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PORT OF HOUSTON AUTHORITY

EXECUTIVE OFFICES: 111 EAST LOOP NORTH • HOUSTON, TEXAS 77029-4327
MAILING ADDRESS: P.O. BOX 2562 • HOUSTON, TEXAS 77252-2562
TELEPHONE: (713) 670-2400 • FAX: (713) 670-2429

GEORGE T. WILLIAMSON
Managing Director
(713) 670-2453

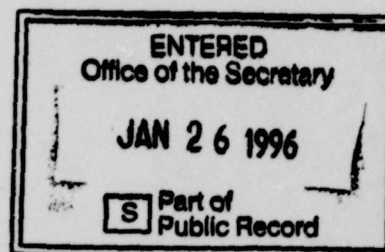


January 16, 1996

Via Hand Delivery

Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2215

11th Street & Constitution Avenue N.W.
Washington, D.C. 20423



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

Dear Secretary Williams:

Please place the Port of Houston Authority ("PHA") and its representatives indicated below on the list of all parties of record prepared and issued under the provision of 49 C.F.R. § 1180.4(a) (4). PHA intends to participate in this proceeding as an active party. In accordance with 49 C.F.R. § 1180.4(a) (2). PHA selects the acronym "PHA" for identifying all documents and pleadings it submits.

George T. Williamson
Managing Director
Port of Houston Authority
111 E. Loop N.
Houston, TX 77029

Sincerely,

George T. Williamson
George T. Williamson
Managing Director

Item No. _____
Page Count 2
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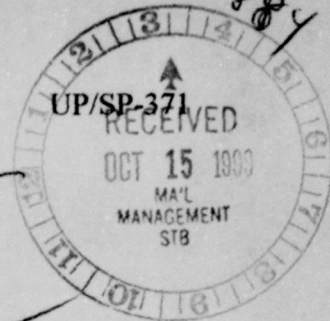
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ID-195884

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



ENTERED
Office of the Secretary

OCT 15 1999

Part of
Public Record

MOTION FOR LEAVE TO FILE REPLY TO BNSF'S REPLY SUPPORTING
ENERGY'S PETITION FOR ENFORCEMENT OF MERGER CONDITION

Applicants UPC, UPRR and SPR^{1/} hereby seek leave to file the accompanying reply to the October 12, 1999 "Reply of the Burlington Northern and Santa Fe Railway Company to Petition of Entergy Services, Inc. and Entergy Arkansas, Inc. for Enforcement of Merger Condition."

In its "reply," BNSF joins in and presents arguments in support of Entergy's request that it be granted trackage rights to participate in a build-out project that Entergy has proposed. Because BNSF is seeking affirmative relief, UP submits that it has a right to file a reply. See 49 C.F.R. § 1104.13; UP/SP, Decision No. 86, served July 12, 1999, p. 1 n.4.

Even if BNSF were not seeking affirmative relief, the Board should still grant UP's motion in order to allow UP to respond to arguments that Entergy or BNSF

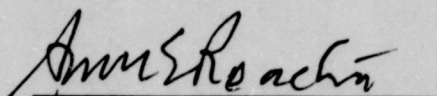
^{1/} Acronyms used herein are the same as those in Appendix B of Decision No. 44. For simplicity, we generally refer to the combined UP/SP rail system herein as "UP."

could have raised, but did not raise, in support of the original petition. By accepting UP's reply, the Board will ensure that UP is not prejudiced, and that the Board has a complete record on which to resolve the underlying dispute.

Respectfully submitted,

CARL W. VON BERNUTH
Union Pacific Corporation
Room 1230
1416 Dodge Street
Omaha, Nebraska 68179
(402) 271-6304

JAMES V. DOLAN
LAWRENCE E. WZOREK
Law Department
Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179
(402) 271-5000



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

Attorneys for Union Pacific Corporation,
Union Pacific Railroad Company and
Southern Pacific Rail Corporation

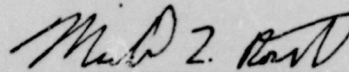
October 15, 1999

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that on this 15th day of October 1999, 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 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

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COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

MICHAEL L. ROSENTHAL

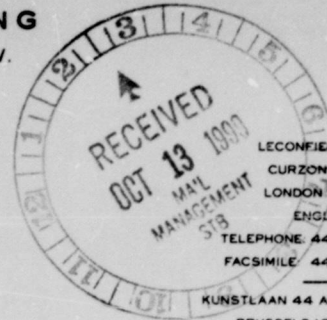
DIRECT DIAL NUMBER

(202) 662-5448

DIRECT FACSIMILE NUMBER

(202) 778-5448

mrosenthal@cov.com



LECONFIELD HOUSE
CURZON STREET
LONDON W1Y 8AS
ENGLAND
TELEPHONE: 44-171-495-5655
FACSIMILE: 44-171-495-3101
KUNSTLAAN 44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-549-5230
FACSIMILE: 32-2-502-1598

October 13, 1999

ENTERED
Office of the Secretary

OCT 14 1999

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Public Record

BY HAND

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

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

Dear Secretary Williams:

We are in receipt of the "Reply of the Burlington Northern and Santa Fe Railway Company to Petition of Entergy Services, Inc. and Entergy Arkansas, Inc. for Enforcement of Merger Condition," filed October 12, 1999 in the above-captioned docket. Because BNSF's "reply" actually seeks affirmative relief in the form of an award of trackage rights to serve Entergy, UP intends to file a brief reply to respond to the arguments that BNSF has relied upon. See UP/SP, Decision No. 86, served July 9, 1999, p. 1 n.4. UP also plans to file a motion for leave to file its reply, in the event that the Board does not consider BNSF's "reply" to be a request for affirmative relief. UP intends to file its reply no later than Monday, October 18, 1999.

Sincerely,

Michael L. Rosenthal

cc: Parties of Record

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Office of the Chairman

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

FILE IN DOCKET

FD-32760

September 7, 1999

Mr. Richard M. Cota
District Chairman 890
Allied Services Division
Transportation•Communications
International Union - AFL-CIO, CLC
980 3rd Street
Gilroy, CA 95020

Dear Mr. Cota:

I have received a copy of your letter to Mr. M.L. Irvine, General Superintendent, Union Pacific Railroad Company, regarding the abolishment of five regular clerical positions at City of Industry, California. You also have included copies of other correspondence related to this matter.

I appreciate your keeping me apprised of this matter and urge all involved to strive to resolve this dispute amicably. Of course, to the extent Surface Transportation Board imposed labor protective conditions are applicable, we expect them to be applied in a fair and timely manner. In that regard, I am having your correspondence and my response made a part of the public docket for the Union Pacific - Southern Pacific merger case.

Sincerely,

Linda J. Morgan
Linda J. Morgan

STB FD 32760 (SUB 21) 8-18-99 J

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STB FD-32760 (Sub 21) 8-18-99 J



Office of the Chairman

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

FILE IN DOCKET

FD-32760

Sub 21

August 18, 1999

Mr. Kenneth B. Cotton
Houston and Gulf Coast Railroad
3203 Areba
Houston, TX 77091

Re: Houston/Gulf Coast Oversight Proceedings

Dear Mr. Cotton:

This responds to your letter taking issue with the way in which Union Pacific Railroad Company (UP), the Burlington Northern and Santa Fe Railway Company (BNSF), and others conducted business with you in recent months. In your letter, you state that UP did not follow through on its publicly stated intention to work with your company. You suggest that the Board should consider reopening both the "Union Pacific/Southern Pacific" and the "Burlington Northern/Santa Fe" mergers to address what you view as "corporate racism" in the railroad industry.

I am sorry that your interactions with the larger railroads were not more fruitful, and that abandonment activities have been initiated by Southeastern International Corporation (SEI), the owner of the railroad line over which you provided service. However, as the Board noted in permitting SEI to abandon the line over which you had operated, there is no indication of discrimination in that proceeding, and I see no basis on which to reopen the Union Pacific/Southern Pacific and the Burlington Northern/Santa Fe mergers.

I am placing your letter and this response in the formal docket in the UP/SP oversight proceeding.

Sincerely,

Linda J. Morgan

Linda J. Morgan

HOUSTON AND GULF COAST RAILROAD
3203 AREBA
HOUSTON, TEXAS 77091

JULY 27, 1999

RECEIVED
SURFACE TRANSPORTATION
BOARD
Aug 3 3 21 PM '99
OFFICE OF
CHAIRMAN MORGAN

The Honorable Linda J. Morgan
Office of Chairman
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

FILE IN DOCKET

Re: Houston/Gulf Coast Oversight Proceedings
Finance Docket No. 32760, et.al

Dear Chairman Morgan:

The letter submitted on behalf of the Union Pacific contains several inaccuracies, which I will correct in this letter.

Following the Board hearing last December, the Union Pacific's attorney Arvid Roach said the Union Pacific would work with the H&GC "and find positive win-win ways of doing business".

At this juncture, the Union Pacific seems to put in the appearance of making peaceful overtures, but in reality, is willing to do nothing. If the "mighty" Union Pacific can buy other railroads to merge with, buy other railroads to increase its capacity, and work its tremendous power to do its will and merge three railroads in the last five years, certainly working out a "win-win" deal with the H&GC is certainly within the scope of Union Pacific's capabilities. Is the UP slogan "we can handle it" truth in advertising or merely a smokescreen? In the case of the H&GC, it seems to be more smoke.

At the beginning of these discussions, the UP had asked the H&GC to meet certain milestones to pursue this agreement; namely, the H&GC would make efforts to find locomotives and secure a trackage rights agreement with the BNSF between Cane Junction and Bay City, Texas. These milestones were successfully reached and were known to the Union Pacific during these negotiations (see Articles I and II).

Union Pacific also alleges the H&GC does not have a contract to use SEI's track. This is not true (see Article III). As it states in the contract, H&GC has operating authority until the railroad is either abandoned or released by 30 days' written notice. The railroad is neither abandoned (although it is under abandonment proceedings) nor has a thirty-day notice been served on either party. This is still another excuse the UP is using to not execute an agreement with the H&GC.

The H&GC has attempted to purchase the assets of SEI (see Article IV); the inability of H&GC to obtain financing (a systemic problem faced by minority business owners), as well as the unwillingness of the owner to provide assistance, derailed this purchase of SEI.

The UP has stated for the record,"we have a need for SIT capacity.We're building SIT capacity.Shippers have a need for SIT capacity and ought to be interested in exploiting his property and his capabilities". If the Union Pacific can sell half-interest in its crucial Houston-New Orleans main line to BNSF,grant extensive trackage rights to BNSF,and provide other inducements to make the UP-SP merger happen, why can't the UP deal with the H&GC,a move that would clearly benefit the area shippers,the UP,and the H&GC? The answer is painfully obvious as a lump of coal in a snowbank

In its report on Houston and Gulf Coast Infrastructure,the UP points out it needs additional capacity on the Brownsville Subdivision,including SIT capacity.Current SIT traffic from this area travels through Houston to Spring to its SIT yard,then must be backhauled to one of UP's yards to be blocked into trains for final destinations.The H&GC,which has access to the Brownsville main at Bay City,could serve the needs of this area if UP truly wanted to make the deal work.Is this not a better alternative?

The Union Pacific also stated in its letter that my main customer has not shipped in two years; this is due directly to the inability to get cars during the service meltdown,and the inability of BNSF to deliver cars that were ordered,not because of any lack of desire on the part of the shipper.The UP is again reverting to shifting the blame for its problems instead of owning up to its responsibilities and obligations.

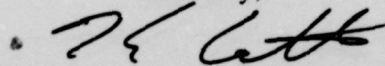
The UP also mentions a possible objection by the city of Wharton,Texas to the storage of SIT cars within the city limits.This is not due to any perceived hazard,but due to the fact that the city wants the easement the track currently occupies to widen a street.In fact,the city has already offered to buy that portion if the railroad is abandoned.

The UP also states that its storage agreements are standard, except the one in Galveston,Texas that they wish they could change.What must be remembered here is that the UP placed the H&GC in this predicament;we literally have to start from scratch,and they should be willing to do whatever is necessary to make it right.

The Union Pacific continues its argument by listing companies that it currently stores cars with.Many of these companies have ties with predecessor railroads that are now are a part of the Union Pacific. None of these companies are owned or operated by people of color; it's the good ol' boy system in full bloom.

The Board is in a position to re-examine both the BNSF and UP-SP mergers if they feel it is in the interest of the public convenience and necessity to do so; corporate racism would seem to be grounds to warrant further investigation into this matter.Should the BNSF and UP succeed in the economic lynching of the H&GC, the railroad industry will lose a valuable resource.The UP has stated that it has gone the extra mile;perhaps they measure ten feet as a mile.

Sincerely,



KENNETH B. COTTON
HOUSTON AND GULF COAST RAILROAD

HOUSTON AND GULF COAST RAILROAD
3203 AREBA
HOUSTON, TEXAS 77091

JULY 27, 1999

Mr. Richard K. Davidson, Chairman
Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

Dear Mr. Davidson:

Recently our companies have been in negotiations to establish a car storage agreement; these talks are now suspended and my company faces imminent destruction.

At this juncture, you are the only one who can prevent it.

Enclosed with this letter, I am sending you the response to the letter I received from Union Pacific.

I would like to meet with you within the next ten days to work out a solution to this situation. I am willing to come to Omaha to personally work out this dilemma between the two of us, railroader to railroader. My phone number is 713-682-8458 and I hope to meet with you soon.

Sincerely,



KENNETH B. COTTON
HOUSTON AND GULF COAST RAILROAD

Cc Marvin Clement.STB



JEROME M. JOHNSON
Assistant Vice President
Shortline Development

Burlington Northern Santa Fe

2650 Lou Menk Drive
Third Floor

Fort Worth, TX 76161-0052

Phone (817) 352-6434
Fax (817) 352-7304

March 31, 1999

Mr. Kenneth Cotton
Houston & Gulf Coast Railroad
3203 Areba
Houston, TX 77091

Dear Mr. Cotton:

This responds to your various inquiries to BNSF regarding the status of our Wadsworth-Bay City-Cane Junction line. It specifically addresses your March 9 letter to Rob Krebs and your earlier letter to Dave Dealy seeking overhead trackage rights between Cane Junction and Bay City.

