Comments Evidence, and Request for Conditions.
DOW-12	3/29/96	Redacted Comments, Evidence and Requests fo Conditions.
DOW-13	4/1/96	Additional Responses to Applicants' First Set of Interrogatories and Request for Production of Documents.
DOW-14	4/9/96	Objections and Responses to Applicants' Second Set of Interrogatories and Requests for Production of Documents.
DOW-15	4/10/96	Joint Motion for Clarification of Decision No. 6.
DOW-16	4/10/96	Objections and Responses to Applicants' Third Set of Interrogatories and Requests for Production of Documents.
DOW-17	4/11/96	Errata to Comments, Evidence and Request for Conditions.
DOW-18	4/19/96	Deposition Excerpts.
DOW-19	4/29/96	Higly Confidential Comments on the Applicants' Settlement Agreement with the Chemical Manufactures' Association.
DOW-20	4/29/96	Redacted Comments on the Applicants' Settlement Agreement with the Che nical Manufactures' Association.

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to Decision No. 32, a copy of the foregoing INDEX OF DOCUMENTS FILED BY THE DOW CHEMICAL COMPANY has been served via first class mail, postage prepaid, on all additional parties of record in this proceeding on the 29th day of April, 1996.

Elinor G. Brown
Elinor G. Brown