BNSF is prepared to offer overhead trackage rights only over our line between Cane Junction and Bay City to the owner of the line between Cane Junction and Wharton, currently Southeast International Corporation of Seguin, TX, or its designated operator. These trackage rights would include the right to interchange traffic with Union Pacific at Bay City, although BNSF will not be obligated to provide track capacity for the interchange with the trackage rights holder and UP. Interchange with BNSF would continue at Cane Junction

We anticipate a trackage rights fee of about \$25 per car movement, loaded or empty, subject to further review. We require that the recipient of these rights be in full compliance with STB requirements, including a valid interchange agreement with Union Pacific. We will also require that the recipient of these rights furnish proof of ownership of the Cane Jct-Wharton line or a valid operating agreement with the owner(s).

In keeping with our Houston Gulf Coast oversight commitments, BNSF will formally notify the Office of Enforcement at the Surface Transportation Board of this offer. We are also, by copy of this letter, informing Southeast International. Should you have any questions or comments regarding the above, please contact me at (817) 352-6434.

Sincerely,

Jerome M. Johnson

Copies

Rob Krebs
Pete Rickershauser - BNSF Marketing
George Duggan - BNSF Marketing
Gary Kerley - Southeast International Corp.
Rick Weicher - BNSF Law

Dave Dealy
John Beacom - BNSF Joint Facilities
Sidney Strickland - BNSF Law
Steve Bobb - BNSF Ag Marketing



GAULEY RIVER RAILROAD, LLC
1500 Huguenot Road Suite 101
P.O. BOX 190
Midlothian, VA 23113
Phone (804) 379-3904
Fax (804) 379-3907

January 13, 1999

Mr. Ken Cotton
Houston Gulf Coast Railroad
3203 Areba Rd.
Houston, TX 77031

Dear Mr. Cotton

It has come to my attention through Gary Hunter of Railroad Industries that you are looking to lease power. We currently have 3 ea. GP-16 locomotives available for lease. I have enclosed the specifications for these units. They are located in Dillwyn, VA.

Our lease rate per locomotive is: \$85 a day for 3 years and \$75 a day for 5 years. Please do not hesitate to call me with any questions at (804) 379-3904.

Sincerely,

Art Healey
Business Manager

Southeastern International Corp.

116 Shenandoah Drive #279
Spring, Texas 77381
713-298-7346

September 12, 1996

Mr. Kenneth Cotton
Houston & Gulf Coast Railroad
3203 Areba
Houston, Texas 77091

Re: SEI - Wharton, Texas Line

Mr. Cotton:

This letter will serve as a binding Agreement effective October 1, 1996 whereby Houston & Gulf Coast Railroad (HGCR) agrees to operate the above-referenced line for Southeastern International Corporation (SEI). This Agreement terminates in full the previous Agreement of June 27, 1995 between HGCR and SEI.

The following terms and condition apply:

1. Compensation: HGCR will be paid a monthly operating fee of \$2,000.00, to be paid on the 15th day of each month. HGCR will also be paid [REDACTED] per loaded car inbound or outbound up to 345 carloads annually. HGCR will be paid [REDACTED] per car on all loaded cars in excess of 345 loaded cars annually (October 1 through September 30). Payments to HGCR will be made within 10 days of receipt of invoice.
2. FRA Requirements: HGCR will prepare and file all necessary FRA paperwork as part of HGCR's operating responsibility, at no extra charge.
3. Insurance: SEI will maintain insurance on all SEI-owned track.
4. Maintenance: SEI will make decisions on maintenance expenditures, including rail, ties, crossings, bridges, culverts, mowing, weed control, etc. HGCR will be responsible for minor repairs and maintenance with SEI providing the necessary material and equipment.
5. Inspection: SEI will inspect track conditions and maintain as is necessary.

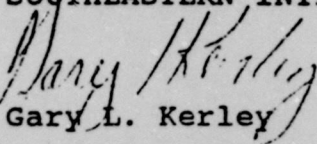
(continued on Page 2)

Mr. Kenneth Cotton
Houston & Gulf Coast Railroad
September 12, 1996
Page 2

6. Travel: HGCR is responsible for travel to the line when a train is to be operated.
7. Termination: Either party may terminate this Agreement with 30 days written notice. This Agreement will automatically terminate if the line is abandoned.

Sincerely,

SOUTHEASTERN INTERNATIONAL


Gary L. Kerley

GLK:jd

Accepted by: _____
for HOUSTON & GULF COAST RAILROAD

Dated: _____

Southeastern International Corporation***P. O. Box 911******Seguin, Texas 78156-0911******830-372-4900 - Fax 830-372-9907***

March 6, 1998

FAX - 713-956-2310

Mr. Kenneth Cotton
Houston & Gulf Coast Railroad
3203 Areba
Houston, Texas 77091

Re: Wharton to Cane Junction, Texas -- MP-42.24 to MP-54.00 plus 1.66 TM of Siding

Mr. Cotton:

This will confirm SEI's offer to sell the above-referenced operating property for \$392,560.00.

The line consists of approximately 2,150 NT of predominantly 90# rail, 534 NT of plates, bars, spikes and anchors, 42,000 crossties and 154 acres of land. Net liquidation value of this line is estimated at \$540,462.00 (see attached original purchase valuation and profit).

Loaded car movements in recent years are as follows:

<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
243	142	239	232	642	97

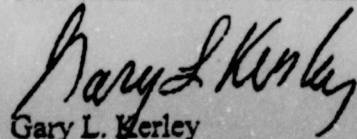
Our freight division, paid by BNSF, is \$350.00 per car and during 1998, we will be billing direct on an additional \$140.00 per car surcharge.

The owners of our largest shipper, Coastal Warehouse, have agreed to a "take or pay" contract for 1998 which guarantees a minimum of 345 cars at \$490.00 per car.

This offer will be held firm for 120 days.

Cordially,

SOUTHEASTERN INTERNATIONAL



Gary L. Kerley

GLK:jd
Attachment-1

PROJECT: SEI - WARTON to Cane Jct

MATERIAL	NET TONS	NT SELL	NT FRT.	NT TAKE- UP	NT PROFIT	NET TO RR	TOTAL
90# Relay Rail	1200	220	35	22	50	113	135600
Relay Rail	824	162	18	22	17	105	86520
SEP RAIL	126	107	15	22	25	45	5670
90# ANCHORS	22	130	35	110	410	175	3850
SEP OTM	442	117	18	22	22	55	24310
90# BARS	70	300	35	22	100	143	10010
CROSSTIES	LOT	110000			25000	85000	85000
LAND	154A	400A			20000		41600
TOTAL	=====	=====	=====	=====	=====	=====	\$392560

Railroad Purchase Price: \$ _____
 LESS: Road-crossing repair (-)
 Bridge removal (-)
 Miscellaneous (-)

Net to Railroad 392560

Total Est. Gross Profit: \$ 147902

Total Est. Time for Removal: _____ days

GENERAL COMMENTS: _____

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184777

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

ENTERED Office of the Secretary	(202) 662-6000
FACSIMILE (202) 662-6291	
DEC 12 1997	
5	Part of Public Record

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT FACSIMILE

(202) 778-5388

LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE 44-171-495-5655

FACSIMILE 44-171-495-3101

BRUSSELS OFFICE

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE 32-2-549-5230

FACSIMILE 32-2-502-1598

December 12, 1997

BY HAND

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

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

Dear Secretary Williams:

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

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

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

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

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

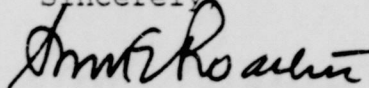
does not assert that it expected the BNSF settlement agreement to allow BNSF to serve its Westwego terminal, much less that it justifiably relied on such an expectation in deciding whether to seek merger conditions.

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

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

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

Sincerely,



Arvid E. Roach II

cc: All Parties of Record

STB

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10-28-97

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183623

COVINGTON & BURLINGAME
1201 PENNSYLVANIA AVENUE, N.W.
P.O. BOX 7566
WASHINGTON, D.C. 20044-7566
(202) 662-6000
FACSIMILE: (202) 662-6291

TIMOTHY C. HESTER
DIRECT DIAL NUMBER
(202) 662-5324
DIRECT FACSIMILE NUMBER
(202) 778-5324

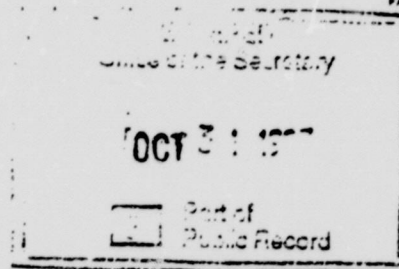


LECONFIELD HOUSE
CURSON STREET
LONDON W1T 6AS
ENGLAND
TELEPHONE: 44-71-495-5665
FACSIMILE: 44-71-495-3101
KUNSTLAAN 44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-540-5230
FACSIMILE: 32-2-502-1598

October 28, 1997

By Hand

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



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

Dear Secretary Williams:

183622

183623

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

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

Thank you for your assistance.

Sincerely,

Timothy C. Hester
Timothy C. Hester

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

STB

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10-3-97

J

182333

RR DONNELLEY & SONS COMPANY

Reno Division

182333

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

FD-32760



September 30, 1997

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

J

Dear Secretary Williams,

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

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

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

Sincerely,

Bill Staab

Bill Staab
Operations Support Manager

BS:tb

cc: Arvid E. Roach II
Erika Z. Jones

STB FD

32760

8-5-96

85079

J

85079

TROUTMAN SANDERS LLP
ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

1300 I STREET, N.W.
SUITE 500 EAST
WASHINGTON, D.C. 20005-3314
TELEPHONE: 202-274-2950
FACSIMILE: 202-274-2994

WILLIAM A. MULLINS

DIRECT: 202-274-2953

August 5, 1996

The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
12th & Constitution Avenue, N.W.
Room 4126
Washington, D.C. 20423

Item No. _____

Page Count 3

August 1996 # 4



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

Dear Chairman Morgan:

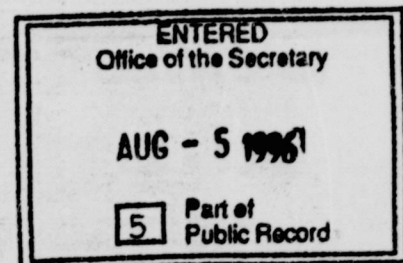
On July 30, 1996, counsel of record for The Dow Chemical Company ("Dow") addressed a letter to you asking that the Board *clarify and amend* the Staff Report's Recommendation No. 15. KCS responded to Dow's request by letter dated August 2, 1996. However, my August 2nd response contained a typographical error. The second sentence of the second paragraph reads: "KCS has demonstrated a credit capacity to complete new transactions as stated in the public filings with the SEC, including a recent \$5 million shelf offering." Instead of "\$5 million," the correct figure should read "\$500 million."

For your records, I have attached a revised copy of the letter that contains the correct figure. I would appreciate it if you would destroy the previous letter.

Sincerely,

William A. Mullins
Attorney for The Kansas City
Southern Railway Company

cc: The Honorable Vice Chairman J.J. Simmons III
The Honorable Commissioner Gus A. Owen
Vernon A. Williams, Secretary
All Parties of Record



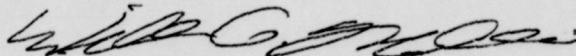
The Honorable Linda J. Morgan
August 2, 1996
Page 2

it has access to customers in the Northeastern United States. KCS also has the ability to reach St. Louis via the Gateway Western, with a direct connection to Conrail, and to Chicago via the SOO Line to connect with U.S. and Canadian roads serving customers in the Northeastern U.S. and Canada.

KCS is a viable company for the above reasons. We are certainly capable of a build-in. KCS recently completed a build-in to Exxon at Baton Rouge, Louisiana. Also, KCS has been granted the right to build-in to the Shell, Borden and BASF facilities at Geismar, Louisiana and is awaiting a ruling from the STB on the environmental impacts.

KCS does not believe that Dow intentionally meant to deprecate KCS. KCS believes that what Dow was trying to do was to open up the build-in granted by Recommendation No. 15 to as many potential candidates as possible, including KCS.

Sincerely,



William A. Mullins
Attorney for The Kansas City
Southern Railway Company

cc: The Honorable Vice Chairman J.J. Simmons III
The Honorable Commissioner Gus A. Owen
Vernon A. Williams, Secretary
All Parties of Record

TROUTMAN SANDERS LLP
ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

1300 I STREET, N.W.
SUITE 500 EAST
WASHINGTON, D.C. 20005-3314
TELEPHONE: 202-274-2950
FACSIMILE: 202-274-2994

WILLIAM A. MULLINS

DIRECT: 202-274-2953

August 2, 1996

The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
12th & Constitution Avenue, N.W.
Room 4126
Washington, D.C. 20423



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

Dear Chairman Morgan:

On July 30, 1996, counsel of record for The Dow Chemical Company ("Dow") addressed a letter to you asking that the Board *clarify and amend* the Staff Report's Recommendation No. 15. KCS recognizes the questionable validity of such a letter request and the questionable propriety of the Board's consideration of the requests which it contains. As a result, KCS is reluctant to address this letter to you. However, the Dow letter contains apparent characterizations of KCS' financial resources and rail service capabilities which, in their own right, require clarification.

Dow appears to be uninformed as to KCS' financial resources and route structure. KCS debt is rated BBB+ by Standard & Poors, equivalent to CSX and above BNSF and Illinois Central. KCS has demonstrated a credit capacity to complete new transactions as stated in the public filings with the SEC, including a recent \$500 million shelf offering. KCS has more than sufficient financial resources to continue to serve existing customers, to expand as a strong rail competitor in the Gulf Coast area, and to move NAFTA rail traffic.

In so far as KCS's "route structure" to and from the Gulf Coast region is concerned, KCS has highly competitive routes and direct connections with the Norfolk Southern and CSX, via Meridian, Mississippi and Birmingham, Alabama, respectively. Additionally, the STB just recently approved trackage rights of CSX over the Meridian and Bigsby Railroad, which also gives CSX a direct connection at Meridian with KCS. KCS maintains a voluntary coordination agreement with the Illinois Central Railroad between Jackson, Mississippi and junction points with Conrail in the State of Illinois, including Chicago, East St. Louis, and Effingham, whereby

STB

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COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

TELEFAX: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

J. MICHAEL HEMMER

DIRECT DIAL NUMBER

(202) 662-5578

DIRECT FACSIMILE

(202) 778-5578

INTERNET ADDRESS

MHEMMER@COV.COM

LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE: 44-171-495-5655

TELEFAX: 44-171-495-3101

BRUSSELS CORRESPONDENT OFFICE

44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-512-9890

TELEFAX: 32-2-502-1598

July 16, 1996

HAND DELIVERY

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

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

Dear Secretary Williams:

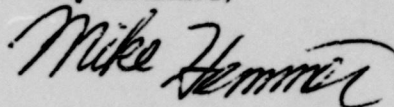
Applicants today received a copy of the attached letter from counsel for the City of Wichita and Sedgwick County to Chairman Morgan, Vice Chairman Simmons and Commissioner Owen. The City and County offer several recommended "clarifications" for the language of the Board's final order.

Although Applicants do not for the most part disagree with the City and County's "clarifications," we do object to their letter on procedural grounds and urge the Board to disregard it as improper. Nothing in the Board's schedule for this proceeding, its procedural regulations or its precedents authorizes parties to submit post-voting-conference requests for clarification with respect to the Board's final decision. If this filing were accepted, the Board could expect -- given the fertility of the legal mind -- such post-voting-conference recommendations to be made by other parties. (Indeed, the Applicants would not be immune from the temptation to make such recommendations.) Those who disagree would feel compelled to respond, leading to an ongoing war of letters. And the "recommendations" would inevitably gravitate toward requests not just to "clarify," but to change, the results of the voting conference. Accordingly, in order to avoid post-voting-conference reargument, the Board should reject all such filings.

Mr. Williams
July 16, 1996
Page 2

The letter is also improper because it was not addressed to the Secretary or, so far as can be told, served on all parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mike Hemmer". The signature is written in dark ink and is positioned above the printed name.

Arvid E. Roach II
J. Michael Hemmer
Counsel for Applicants

cc: All Parties of Record

LAW OFFICES
McCARTHY, SWEENEY & HARKAWAY, P. C.
1750 PENNSYLVANIA AVE., N. W.
WASHINGTON, D. C. 20006

DOUGLAS M. CANTEN
JOHN M. CUTLER, JR.
WILLIAM I. HARKAWAY
STEVEN J. KALISH
KATHLEEN L. MAZURE
HARVEY L. REITER
DANIEL J. SWEENEY

TELEPHONE (202) 393-6710
TELECOPIER (202) 393-6711

ANDREW P. GOLDBSTEIN
Counsel

July 16, 1996

Honorable Linda J. Morgan, Chair
Honorable J.J. Simmons III, Vice Chair
Honorable Gus A. Owen, Commissioner
Surface Transportation Board
Washington, D.C. 20423-0001

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

Dear Chair Morgan, Vice Chair Simmons, and Commissioner Owen:

The City of Wichita and Sedgwick County wish to thank the Board for its July 3, 1996 vote to clarify the Post Environmental Assessment to ensure that the mitigation plan developed in the environmental study mandated in Chapter 5, Paragraph 23c will not govern UP/SP actions until it has been reviewed by the Board and until the Board issues a subsequent decision.

Since all parties would best be served by focusing on the study rather than filing, responding to, and ruling on formal requests for clarification of the Board's order to be issued on or about August 12th, we are taking the liberty of recommending additional clarifications for inclusion in the order. We emphasize our belief that the four clarifications we propose are consistent with the Board's intent and do not require any modification to the Board's July 3rd votes. Of course, we do not pretend to speak for the applicants and thus are sending Mr. Roach a copy of this letter via facsimile to give the applicants every opportunity to respond, should they feel a need to do so. We also are sending a copy of this letter via facsimile to counsel for Reno because of its interest in the environmental study.

Recommended Clarifications

I. The Geographic Scope Of The Study

The PEA's mitigation recommendations found in Volume I, pages 5-6 to 5-7, are under the heading "Chickasha, Oklahoma to Wichita, Kansas." This describes one of the two UP line segments of concern to Wichita and Sedgwick County and includes most of Wichita and the southern portions of Sedgwick County. The

- 2 -

remainder of Wichita and Sedgwick County are contemplated by a second UP line segment, i.e., Lost Springs, Kansas to Wichita.

Since the evidence of record in this proceeding addresses the environmental impacts of the merger on the entirety of Wichita and Sedgwick County, and since the PEA clearly requires the environmental study to review all of the information presented by Wichita and Sedgwick County, we believe that the PEA's reference to only one of the two line segments was an inadvertent error.

We request that the Board's order clarify that the Board's consultant will be studying and preparing a report on the environmental impacts of the merger on the entirety of Wichita and the entirety of Sedgwick County.

II. The Daily Train Count

Paragraph 23a provides that, effective with the consummation of the merger and for 18 calendar months thereafter, the "UP/SP shall operate no more than a daily average count of 6.4 trains per day through the City of Wichita." This paragraph also states that the allowed addition of two trains per day "essentially maintains the environmental status quo" and defines certain types of trains that will not be included in the 6.4 per day figure.

Paragraph 23b requires the UP/SP to file with the Board verified copies of station passing reports "for each day of each preceding month in the specified 18-month period."

While Wichita is genuinely concerned that a 45% increase in the average daily train count, from 4.4 to 6.4, will not maintain the environmental status quo, we request only that the Board clarify the the mitigation measures it has adopted to ensure that the PEA's "average count" language is not abused.

Simply stated, our concern is that since the UP may take some time to rehabilitate its track to permit increased traffic of the type proposed, it may maintain the current daily train levels for some period of the 18 months, then dramatically increase the train levels at the end of the 18 months, and still claim obedience to the mitigation condition because the "average" for the 18 months is still "only" 6.4 trains per day.

In order to prevent such an unintended result, we request that the Board's order clarify that the 6.4 per day average figure must be maintained for each of the 18 months. That is, while daily traffic figures may vary, each monthly report to be submitted under Paragraph 23b should reflect no more than a 6.4 train per day average. Wichita and Sedgwick County also would appreciate a clarification requiring the UP to serve a copy of

- 3 -

its monthly reports on the City and County's representative at the same time they are filed with the Board.

III. The Timing Of The Study

As noted above, Paragraph 23a requires the UP/SP to limit its average daily train count for a period of 18 months. Paragraph 23c similarly provides that the environmental study shall be completed within 18 months.

Since the Board has voted to review the consultant's study and to issue an order concerning that study, Wichita and Sedgwick County are concerned that if the study extends for the full 18 months allowed, some time may elapse between the termination of the average daily train count requirement and the date of the issuance of the Board's decision on the study.

This concern is premised in part upon our assumption that once the study is issued, interested parties will be given a reasonable amount of time to review the study and to submit comments on the study to the Board. Thereafter, additional time also will be required for the Board to consider the study and the submitted comments and to issue its order.

Accordingly, we request that the Board clarify the PEA in one of two alternative ways. Our preference would be a clarification that the Board will issue its decision within the 18 month period. Such a clarification would permit the study to be comprehensive and would prevent a dramatic increase in daily train counts prior to the issuance of the Board's decision. Alternatively, we request that the Board clarify that the daily train count limitation will continue until the Board has issued its order.

IV. Cost Sharing Issues

At the July 3rd voting conference, the Board clarified the PEA's mitigation proposals to require the environmental study to consider the possibility of entities other than the UP paying for a portion of the mitigation that may be mandated by the Board's post environmental study order. While Wichita and Sedgwick County obviously are concerned that they may be called upon to pay for a portion of the expenses necessitated by the merger of two railroads, we will leave that debate for another day. Rather, we seek only a clarification that the study contemplate the availability of any Federal funding proposed for any project. In an era in which all parties recognize the limited resources of the Federal Government, it would not be in any party's interest for the Board to receive a report recommending the expenditure of

- 4 -

Federal funds that simply are not available for the purpose desired.

Respectfully submitted,


Steven J. Kalish

Attorney for
City of Wichita, Kansas
Sedgwick County, Kansas

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7-10-96

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BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

-- CONTROL AND MERGER --

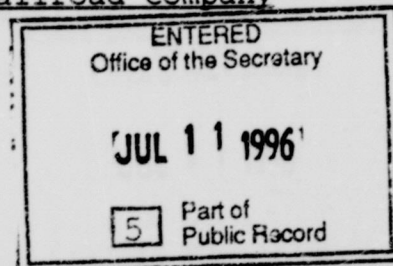
SOUTHERN PACIFIC RAIL CORPORATION, SOUTHERN PACIFIC
TRANSPORTATION COMPANY, ST. LOUIS SOUTHWESTERN RAILWAY
COMPANY, SPCSL CORP. AND THE DENVER AND
RIO GRANDE WESTERN RAILROAD COMPANY

SUBMISSION OF PROXY STATEMENT

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

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

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



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

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

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

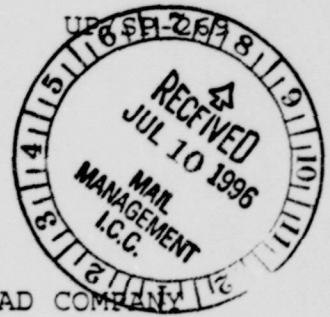
Attorneys for Union Pacific
Corporation, Union Pacific
Railroad Company and Missouri
Pacific Railroad Company

July 10, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



SUBMISSION OF PROXY STATEMENT

Applicants hereby submit, for the Board's information, a copy of the proxy statement that has been filed with the SEC relating to a meeting of SPR shareholders scheduled to be held on August 16, 1996, at which they will be asked to approve a slight modification to the structure of the corporate transaction in this proceeding.^{1/}

The modification, which is aimed at achieving the benefits of the transaction in a tax-optimal manner, is described in the proxy statement. In substance, it allows for the option of merging SPR into either of two wholly-owned UPC subsidiaries rather than into UPRR. To facilitate this alternative form of the transaction, the trust certificates evidencing the right to SPR shares held in trust have been distributed to UPC and one of the potential merger candidates. UP Acquisition has been merged into its parent, UPRR.

^{1/} Because of the size of the document, Applicants have not provided all parties of record with copies of the proxy statement. Parties should contact Applicants' counsel if they wish to receive a copy of the proxy statement.

The possibility of such a technical change in the structure of the transaction was contemplated in the application (UP/SP-22, p. 2; see also Applicants' Brief, UP/SP-260, p. 6), and has no bearing on any matter entering into the Board's public interest determination or its fairness determination with respect to the price paid by UPC for SPR stock.

Respectfully submitted,

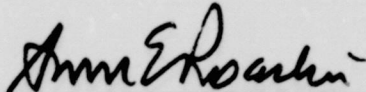
CANNON Y. HARVEY
LOUIS P. WARCHOT
CAROL A. HARRIS
Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105
(415) 541-1000

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

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

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

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


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

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

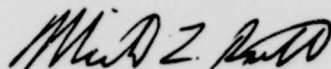
July 10, 1996

CERTIFICATE OF SERVICE

I, Michael L. Rosenthal, certify that, on this 10th day of July, 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

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32760

5-6-96

J

83340



83340

GALE A. NORTON
Attorney General

STEPHEN K. ERKENBRACK
Chief Deputy Attorney General

TIMOTHY M. TYMKOVICH
Solicitor General

STATE OF COLORADO
DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL

STATE SERVICES BUILDING
1525 Sherman Street - 5th Floor
Denver, Colorado 80203
Phone (303) 866-4500
FAX (303) 866-5691

May 1, 1996

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

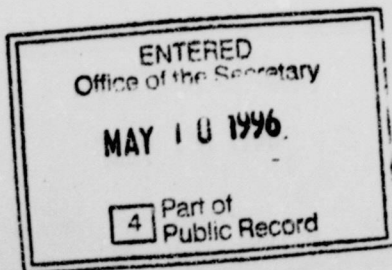


RE: Compliance with Decision No. 32, dated April 23, 1996 regarding Finance Docket No. 32760, ICC Dockets AB-12 (Sub-No. 1880) and AB-8 (Sub-No. 39)

Dear Sir:

This letter serves to notify the Secretary and all parties of record not previously notified of all filings made to date by the Colorado Department of Public Health and Environment. The documents followed are:

COLO-1: Notice of Intent to Participate; COLO-2 Amended Notice of Intent to Participate; COLO-4:(sic) Request for Change of Status; COLO-5, letter notifying parties of filings to date, and COLO-6: Joint Comments of the Colorado Department of Public Health and Environment and the United States Environmental Protection Agency Region VIII.



Sincerely,

Jane T. Feldman
Jane T. Feldman
Assistant Attorney General
Natural Resources Section
(303) 866-5073

CERTIFICATE OF SERVICE

This is to certify that I have duly served the within Notice of Prior Filings by depositing copies of same in the United States mail, first class postage prepaid, at Denver, Colorado this 2nd day of May 1996 addressed to all additional Parties of Record pursuant to Decision No. 32.

Margaret K. Amms
Office of the Colorado Attorney General

STB

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32760

5-2-96

82971

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Item No. _____

Page Count 1

May # 13

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

TELEFAX: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

MICHAEL A. LISTGARTEN

DIRECT DIAL NUMBER

(202) 662-5151

May 2, 1996



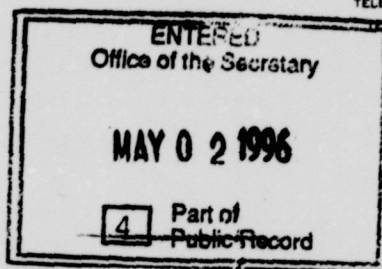
LECONFIELD HOUSE
CURZON STREET
LONDON W1Y 8AS
ENGLAND

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

BRUSSELS CORRESPONDENT OFFICE
44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-512-9890
TELEFAX: 32-2-502-1596

BY HAND

Honorable Vernon A. Williams
Secretary
attn. Ellen Keys
Surface Transportation Board
Room 2215
12th St. & Constitution Ave., N.W.
Washington, D.C. 20423



Re: Finance Docket 32760

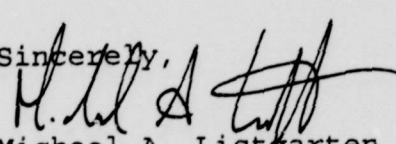
Dear Secretary Williams:

Several pages in one of the redacted volumes of Applicants' Rebuttal contains confidential information that should have been redacted. The pages in question are in the Verified Statement of William E. Nock, which is located at Tab 15 of Volume 2, Part A of Applicants' Rebuttal.

Enclosed are 21 copies of the properly redacted pages. These pages should be exchanged for the pages currently in the document. The pages taken out of the document should be destroyed.

If you have any questions regarding this matter, or require assistance in exchanging the pages please contact me at (202) 662-5151. Thank you for your assistance.

Sincerely,


Michael A. Listgarten

Enclosure

STB

FD

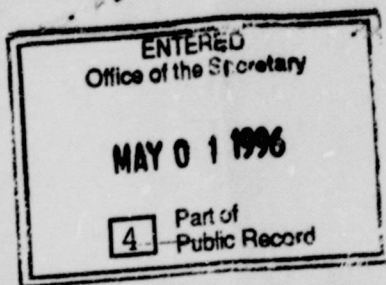
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LAW OFFICES
JACKSON & JESSUP, P.C.
3426 NORTH WASHINGTON BOULEVARD
POST OFFICE BOX 1240
ARLINGTON, VIRGINIA 22210
(703) 525-4050
TELECOPIER
(703) 525-4054
INTERNET
TRANSLAW@DOS.DOSYS.COM



WILLIAM P. JACKSON, JR.
DAVID C. BEEVES
JOHN T. SULLIVAN
JOHN R. COBLEY

April 25, 1996

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
12th & Constitution Ave., N.W.
Washington, DC 20423

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

Dear Mr. Williams:

I certify that this letter is being sent to the parties of record added by Decision No. 32, served in the above docket on April 24, 1996, to notify them that the following documents have been filed in the above-captioned proceeding by Save The Rock Island Committee (STRICT):

1. Reply in Opposition of Save the Rock Island Committee, Inc., to Petition For Waiver of or Exemption From 49 U.S.C. Section 10904(E)(3) and 49 C.F.R. Section 1152.13(D) (STRC-1), filed August 24, 1995.
2. Reply in Opposition of Save the Rock Island Committee, Inc., to Petition to Establish Procedural Schedule (STRC-2), filed August 24, 1995.
3. Reply in Opposition of Save the Rock Island Committee, Inc., to Petition For Waiver of 49 C.F.R. Section 1152.22(D) (STRC-3), filed August 31, 1995.
4. Motion of Save the Rock Island Committee, Inc., to Reject Impermissible Pleadings (STRC-4), filed August 31, 1995.
5. Comments of Save the Rock Island Committee, Inc., on Proposed Procedural Schedule (STRC-5), filed September 18, 1995.
6. Comments, Evidence, and Request for Merger Conditions or To Deny Application By Save The Rock Island Committee, Inc. (STRC-8), filed March 29, 1996.

Any party requiring a copy of any of the foregoing documents who has not previously received same should request it from me.

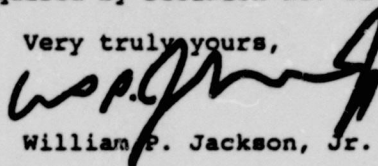
STRICT also filed a notice of intent to participate (STRC-6) on December 15, 1995, served discovery on applicants (STRC-7) on January 5, 1996, and

Letter to Mr. Vernon A. Williams
April 25, 1996

Page No. 2

responded to applicants' discovery (STRC-9) on April 12, 1996. Service of these documents on all parties is not required by Decision No. 32.

Very truly yours,

A handwritten signature in dark ink, appearing to read "W.P. Jackson, Jr.", written over the typed name.

William P. Jackson, Jr.

WPJ/jmh

STB

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32760

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J

Item No. _____

Page Count 8

Apr #395

82921

1201 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3919
(202) 789-3400
FAX (202) 789-1158

KECK, MAHIN & CATE

FILE NUMBER
Z990-005

DIRECT DIAL
(202) 789-8931

April 26, 1996



Hon. Vernon A. Williams
Secretary, Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Re: F.D. 32760 UP/SP Merger

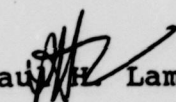
Dear Mr. Secretary:

Noting that I am not on the "Restricted Service" list, I am enclosing executed confidentiality agreements similar to those provided to Applicants during depositions on February 8, 1996.

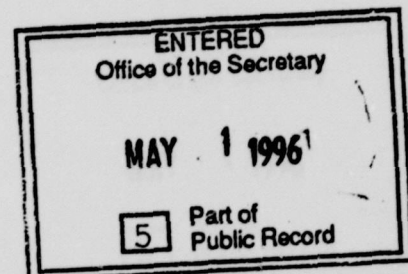
Please add my name to the "restricted service" list in the public record.

Thank you.

Very truly yours


Paul H. Lamboley

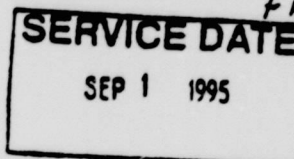
cc: J. Michael Hemmer
Covington & Burling
Counsel for Applicant
Union Pacific



A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

CHICAGO, ILLINOIS HOUSTON, TEXAS LOS ANGELES, CALIFORNIA NEW YORK, NEW YORK
PEORIA, ILLINOIS SAN FRANCISCO, CALIFORNIA OAKBROOK TERRACE, ILLINOIS SCHAMBURG, ILLINOIS

EC



INTERSTATE COMMERCE COMMISSION

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

Decision No. 2

PETITION FOR PROTECTIVE ORDER

Decided: August 28, 1995

On August 4, 1995, Union Pacific Corporation (UPC), Union Pacific Railroad Company (UPRR), Missouri Pacific Railroad Company (MPRR), Southern Pacific Rail Corporation (SPR), Southern Pacific Transportation Company (SPT), St. Louis Southwestern Railway Company (SSW), SPCSL Corp. (SPCSL), and The Denver and Rio Grande Western Railroad Company (DRGW) (collectively, applicants) filed a notice of intent (UP/SP-1) to file an application seeking Commission authorization under 49 U.S.C. 11343-45 for: (1) the acquisition of control of SPR by UP Acquisition Corporation (Acquisition), an indirect wholly owned subsidiary of UPC; (2) the merger of SPR into UPRR; and (3) the resulting common control of UP and SP by UPC.

In a petition filed concurrently with the notice, applicants request that the Commission enter a protective order (UP/SP-2). Applicants explain that a protective order is necessary for two reasons: (1) to protect confidential information, such as shipper-specific material contained in traffic data and tapes, and to facilitate compliance with 49 U.S.C. 11343 and 11910; and (2) to facilitate any necessary discovery during later stages of the proceeding by protecting the confidentiality of materials reflecting the terms of contracts, shipper-specific traffic data, and other confidential and proprietary information in the event that parties produce such materials. Applicants propose to include in the protective order a provision governing the production of highly confidential competitive information in discovery, and restricting that information to use by outside counsel or outside consultants for the parties. The provision is similar to provisions approved in protective orders in other control cases. See Burlington Northern Inc. and Burlington Northern Railroad Company--Control and Merger--Santa Fe Pacific Corporation and The Atchison, Topeka and Santa Fe Railway Company, Finance Docket No. 32549 (ICC served July 15, 1994) (BN/Santa Fe). On August 14, 1995, The Kansas City Southern Railway Company (KCS) filed its opposition to the proposed protective order (KCS-2). Applicants filed a reply on August 18, 1995 (UP/SP-7).

KCS appears primarily concerned with the provision designating certain material as "highly confidential" and restricting its use to outside counsel or outside consultants for the parties. KCS argues that 49 CFR 1104.14 provides sufficient procedures for the protection of confidential materials, and that there is no need to create a separate category of "highly confidential" information to deny access to certain in-house counsel of opposition parties. KCS argues that the Commission should adopt a protective order similar to that adopted in other proceedings, such as in Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company--Control--Chicago and North Western Holdings Corp. and Chicago and North Western Transportation Company, Finance Docket No. 32133 (ICC served Aug. 24, 1992) (UP/CNW), which did not create a separate

circumstances wherein parties argued persuasively that a modification was appropriate and necessary.² KCS, and any other parties, would have the same opportunity to petition for modification of the protective order. In instances where parties argue that there is a necessity for lifting the restriction of highly confidential material to outside counsel and consultants, the Commission will consider the merits of the argument and determine whether to modify the protective order.

Good cause exists to grant the petition. Unrestricted disclosure of confidential, proprietary or commercially sensitive information and data could cause serious competitive injury to the parties. Issuance of the requested protective order ensures that such information and data produced by any party in response to a discovery request or otherwise will be used solely for purposes of this proceeding and not for any other business or commercial use. The requested protective order will facilitate the prompt and efficient resolution of this proceeding.

It is ordered:

1. The petition for a protective order is granted and the parties to this proceeding must comply with the protective order in the Appendix.
2. This decision is effective on the service date.

By the Commission, Chairman Morgan, Vice Chairman Owen, and Commissioners Simmons and McDonald.

(SEAL)

Vernon A. Williams
Secretary

² See BN/Santa Fe, Finance Docket No. 32549 (ICC served March 13 and June 20, 1995).

³ This decision protects the information, materials, and data set forth in the attached Appendix whether it is contained on printed material or in computer-derived memory devices (i.e., floppy diskettes).

given and has read a copy of this Protective Order and agrees to be bound by its terms prior to receiving access to such materials; and (ii) to any participant in this or any related proceedings who is not an employee, counsel or agent of the requesting party, only in the course of public hearings in such proceedings.

(c) If produced through discovery, must be destroyed, and notice of such destruction served on the Commission and the presiding Administrative Law Judge and the party producing the materials, at such time as the party receiving the materials withdraws from this or any related proceedings, or at the completion of this and any related proceedings and any judicial review proceeding arising therefrom, whichever comes first. However, outside counsel for a party are permitted to retain file copies of all pleadings filed with the Commission.

(d) If contained in any pleading filed with the Commission, shall, in order to be kept confidential, be filed only in pleadings submitted in a package clearly marked on the outside "Confidential Materials Subject to Protective Order." See 49 CFR 1104.14.

5. Any party producing material in discovery to another party to this or any related proceedings, or submitting material in pleadings, may in good faith designate and stamp particular material, such as material containing shipper-specific rate or cost data or other competitively sensitive information, as "HIGHLY CONFIDENTIAL -- OUTSIDE COUNSEL/OUTSIDE CONSULTANTS ONLY." If any party wishes to challenge such designation, the party may bring such matter to the attention of the Administrative Law Judge presiding in this and any related proceedings. Material that is so designated shall not be disclosed except to outside counsel or outside consultants of the party requesting such materials, solely for use in connection with this and any related proceedings, and any judicial review proceeding arising therefrom, provided that such outside counsel or outside consultants have been given and have read a copy of this Protective Order and agree to be bound by its terms prior to receiving access to such materials. Material designated as "HIGHLY CONFIDENTIAL" and produced in discovery under this provision shall be subject to all of the other provisions of this Protective Order, including without limitation paragraph 4. However, this paragraph shall not apply to exchanges of information pursuant to paragraph 1 of this Protective Order.

6. If any party intends to use "CONFIDENTIAL" and/or "HIGHLY CONFIDENTIAL" material at hearings in this or any related proceedings, or in any judicial review proceeding arising therefrom, the party so intending shall submit any proposed exhibits or other documents setting forth or revealing such "CONFIDENTIAL" and/or "HIGHLY CONFIDENTIAL" material to the Administrative Law Judge, the Commission or the reviewing court, as appropriate, under seal, and shall accompany such submission with a written request to the Administrative Law Judge, the Commission or the court to (a) restrict attendance at the hearings during discussion of such "CONFIDENTIAL" and/or "HIGHLY CONFIDENTIAL" material, and (b) restrict access to the portion of the record or briefs reflecting discussion of such "CONFIDENTIAL" and/or "HIGHLY CONFIDENTIAL" material in accordance with this Protective Order.

7. If any party intends to use "CONFIDENTIAL" and/or "HIGHLY CONFIDENTIAL" material in the course of any deposition in this or any related proceedings, the party so intending shall so advise counsel for the party producing the materials, counsel for the deponent and all other counsel attending the deposition, and

UNDERTAKING
[CONFIDENTIAL MATERIAL]

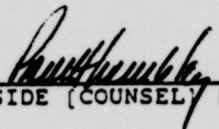
I, Paul H. Hambro, have read the Protective Order served on Sept 1, 1995 governing the production of confidential documents in ICC Finance Docket No. 32760, understand the same, and agree to be bound by its terms. I agree not to use or permit the use of any data or information obtained under this Undertaking, or to use or permit the use of any techniques disclosed or information learned as a result of receiving such data or information, for any purposes other than the preparation and presentation of evidence and argument in Finance Docket No. 32760 or any judicial review proceedings taken or filed in connection therewith. I further agree not to disclose any data or information obtained under this Protective Order to any person who is not also bound by the terms of the Order and has not executed an Undertaking in the form hereof.

I understand and agree that money damages would not be a sufficient remedy for breach of this Undertaking and that Applicants or other parties producing confidential documents shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, and I further agree to waive any requirement for the securing or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Undertaking but shall be in addition to all remedies available at law or equity.

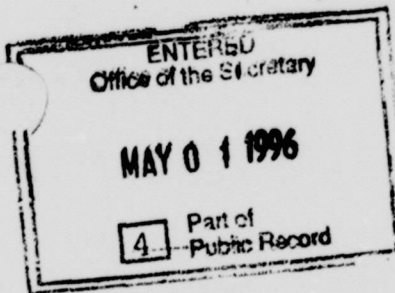
Paul H. Hambro

Dated: 2/8/96

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OUTSIDE [COUNSEL] [CONSULTANT]

Dated: 2/8/96



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



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

April 25, 1996

OSWALD E. JESSUP
(1911-1994)

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
12th & Constitution Ave., N.W.
Washington, DC 20423

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

Dear Mr. Williams:

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6. Comments, Evidence, and Request for Merger Conditions or To Deny Application By Save The Rock Island Committee, Inc. (STRC-8), filed March 29, 1996.

Any party requiring a copy of any of the foregoing documents who has not previously received same should request it from me.

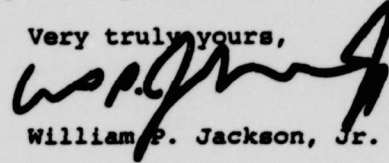
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Letter to Mr. Vernon A. Williams
April 25, 1996

Page No. 2

responded to applicants' discovery (STRC-9) on April 12, 1996. Service of these documents on all parties is not required by Decision No. 32.

Very truly yours,

A handwritten signature in dark ink, appearing to read "W.P. Jackson, Jr.", written in a cursive style.

William P. Jackson, Jr.

WPJ/jmb

STB

FD

32760

4-29-96

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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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



— Control And Merger —

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

COMMENTS IN SUPPORT OF
THE RESPONSIVE APPLICATION OF
MONTANA RAIL LINK, INC.

submitted on behalf of

KENNECOTT ENERGY COMPANY

John K. Maser III
Jeffrey O. Moreno
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W.
Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

Attorneys for Kennecott Energy Company

April 29, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

— Control And Merger —

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

COMMENTS IN SUPPORT OF
THE RESPONSIVE APPLICATION OF
MONTANA RAIL LINK, INC.

submitted on behalf of

KENNECOTT ENERGY COMPANY

Kennecott Energy Company ("Kennecott") submits these comments in support of the Responsive Application of Montana Rail Link, Inc. ("MRL"). Kennecott is the management, marketing, transportation, and engineering arm of the wholly owned mining subsidiaries of Kennecott Energy and Coal Company ("KECC"). KECC operates coal mines in Colorado, Montana and Wyoming.

Kennecott filed comments on the proposed merger and consolidation of the Union Pacific Railroad ("UP")¹ and the Southern Pacific Lines ("SP")² (collectively referred to as "Applicants") on March 29, 1996 (KENN-10). In those comments, Kennecott sought, *inter alia*, the imposition of conditions upon the proposed merger to protect the benefits of geographic competition currently experienced by Kennecott between Colorado and Powder River Basin ("PRB") coals.

Kennecott did not ask for divestiture in its March 29th comments because it believes that the *benefits* of geographic competition that Kennecott currently enjoys can be preserved to Kennecott by the conditions proposed in those comments.³ However, the only means to preserve *actual* geographic competition is to divest the SP's Colorado lines to a non-PRB serving carrier. If the Board pursues this remedy, Kennecott supports the responsive application of MRL.

As Kennecott demonstrated in its March 29th comments, Colorado coal competes directly with PRB coal in midwestern and southwestern utility markets. In particular, Kennecott, working in cooperation with the SP, has successfully been awarded contracts for Colorado coal from Kennecott's Colowyo mine where the competition was PRB coal. Because the SP originates only Colorado coal and because Colorado coal has a higher minehead cost than PRB coal, the SP has aggressively priced its transportation rates in conjunction with aggressive coal pricing by Colorado producers, such as Kennecott, in order to render Colorado

¹ All references to the "UP" include Union Pacific Corporation, Union Pacific Railroad Company and Missouri Pacific Railroad Company.

² All references to the "SP" include Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company.

³ The proposed conditions in KENN-10 will replicate the effects of geographic competition but will not restore true geographic competition.

coal competitive with PRB coal on a delivered cost basis. This strategy is succeeding.

After the merger, a combined UP/SP will not have the incentive to continue this aggressive competitive pricing because the merged carrier will serve both Colorado and PRB origins and, therefore, will not compete against itself. Divestiture of the central corridor to MRL will restore the geographic competition that would be lost in the merger by allowing an independent non-PRB serving carrier to serve the Colorado coal origins. This independent carrier would have the same incentives as the SP currently has to aggressively price the transportation of Colorado coal in order to compete effectively against PRB coal for market share.

Although the Applicants have granted trackage rights to BNSF over the Central Corridor, those rights will have absolutely no effect upon geographic competition between Colorado and PRB coal. This is because BNSF has not been granted access to any Colorado coal mines, such as Kennecott's Colowyo mine. However, even if BNSF were to be granted access to Colorado coal sources, this would not restore geographic competition.

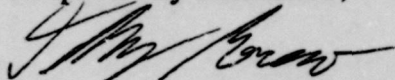
BNSF access to Colorado coal sources would be deficient in several respects. First, BNSF suffers from the same conflict of interest as a combined UP/SP because both carriers extensively serve PRB origins and, therefore, will not have the incentive to price Colorado coal transportation at a competitive level. Second, the trackage rights compensation level in the BNSF Settlement Agreement is too high to allow BNSF to aggressively price its coal transportation service at the same level as the SP has been pricing its service. Third, the overhead nature of most of BNSF's trackage rights will not provide sufficient traffic density to entice BNSF to operate as a tenant carrier over hundreds of miles of rail. Fourth, because BNSF pays only for its actual use of trackage

rights, there will be no cost to BNSF to exit the market if it chooses not to exercise its trackage rights. In contrast, the SP will incur extensive costs by walking away from the Central Corridor. This provides SP with much greater incentive to expand its markets over this line. This latter point illustrates why the only way to truly restore actual geographic competition may be through divestiture.

MRL has the characteristics required to restore geographic competition between Colorado and PRB coals. Principally, it is an independent carrier without a vested interest in the PRB. As a result, MRL will be in a position comparable to the SP today and, by owning the Central Corridor, will have all the same incentives as the SP to aggressively market Colorado coal. Furthermore, MRL's responsive application will preserve the benefits of the merger to both the UP/SP and to BNSF by permitting both carriers to operate via trackage rights over the Central Corridor.

WHEREFORE, Kennecott respectfully requests that the Board grant the responsive application of MRL, if the Board concludes that divestiture of the central corridor is in the public interest.

Respectfully submitted,



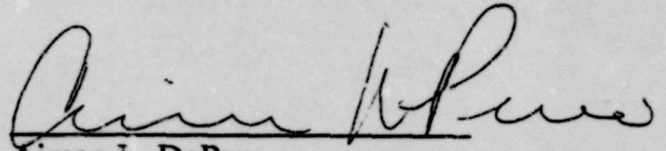
John K. Maser III
Jeffrey O. Moreno
DONELAN, CLEARY, WOOD & MASER, P.C.
1100 New York Avenue, N.W.
Suite 750
Washington, D.C. 20005-3934
(202) 371-9500

Attorneys for Kennecott Energy Company

April 29, 1996

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing COMMENTS IN SUPPORT OF THE RESPONSIVE APPLICATION OF MONTANA RAIL LINK, INC. has been served via regular first class mail upon all parties of record in this proceeding on the 29th day of April, 1996, and by facsimile to Washington, D.C. counsel for Applicants.



Aimee L. DePew

STB

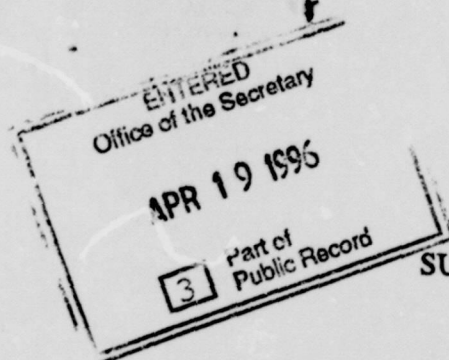
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BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 32760

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

THE KANSAS CITY SOUTHERN RAILWAY COMPANY'S RESPONSES TO
APPLICANTS' SEVENTH SET OF DISCOVERY REQUESTS

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

James F. Rill
Sean F.X. Boland
Virginia R. Metallo
Collier, Shannon, Rill & Scott
3050 K Street, N.W.
Suite 400
Washington, D.C. 20007
Tel: (202) 342-8400
Fax: (202) 338-5534
April 16, 1996

John R. Molm
Alan E. Lubel
William A. Mullins
David B. Foshee
Troutman Sanders LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2609
Tel: (202) 274-2950
Fax: (202) 274-2994

Attorneys for The Kansas City Southern
Railway Company

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

THE KANSAS CITY SOUTHERN RAILWAY COMPANY'S RESPONSES TO
APPLICANTS' SEVENTH SET OF DISCOVERY REQUESTS

The Kansas City Southern Railway Company ("KCS") responds to Applicants'
Seventh Set of Discovery Requests as follows:

KCS reasserts and incorporates by reference, its General Objections to Applicants' discovery requests as set forth in KCS-28, paragraphs 3 through 13. Further, KCS notes that Applicants' references to "interrogatories and document requests" is misplaced as to the Requests for Admission included in this pleading. Subject to these objections and to prior rulings by Administrative Law Judge Nelson, KCS responds to Applicants' individual interrogatories as follows:

ADMISSIONS

1. A trackage rights agreement dated May 8, 1933, between The Yazoo and Mississippi Valley Railroad Company and the Houston & Shreveport Railroad Company,

joined by its lessee, the Texas and New Orleans Railroad Company, covering tracks from about 596 feet south of Jordan Avenue to a connection with SSW in the vicinity of Commerce Street in Shreveport, Louisiana ("the Jordan Ave. trackage rights agreement"), provides in Section 3 as follows:

All rules, regulations or orders with respect to the movement of engines, cars and trains, and the switching of cars on the Track, or to the maintenance, operation and use of the Track, or governing and conduct of employees, shall be reasonable and fair, and without any unreasonable preference or discrimination in favor of or against either party hereto; provided, however, that in the movement of trains, engines and cars upon and over the Track, those of the same class shall be accorded equal rights, while those of a superior class shall have preference over those of a inferior class. [KCS]

Response: KCS admits that the "Jordan Avenue Trackage Rights Agreement" exists. The Agreement, being a written document, speaks for itself.

2. KCS and its affiliates are bound by the Jordan Ave. trackage rights agreement.

[KCS]

Response: KCS objects to this request as calling for a legal conclusion

3. KCS and its affiliates intend to comply with the terms of the Jordan Ave. trackage rights agreement, including the language quoted above in Request No. 1. [KCS]

Response: While KCS admits that, subject to the qualification noted below, it intends to comply with the terms of the Agreement, it acknowledges that the actual administration of trackage rights agreements does not always conform to the terms of the agreements as written.

4. A trackage rights agreement dated December 13, 1980, between the Kansas City Southern Railway Company and the Louisiana & Arkansas Railway Company and Southern Pacific Transportation Company and St. Louis-Southwestern Railway Company

covering KCS' line of railroad from its Harriet Street Yard at Shreveport, Louisiana, southeasterly to Red Junction ("Red Junction trackage rights agreement") provides in Section 5 as follows:

All passenger trains shall be given preference over other trains and road trains shall be given equal dispatch according to their class. All operations upon and over the Red Line shall be conducted with due regard to and without reasonable interference with rights of all users.

[KCS]

Response: KCS admits that the "Red Junction Trackage Rights Agreement" exists. The Agreement, being a written document, speaks for itself.

5. KCS and its affiliates are bound by the Red Junction trackage rights agreement. [KCS]

Response: KCS objects to this request as calling for a legal conclusion.

6. KCS and its affiliates intend to comply with the terms of the Red Junction trackage rights agreement, including the language quoted above in Request No. 4. [KCS]

Response: While KCS admits that, subject to the qualification noted below, it intends to comply with the terms of the Agreement, it acknowledges that the actual administration of trackage rights agreements does not always conform to the terms of the agreements as written.

7. A January 1, 1937, agreement between the Kansas City Southern Railway Company and Texas and Fort Smith Railway Company, on the one hand, and Guy A. Thompson, Trustee, on the other, relating to joint use of tracks between De Quincy, Louisiana and Beaumont, Texas ("Beaumont trackage rights agreement"), provides in Section 13 as follows:

[A]ll time cards, rules, regulations or orders for the movement of trains upon the Joint Line, issued by the Southern Company, shall be reasonable, just and fair to the Trustee, without preference for or discrimination in favor of the Southern Company.

All passenger trains upon the Joint Line shall be given preference over other trains, and the trains of the parties hereto shall be given equal dispatch, according to their class.

[KCS]

Response: KCS admits that the "Beaumont Trackage Rights Agreement" exists.

The Agreement, being a written document, speaks for itself.

8. KCS and its affiliates are bound by the Beaumont trackage rights agreement.

[KCS]

Response: KCS objects to this request as calling for a legal conclusion.

9. KCS and its affiliates intend to comply with the terms of the Beaumont trackage rights agreement, including the language quoted above in Request No. 4. [KCS]

Response: While KCS admits that, subject to the qualification noted below, it intends to comply with the terms of the Agreement, it acknowledges that the actual administration of trackage rights agreements does not always conform to the terms of the agreements as written.

INTERROGATORIES

1. If the answer to any Request for Admission is other than an unqualified "Yes," state every respect in which you disagree with the request. [KCS]

Response: KCS objects to this interrogatory as being vague and incapable of a meaningful response as written. Subject to this objection, KCS states that whether KCS is

"bound by" the various agreements calls for legal conclusions based on a variety of factors. Also, while KCS may "intend to comply" with an agreement, the actual administration of an agreement may not always conform to the terms of the agreement as written. Compliance may be a policy or goal that does not necessarily reflect the reality of how trackage rights agreements are administered in the field.

This 16th day of April, 1996.

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

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

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

Attorneys for The Kansas City Southern
Railway Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "The Kansas City Southern Railway Company's Responses to Applicants' Seventh Set of Discovery Requests" was served this 16th day of April, 1996, by hand delivery to Applicants and upon the restricted service list by U.S. mail.

Alan E. Lubel

Attorney for The Kansas City Southern
Railway Company

STB

FD

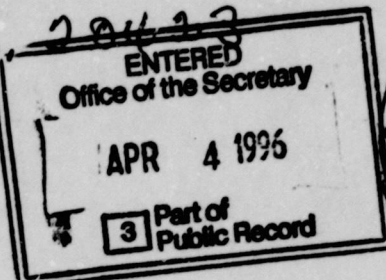
32760

4-2-96

62523

J

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
12th Street and Constitution Avenue
Washington, D.C. 20423
March 29, 1996



Dear Sir:

We are opposed to the Union Pacific/
Southern Pacific merger as proposed.

We need to keep free enterprise and
competition alive in this state's
rail industry. We need the jobs.

Thank you for your prompt attention
to this matter.

Most sincerely,
Ernest E. Buan

Pt. 4, Box 232

Caldwell, Texas 77836

**ADVISE OF ALL
PROCEEDINGS**

STB

FD

32760

4-2-96

62498

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Item No. _____

Page Count 1

Apr #117

62489



TO, HONORABLE VERNON A. WILLIAMS
RE, FINANCE DOCKET 32760

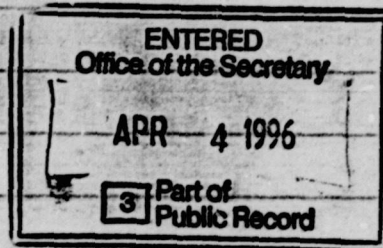
DEAR SIR,

I AM OPPOSED TO THE MERGER AS
PROPOSED, BECAUSE WE ALL NEED A CHOICE
AND COMPETITION GIVES US A CHOICE, WE
HAVE ENOUGH MERGERS AS IT IS. LETS TRY TO
KEEP SOME COMPETITION GOING.

Frank Sumpter
Box 1091

ARRANSAS PAST TX,
78335

C.C. RAILROAD COMMISSION
PO BOX 12867
AUSTIN TX



**ADVISE OF ALL
PROCEEDINGS**

STB

FD

32760

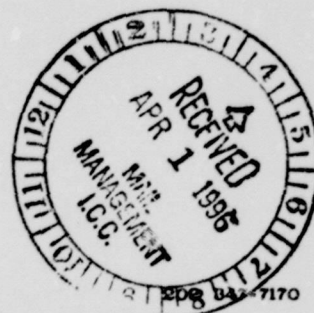
4-1-96

J

62389

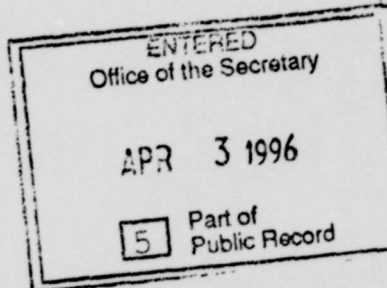
WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEUR
KELVIN J. DOWD
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III
PATRICIA E. KOLESAR
EDWARD J. McANDREW*

SLOVER & LOFTUS
ATTORNEYS AT LAW
1224 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036



April 1, 1996

* ADMITTED IN PENNSYLVANIA ONLY



BY HAND DELIVERY

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

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

Dear Mr. Secretary:

In accordance with the Board's Decision No. 26 in the above-captioned proceeding, enclosed please find an original and five (5) copies of a Certificate of Service which indicates that service of a list of all numbered pleadings and discovery requests which have been filed or served by Commonwealth Edison Company was served upon each additional party of record to the captioned proceeding.

An extra copy of this letter and Certificate of Service is enclosed. Kindly indicate receipt and filing by time-stamping this extra copy and returning it to the bearer of this letter.

Thank you for your attention to this matter.

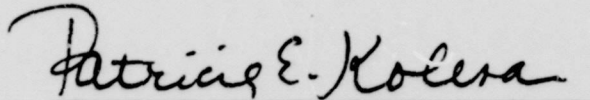
Sincerely,

Christopher A. Mills
An Attorney for Commonwealth Edison
Company

Enclosure

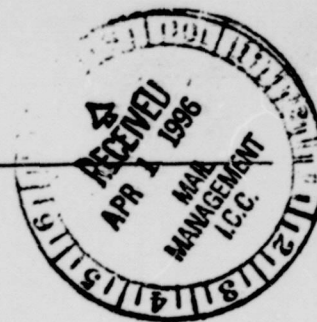
CERTIFICATE OF SERVICE

In accordance with the Board's Decision No. 26 in Finance Docket No. 32760, Union Pacific Corporation, et al. -- Control and Merger -- Southern Pacific Rail Corporation, et al., the undersigned attorney hereby certifies that on the 1st day of April, 1996, a list of all numbered pleadings and discovery requests which were filed or served on behalf of Commonwealth Edison Company was served via first class mail, postage prepaid, upon each additional party of record.


Patricia E. Kolesar



Freeman United Coal Mining Company



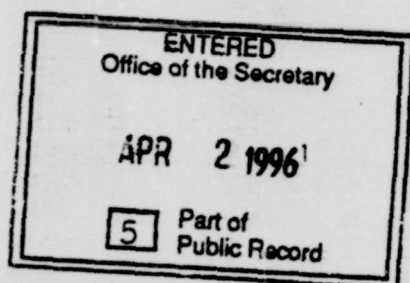
March 29, 1996

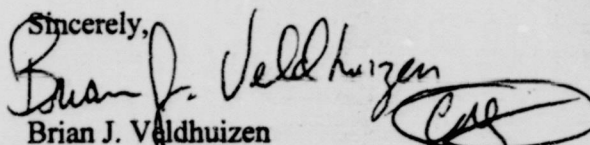
Office of the Secretary
Surface Transportation Bureau
201 Constitution Avenue, N.W.
Washington, DC 20423-0001

Reference: Docket AB-33 (Sub #96)

Dear Bureau Office,

Freeman United Coal Mining Company is submitting this letter relative to the proposal by the Union Pacific Railroad to abandon its line serving Girard, Macoupin County, Illinois. We are opposed to this abandonment.



Sincerely,

Brian J. Veldhuizen
Vice President - Sales

STB

FD

32760

4-1-96

J

62388

62388

SLOVER & LOFTUS

ATTORNEYS AT LAW

224 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
JOHN H. LE SEUR
KELVIN J. DOWD
ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
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EDWARD J. MCANDREW*

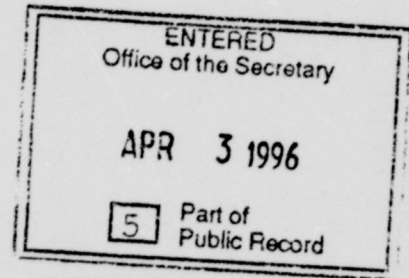
* ADMITTED IN PENNSYLVANIA ONLY

April 1, 1996



BY HAND DELIVERY

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



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

Dear Mr. Secretary:

In accordance with the Board's Decision No. 26 in the above-captioned proceeding, enclosed please find an original and five (5) copies of a Certificate of Service which indicates that service of a list of all numbered pleadings and discovery requests which have been filed or served by Colorado Springs Utilities was served upon each additional party of record to the captioned proceeding.

An extra copy of this letter and Certificate of Service is enclosed. Kindly indicate receipt and filing by time-stamping this extra copy and returning it to the bearer of this letter.

Thank you for your attention to this matter.

Sincerely,

John H. LeSeur
An Attorney for Colorado Springs
Utilities

Enclosure

CERTIFICATE OF SERVICE

In accordance with the Board's Decision No. 26 in Finance Docket No. 32760, Union Pacific Corporation, et al. -- Control and Merger -- Southern Pacific Rail Corporation, et al., the undersigned attorney hereby certifies that on the 1st day of April, 1996, a list of all numbered pleadings and discovery requests which were filed or served on behalf of Colorado Springs Utilities was served via first class mail, postage prepaid, upon each additional party of record.

Patricia E. Kolesar
Patricia E. Kolesar

3TB

FD

32760

4-1-96

J

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62385

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

WILLIAM L. SLOVER
C. MICHAEL LOFTUS
DONALD G. AVERY
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KELVIN J. DOWD
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CHRISTOPHER A. MILLS
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PATRICIA E. KOLESAR
EDWARD J. McANDREW*

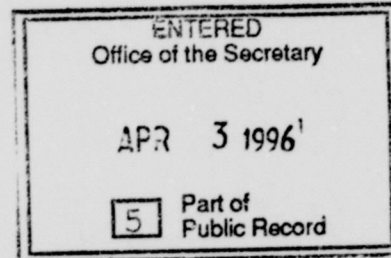


April 1, 1996

* ADMITTED IN PENNSYLVANIA ONLY

BY HAND DELIVERY

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



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

Dear Mr. Secretary:

In accordance with the Board's Decision No. 26 in the above-captioned proceeding, enclosed please find an original and five (5) copies of a Certificate of Service which indicates that service of a list of all numbered pleadings and discovery requests which have been filed or served by Arizona Electric Power Cooperative, Inc. was served upon each additional party of record to the captioned proceeding.

An extra copy of this letter and Certificate of Service is enclosed. Kindly indicate receipt and filing by time-stamping this extra copy and returning it to the bearer of this letter.

Thank you for your attention to this matter.

Sincerely,

C. Michael Loftus / PEX

C. Michael Loftus
An Attorney for Arizona Electric Power
Cooperative, Inc.

Enclosure

CERTIFICATE OF SERVICE

In accordance with the Board's Decision No. 26 in Finance Docket No. 32760, Union Pacific Corporation, et al. -- Control and Merger -- Southern Pacific Rail Corporation, et al., the undersigned attorney hereby certifies that on the 1st day of April, 1996, a list of all numbered pleadings and discovery requests which were filed or served on behalf of Arizona Electric Power Cooperative, Inc. was served via first class mail, postage prepaid, upon each additional party of record.

Patricia E. Kolesar
Patricia E. Kolesar

STB

FD

32760

3-29-96

J

83078

83028 J

ROUTT COUNTY BOARD OF COUNTY COMMISSIONERS

Box 773598 • Steamboat Springs, Colorado 80477 • 970-879-0108
Fax: 970-879-3992

March 28, 1996

Surface Transportation Board
Office of the Secretary - D.O.T.
1201 Constitution Ave. NW
Washington, D.C. 20423



Nancy J. Stahoviak
District 1
Oak Creek

RE: UP-SP Railroad Merger Case #FD-32760

Ben S. Beall
District 2
Hayden

Dear Sirs:

Daniel R. Ellison
District 3
Steamboat Springs

The Board of County Commissioners hereby files this statement of opposition to the proposal UP-SP Railroad merger specified above.

Kay Weinland
Box 773599
Clerk to the Board
879-1710

Our opposition is based upon the potential increase in coal hauling rates for Northwest Colorado coal which could lead to higher electrical rates, loss of coal mining and related jobs creating an adverse economic impact in this region.

More than 50% of the railroad revenues in Colorado are generated by hauling coal from this region according to a study done for the Colorado Rail Advisory Committee. Approximately 23.5 million tons of coal are provided annually in the Northwestern Colorado Counties of Delta, Garfield, Gunnison, Mesa, Moffat, Rio Blanco and Routt. A 1994 analysis by Penn State University residents that the Colorado coal industry generates 1988 direct and 6383 indirect jobs for an overall economic value of approximately \$1 billion annually.

We are concerned that the proposed railroad merger could have an anticompetitive effect on Northwest Colorado coal to the benefit of Powder River Basin coal out of Wyoming. This would jeopardize the Colorado jobs and the Northwest Colorado economy.

We appreciate your consideration in this matter.

Sincerely,

ROUTT COUNTY BOARD OF COUNTY COMMISSIONERS

A handwritten signature in dark ink, appearing to read "Daniel R. Ellison".

Daniel R. Ellison, Chairman

ENTERED	
Office of the Secretary	
MAR 29 1996	
8	Part of Public Record

THE IMPACT OF COAL ON THE U.S. ECONOMY

Adam Rose and Oscar Frias

Department of Mineral Economics
The Pennsylvania State University
University Park, PA 16802

Report to the National Coal Association

IMPACTS OF THE COAL INDUSTRY ON THE COLORADO ECONOMY, 1992

April, 1994

	Output	Personal Income	Employment
Direct Output of Coal	\$410 ^a	\$110 ^a	1,988 ^b
Simple Multiplier	x1.981	x2.046	x3.211
Sub-Total	\$812	\$225	6,383
Direct Investment	\$27	\$7	208
Simple Multiplier	x2.227	x2.354	x3.160
Sub-Total	\$60	\$17	657
Direct Output of Government	\$64	\$17	997
Simple Multiplier	x2.296	x2.387	x2.041
Sub-Total	\$146	\$41	2,035
Grand Total	<u>\$1,018</u>	<u>\$284</u>	<u>9,076</u>

Source: Based on a 1990 RIMS II Input-Output Tables (U.S. Department of Commerce/Bureau of Economic Analysis) for Colorado and data from Coal Production, 1992 (U.S. Department of Energy/Energy Information Administration).

^aIn millions of 1992 dollars.

^bEmployment measured in full-time equivalents. Considers all employees associated with mining operations, including office workers.

STB

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32760

3-22-96

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61932

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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

APPLICANTS' REPLY TO REQUEST OF
LSBC HOLDINGS, INC. FOR EXTENSION TO
FILE INCONSISTENT AND RESPONSIVE APPLICATION

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

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

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

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

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

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

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

March 22, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

APPLICANTS' REPLY TO REQUEST OF
LSBC HOLDINGS, INC. FOR EXTENSION TO
FILE INCONSISTENT AND RESPONSIVE APPLICATION

Union Pacific Corporation ("UPC"), Union Pacific
Railroad Company ("UPRR"), Missouri Pacific Railroad Company
("MPRR"),^{1/} Southern Pacific Rail Corporation ("SPR"), Southern
Pacific Transportation Company ("SPT"), St. Louis Southwestern
Railway Company ("SSW"), SPCSL Corp. ("SPCSL"), and The Denver
and Rio Grande Western Railroad Company ("DRGW"),^{2/} hereby reply
to the Request of LSBC Holdings, Inc. ("LSBC") for Extension to
File an Inconsistent and Responsive Application, dated March 21,
1996 and received by Applicants on March 22, 1996.

In its Decision No. 6, served October 19, 1995, the ICC
issued a final procedural schedule for this proceeding. The

^{1/} UPC, UPRR, and MPRR are referred to collectively as "Union
Pacific." UPRR and MPRR are referred to collectively as "UP."

^{2/} SPR, SPT, SSW, SPCSL and DRGW are referred to collectively
as "Southern Pacific." SPT, SSW, SPCSL and DRGW are referred to
collectively as "SP."

Commission affirmed that procedural schedule in its Decision No. 9, served on December 27, 1995. Under the schedule, comments on the application are due no later than March 29, 1996.

Although LSBC has been on notice for more than five months of the deadline for comments, it now seeks an extension of time until April 12, 1996, within which to file its comments. This request comes only eight days before the deadline. LSBC offers two arguments in support of its request. Neither has merit.

First, LSBC claims that it "has not been accorded the privilege [sic] of [d]iscovery and the time necessary to study all relevant information regarding the proposed merger." (Request, p. 2.) Discovery in this proceeding began in December. Since then, numerous parties have actively engaged in discovery. Applicants have made every effort to respond to discovery requests in a timely fashion and move the proceeding on schedule. Applicants also have provided access to their document depository, six days a week, to ensure that all parties are given a full and fair opportunity to review relevant evidence. Some time ago, Applicants advised LSBC of its right to review documents in Applicants' depository and participate in discovery. LSBC has never filed a motion to compel discovery in this proceeding. Applicants have in no way hampered LSBC's effort to develop its case and should not be forced to incur an unwarranted delay due to LSBC's failure to take action.

Second, LSBC represents that it was contacted on March 3, 1996 by individuals representing the DRGW Employee Labor Committee. (Request, p. 1.) LSBC asserts that it needs additional time to file its comments in order to "integrate and coordinate" (Request, p. 2) its efforts with those of a group it calls the DRGW Employee Labor Committee.^{3/} Notice of Applicants' intention to merge was published by the ICC more than six months ago.^{4/} All parties interested in this proceeding have had ample time to explore how best to advance their positions regarding the merger. LSBC is not entitled to an extension of time merely because it decided only recently to explore the possibility of collaborating with the so-called DRGW Employee Labor Committee.

For the reasons stated, the Board should deny LSBC's request for additional time to file its comments.

^{3/} In its request, LSBC suggests that it is considering a joint bid with the DRGW Employee Labor Committee to purchase certain rail lines. LSBC has not specified the members of the so-called DRGW Employee Labor Committee, nor has it established that it has the necessary financial resources to go forward with such a venture.

^{4/} Decision No. 1, 60 Fed. Reg. 45737 (Sept. 1, 1995).

Respectfully submitted,

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

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

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

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Union Pacific Corporation
Martin Tower
Eighth and Eaton Avenues
Bethlehem, Pennsylvania 18018
(610) 861-3290

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

Arvid E. Roach II / ssg
ARVID E. ROACH II
J. MICHAEL HEMMER
MICHAEL L. ROSENTHAL
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044-7566
(202) 662-5388

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

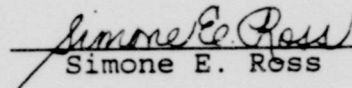
March 22, 1996

CERTIFICATE OF SERVICE

I, Simone E. Ross, certify that, on this 22nd day of March, 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



Simone E. Ross

STB

FD

32760

3-19-96

J

61873



MISSOURI HIGHWAY AND TRANSPORTATION DEPARTMENT

Capitol Ave. at Jefferson St., P.O. Box 270, Jefferson City, MO 65102 Telephone (573) 751-2551 Fax (573) 751-5555

March 12, 1996

Honorable Vernon A. Williams
Secretary, Room 1324
Surface Transportation Board
1201 Constitution Avenue, NW
Washington, DC 20423

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



Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and five copies of the State of Missouri's Certificate of Service as required by Board Decision No. 17.

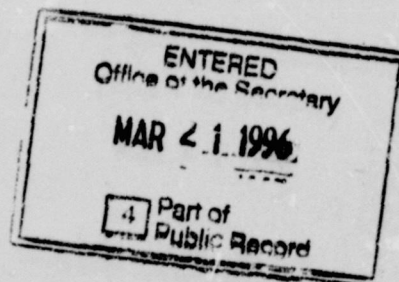
Thank you for your consideration.

Sincerely,

Jack Hynes
Administrator of Railroads

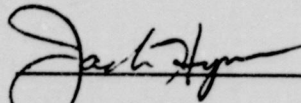
cc: POR's, Finance Docket No. 32760, Board Decision No. 17

Enclosures: Certificate of Service and five copies



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Copies of the State of Missouri's Notice of Intent to Participate - MHTD-1 has been served this 12th day of March, 1996 by first class mail, postage prepaid to the parties of record as designated in Decision No. 17 of Finance Docket No. 32760. service date of March 7, 1996.

A handwritten signature in dark ink, appearing to read "Jack Hynes", is written over a horizontal line.

Jack Hynes
Administrator of Railroads

STB

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32760

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TON & BURLING

Item No. _____ SYLVANIA AVENUE, N. W.
P.O. BOX 7566
Page Count 7 ITON, D.C. 20044-7566
MAR # 276A (202) 662-6000

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT TELEFAX NUMBER

(202) 778-5388

TELEFAX: (202) 662-6281
TELEX: 89-593 (COV'LING WSH)
CABLE: COV'LING

March 13, 1996

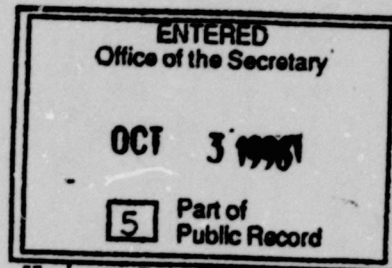
LECONFIELD HOUSE
CURZON STREET
LONDON W1T 6AS
ENGLAND

TELEPHONE: 44-71-495-3885
TELEFAX: 44-71-495-3801

BRUSSELS CORRESPONDENT OFFICE
44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-512-0880
TELEFAX: 32-2-508-1988

VIA FACSIMILE

The Honorable Jerome Nelson
Administrative Law Judge
Federal Energy Regulatory Commission
Room 11F21
888 First Street, N.E.
Washington, D.C. 20426



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

Dear Judge Nelson:

Without waiving their appeal from Your Honor's March 8 rulings, Applicants wish to place on the agenda for Friday, March 15, the following discovery disputes we have identified as to the responses we received yesterday (because of late service, we have not yet been able to assess closely all of the responses). For Your Honor's convenience, we will be hand delivering to you separately a set of the responses.

- The refusal of Illinois Power, International Paper, South Orient and TRL, Inc., to file any responses.

- KCS responded to many of Applicants' narrow requests for specific information that clearly exists with the statement that information responsive to the requests will be contained in its March 29 filing or in documents to be placed in KCS' document depository at some time after March 29. Applicants submit that to the extent responsive information exists, it should be produced immediately. KCS responded to other, similar focused requests for information with the statement that the information may be contained in its March 29 filing, and if so relevant documents will be placed in KCS' document depository. Again, Applicants' submit that to the extent the information currently exists, KCS should be required to produce it now. These issues are raised with respect to Applicants' Interrogatories Nos. 5, 6, 7, 8, 17, 19 and 20, and Document Requests Nos. 36, 42, 43, 44, 53, 54, 55, 58, 59, 60, 61 and 62 to KCS.

The Honorable Jerome Nelson
March 13, 1996
Page 2

● KCS also indicated, with respect to requests where Your Honor clearly required, at the March 8 conference, a response by March 12, that it would place responsive documents in its document depository at some time after its March 29 filing. Again, Applicants submit that the responsive documents must be produced now. This issue is raised with respect to Applicants Document Requests Nos. 15, 16, 23, 24, 36, 39, 47 and 48 to KCS.

● KCS failed entirely to reply by March 12 to a number of Applicants' focused, relevant discovery requests. This issue is raised with respect to Applicants' Document Requests Nos. 25, 50 and 51 to KCS. These are all narrow requests that relate to issues raised by KCS.

● KCS responded to Applicants' Document Request No. 28, which asked for 100% KCS traffic data, by stating that it will produce the tapes, but that they "do not contain all the information requested." KCS repeatedly demanded that Applicants supplement the UP and SP data tapes that were given to it last October, and Applicants complied. KCS should provide Applicants no less information than Applicants provided KCS, and should do so promptly.

● Conrail objected to producing documents in response to Applicants' Document Request No. 35 to Conrail based on a burden objection. Applicants have provided the same type of documents, and Conrail should provide Applicants no less than it was provided.

● The refusal of association parties -- Western Coal Traffic League, National Industry Transportation League, Coalition for Competitive Rail Transportation, Society of the Plastics Industry and Western Shippers' Coalition -- to make any inquiry of members about responsive information. These parties clearly intend to submit evidence provided by their members, yet seek to shield those members from any discovery. They should be required to gather responsive information, failing which they should be precluded from filing any information obtained from their members.

● Dow, having received the complete UP and SP files on their traffic (approximately 10,000 pages), has refused to produce its files regarding traffic handled by UP and SP to the Applicants. It should be ordered to do so promptly.

● Gateway Western filed its objections after the time period established by the Discovery Guidelines had expired, and should be deemed to have waived all objections.

The Honorable Jerome Nelson
March 13, 1996
Page 3

Also, it has also objected, and not responded, to several requests that Your Honor indicated on March 8 were candidates for early response: Document Requests Nos. 23 (studies of collusion), 28 (haulage or trackage rights agreements), and 29 (annual reports) to Gateway Western.

- Wisconsin Electric: In its tardy response, dated and served March 13, this utility merely stated a blanket objection to all discovery on the ground that it "is a receiver of coal by rail not a rail carrier," although admittedly it is "a shipper opponent" and is seeking conditions (p. 1). Wisconsin Electric cites inapposite authorities dealing with abandonment proceedings, and ignores the applicable rules, decisions and orders providing for discovery here. While it promises to produce workpapers for its March 29 filing, it has not otherwise addressed Applicants' specific requests, and did not even make specific objections. It should be deemed to have waived such objections and should be directed to respond fully, forthwith.

- Refusal of utilities to produce state PUC filings discussing sources of fuel. While Wisconsin Public Service answered this request, Western Resources objected, and others, including Texas Utilities, Arizona Electric and Entergy, referred Applicants to unidentified filings in Texas, Louisiana, Arkansas and Arizona. These filings are much more readily available to the utilities than to Applicants, and the utilities should be directed to produce them, promptly.

- One interrogatory concerned information on coal used by each utility. Most answered substantially, but Western Resources objected in toto (Interrogatory No. 2). It should be required to respond.

- Applicants asked the utility parties for average minehead prices of coal. Several refused to answer on the ground that the underlying price data are said to be covered by confidentiality agreements. Texas Utilities Interrogatory No. 2(c); Wisconsin P&L Document Request No. 27(c); Wisconsin Public Service Interrogatory No. 2(c); Entergy Interrogatory No. 2(c) and Document Request No. 27. Applicants have produced trackage rights agreements, transportation services contracts, and other materials that are subject to such confidentiality provisions, either by securing waivers or pursuant to Your Honor's orders. These parties should do the same.

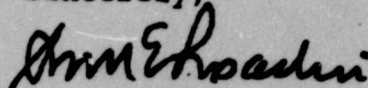
- Tex Mex (Document Request No. 31) and KCS (Document Request No. 33) refused to provide information about

The Honorable Jerome Nelson
March 13, 1996
Page 4

KCS' acquisition of a 49% interest in Mexrail, Inc. (the parent of Tex Mex), and agreements between KCS and Tex Mex (KCS Document Request No. 33; Tex Mex Document Request No. 31). These documents are essential to informing the Board about these parties' interests and motives for their conduct and statements in this proceeding. Prompt compliance with these requests should be ordered.

● Montana Rail Link has refused to provide information about its haulage and trackage rights agreements (Document Request No. 31). Applicants have responded to such requests, and Montana Rail Link should be ordered to do so.

Sincerely,



Arvid E. Roach II

cc: Restricted Service List

32760

COVINGTON & BURLING

1201 Pennsylvania Avenue, N.W.
P. O. Box 7566
Washington, D.C. 20044-7566

Fax Numbers: 202-662-6291 or 202-737-0528
Fax Operator: 202-662-6280



Leconfield House
Curzon Street
London W1Y8AS England
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Fax: 011-44-71-495-3101

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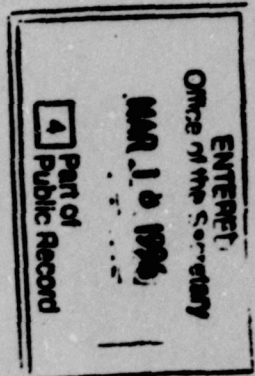
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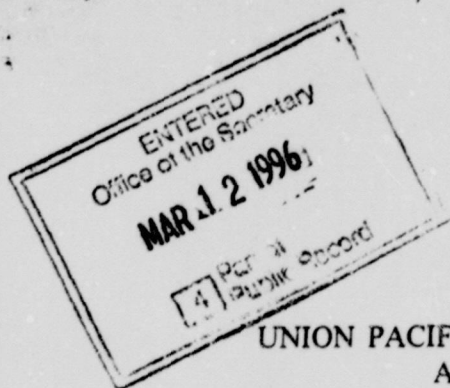
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32760

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BN/SF-48

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

RESPONSE OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO THE APPEAL OF
ENTERGY SERVICES, INC., ARKANSAS POWER & LIGHT CO., GULF STATES
UTILITIES COMPANY AND THE WESTERN COAL TRAFFIC LEAGUE FROM
ADMINISTRATIVE LAW JUDGE NELSON'S ORDER DENYING REQUEST TO
TAKE DEPOSITIONS

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

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

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

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

and

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

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

March 11, 1996

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 32760

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

-- CONTROL AND MERGER --

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

RESPONSE OF BURLINGTON NORTHERN RAILROAD COMPANY AND THE
ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY TO THE APPEAL OF
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UTILITIES COMPANY AND THE WESTERN COAL TRAFFIC LEAGUE FROM
ADMINISTRATIVE LAW JUDGE NELSON'S ORDER DENYING REQUEST TO
TAKE DEPOSITIONS

Burlington Northern Railroad Company ("BN") and the Atchison, Topeka and Santa Fe Railway Company ("Santa Fe") (collectively, "BN/Santa Fe") respond to the appeal of Entergy Services, Inc., Arkansas Power & Light Co., Gulf States Utilities Company and the Western Coal Traffic League (collectively, "Utility Appellants") from the order of Administrative Law Judge Jerome Nelson denying their petition for an order compelling the deposition of Sami M. Shalah, the BN/Santa Fe coal marketing official who is responsible



for the Entergy account.¹ Because the Utility Appellants have not even approached the showing necessary to entitle them to take the deposition of Mr. Shalah, the ruling of the Administrative Law Judge should be affirmed.

The Board will grant an appeal only in "exceptional circumstances," and only in order "to correct a clear error of judgment or to prevent manifest injustice." 49 C.F.R. § 1115.1(c). Here, however, it is the Utility Appellants who rest entirely on two "clear error[s]" of law. First, the Utility Appellants rely on the proposition that they have a right to deposition testimony to discover any relevant information. See Appeal 9, 12 (claiming that a "mere determination of relevance" governs an order for a deposition). Second, they claim that the Board has already "approv[ed]" the taking of "depositions of non-testifying witnesses in this case" on exactly the same basis as depositions of testifying witnesses. *Id.* at 11-12; see also *id.* at 6 n.5. As we show below, each proposition is in error. Because the Utility Appellants have not shown a need for deposition testimony from a BN/Santa Fe witness about the general topics into which they seek discovery, their appeal must be rejected. Farmland Industries, Inc., supra.

1. It is not enough that the information sought in a deposition is "relevant"; rather, the proponent must demonstrate that there is a need for a particular deposition. Farmland Industries, Inc. v. Gulf Central Pipeline Co., Finance Docket No. 40411, 1993 WL 46942 (served Feb. 24, 1993). And it plainly is not sufficient simply to suggest that the "deposition of [railroad] marketing officials may shed some light" on a topic that is broadly

¹ The appeal also addresses the denial of petitions for orders compelling the depositions of two of Applicants' employees.

relevant to a proceeding. Annual Volume Rates on Coal -- Rawhide Junction, WY to Sergeant Bluff, IA; Burlington Northern R.R. Co. and Chicago and North Western Transportation Co., Finance Docket No. 37021, 1984 ICC LEXIS 47, at *8 (served Jan. 5, 1985).

Further, a party seeking an order to compel discovery not only "must clearly demonstrate the need" for the precise discovery requested, but also must show "that the material sought will aid [the Board] in ruling on the case." G&G Manufacturing Co. -- Petition for Declaratory Order -- Certain Rates and Practices of Trans-Allied Audit Co. and R-W Service Systems, Inc., Finance Docket No. 41015, 1994 WL 617547, at *10 (served Nov. 9, 1994) (citing Trailways Lines, Inc. v. ICC, 766 F.2d 1537, 1546 (D.C. Cir. 1985)); see also Union Pacific Corp.--Control--Missouri Pacific Corp., Finance Docket No. 30000, Decision on Discovery Appeals, slip op. 12 (decided April 22, 1981).

The Utility Appellants have not shown any reason why they need to depose a BN/Santa Fe witness at this time in connection with their concerns about post-merger service to Entergy's Nelson and White Bluff power plants. At present, Kansas City Southern ("KCS") is the only destination carrier serving Entergy's Nelson plant. SP anticipates providing new destination service over a new (not yet constructed) spur. When the spur is completed, there will be two destination carriers -- KCS and SP. BN/Santa Fe is one of two origin carriers capable of providing coal to the Nelson plant, but BN/Santa Fe is not now a destination carrier to the Nelson plant. Although BN/Santa Fe's settlement with UP/SP in this proceeding would result in overhead trackage rights over the current SP line that runs near the Nelson Station, BN/Santa Fe would not appear to have the contractual

right to use those trackage rights to serve the Nelson Station, because that station is not now served by both UP and SP.

Thus, it is not clear -- and the Utility Appellants have not tried to show -- what specific information they seek to obtain from Mr. Shalah, a BN/Santa Fe employee, in light of the fact that the Nelson Station's origin service options from BN/Santa Fe would be unaffected by the merger.

Similar facts apply to Entergy's White Bluff plant, at which UP is currently the sole destination carrier for the plant. Since that plant is not now served by both UP and SP, BN/Santa Fe would not appear to have contractual rights to use the trackage rights it obtained in the settlement with UP/SP in order to serve the White Bluff plant. Once again, the Utility Appellants have not shown why a deposition of a BN/Santa Fe employee is necessary to explore the possible effects of the merger on service to the White Bluff plant.

At best, Mr. Shalah's deposition would provide information that is cumulative to information already obtained (or capable of being obtained) from the Applicants. A proponent of a deposition must show that the information it seeks is "not merely cumulative or in danger of loss." Annual Volume Rates on Coal, supra, at *4. The Utility Appellants have not shown why Mr. Shalah's deposition would not be cumulative of other information about the competitive environment at Nelson and White Bluff that they have already obtained or could obtain from the Applicants.

Judge Nelson was correct to deny the deposition request for Mr. Shalah.

2. Judge Nelson's decision is also consistent with Board precedents regarding depositions. The Utility Appellants proceed (at 6-12) from the erroneous assumption that

they have the right to use depositions to seek any discoverable information that they desire. The Commission recently reaffirmed that, on the contrary, "there is no right to depositions." Farmland Industries, Inc., supra, at *2 (emphasis added). Rather, "an order to take depositions is extraordinary relief." San Antonio v. Burlington Northern R.R. Co., Finance Docket No. 36180, 1986 ICC LEXIS 78, at *3 (Nov. 7, 1986).

In particular, the Board will order a deposition to be taken only if "the deposition will prevent a failure or delay of justice." 49 C.F.R. § 1114.22(c). The Board's rules are unlike the Federal Rules of Civil Procedure: a party seeking a deposition under Board practice cannot simply notice a deposition and require compliance. On the contrary, the proponent of a deposition must submit a petition setting forth "the facts it desires to establish and the substance it expects to elicit" and must "convince" the Board that the need for the deposition meets the proper standard. Id. § 1114.22(b)(1), (c).

Judge Nelson's decision denying the request for Mr. Shalah's deposition is consistent with these authorities.

3. The Utility Appellants rely (at 11-12) on a mischaracterization of the Scheduling Order and Discovery Guidelines in this case when they claim that the Board has "specific[ally] approv[ed]" the taking of "depositions of non-testifying witnesses in this case" on exactly the same basis as the expressly required depositions of testifying witnesses. Ibid.; see also id. at 4 n.3. On the contrary, a distinction between testifying and non-testifying witnesses is apparent on the face of the Order Adopting Discovery Guidelines that was served December 7, 1995. Those Guidelines state (at 4, ¶ 6): "A person who has submitted written testimony shall be made available for deposition on

request" (emphasis added). That provision reflects the parties' understanding, consistent with past Commission practice, that testifying witnesses in this proceeding will be presumed to meet the Board's and the Commission's strict standards for requiring depositions. As to the depositions of "other persons or of parties on a specified subject matter," however, the Discovery Guidelines are quite different. Ibid. Depositions of these non-testifying witnesses "may be taken on reasonable written notice," but parties may object to those depositions. Ibid. In those instances, the Board's rules and Commission precedents interpreting those rules -- not some loose standard of "relevance" -- govern whether a deposition may be taken. And the Discovery Guidelines (at ¶ 2) clearly leave the burden of petitioning for an order compelling a deposition on the proponent of the deposition, as the regulations provide. See 49 C.F.R. § 1114.22.²

The Utility Appellants simply ignore the separate treatment for testifying and non-testifying witnesses that appears on the face of Decision No. 6 in this case. There (at 16), the Commission ordered that each party, upon filing written evidence, "will make its witnesses available for discovery depositions." There is no similar provision for non-testifying witnesses. The Commission followed the same course in other recent merger proceedings; indeed, in pursuing the current Board (and former Commission) policy of

² Judge Nelson certainly cannot be accused of having been too restrictive as a general matter in ordering the depositions of non-testifying witnesses. Notwithstanding the high burden the Commission's Guidelines and precedents place on parties who seek to depose non-testifying witnesses, Judge Nelson has ordered some seven depositions of non-testifying witnesses -- four witnesses from the Applicants (Messrs. Gehring, Witte, Coale and Matthews), and three witnesses from BN/Santa Fe (Grinstein, Bredenberg, and Dealy). In denying requests for still more depositions of non-testifying witnesses, such as Mr. Shalah, Judge Nelson exercised proper discretion and restraint.

timely, expedited consideration of merger proceedings, the scheduling order in this case flatly omits the instruction to the administrative law judge to "be liberal in permitting depositions wherever needed for discovery of pertinent issues" that had been included in earlier scheduling orders. See, e.g., Union Pacific R.R. Co. -- Trackage Rights Over Lines of Chicago & North Western Transportation Co. Between Fremont/Council Bluffs and Chicago, Finance Docket No. 31562, Decision No. 2, note (Jan. 18, 1990). The Commission followed the same course, evidently for the same reason, in providing for an expedited schedule in the BN/Santa Fe case.

There are additional reasons why depositions of non-testifying witnesses should be ordered only for specified, limited discovery into issues that are both clearly relevant to the Board's disposition of the case and unavailable from other sources, including written or document discovery. To begin with, the expedited schedule adopted in this case, and the similar schedule that the Commission proposed as a general matter (see 60 Fed. Reg. 5890 (1995)), make it especially important that discovery "focus strictly on relevant issues" (Decision No. 6, at 8). That policy is served by limiting depositions to testifying witnesses unless the proponent can show some extraordinary need for cross-examination in addition to written discovery. The need for cross-examination of a testifying witness is clear enough, although limited. Far less apparent is the need to cross-examine operations, marketing, and other personnel about the idiosyncratic details of particular business matters. See Rio Grande Industries--Control--Southern Pacific Transportation Co., Finance Docket No. 32000, 1988 WL 224262 (June 21, 1988) (ALJ decision) (denying all depositions of non-testifying witnesses). What is clear is the need to keep depositions within sensible limits in

order to avoid repetition of the seemingly endless proceedings of decades gone by. A strong presumption against depositions of non-testifying witnesses goes far toward accomplishing this goal.

By contrast, there are no limits on the principle on which the Utility Appellants rely -- that any non-testifying employee who is knowledgeable about a broadly "relevant" issue may be deposed. It is easy for merger opponents to identify some piece of information that is known only by a particular employee. Dozens, if not hundreds, of marketing representatives of the Applicants and of BN/Santa Fe have particularized knowledge about the transportation needs of particular shippers. Opponents of the merger and the settlement will claim that the knowledge of each of these persons is "relevant" to the proceeding in a broad sense. Likewise, if the merger and the BN/Santa Fe settlement are approved, dozens if not hundreds of operations employees will be responsible for implementing operations over the merged carrier's lines and over the trackage rights conveyed in the settlement. Any shipper -- indeed, any competitor -- could seek to depose these marketing or operations personnel on the ground that no other witness knows the likely post-merger or post-settlement operations of the railroads with respect to a particular customer or line segment.

Under the standard proposed by the Utility Appellants, any shipper would have a right to depose the marketing persons responsible for its account in any merger proceeding. Indeed, there already have been numerous requests to Applicants and to BN/Santa Fe for depositions of marketing personnel from the shippers whose accounts they serve. With respect to Mr. Shalah, Judge Nelson correctly restrained this effort to obtain deposition testimony from a non-testifying witness based on a bare assertion that the individual may

know some relevant information. The Board should affirm the correctness of Judge Nelson's decision.

For the foregoing reasons, the order of Judge Nelson was well within his discretion; indeed, his ruling was consistent with Board precedent. The order therefore should be affirmed.

Respectfully submitted,

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

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

and

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

Erika Z. Jones CEO

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

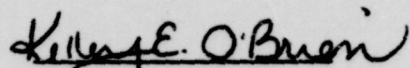
Mayer, Brown & Platt
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 463-2000

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

March 11, 1996

CERTIFICATE OF SERVICE

I hereby certify that copies of Responses of Burlington Northern Railroad Company and The Atchison, Topeka and Santa Fe Railway Company to the Appeal of Entergy Services, Inc., Arkansas Power & Light Co., Gulf States Utilities Company and the Western Coal Traffic League from Administrative Law Judge Nelson's Order Denying Request to Take Depositions (BN/SF-48) have been served this 11th day of March, 1996, by first-class mail, postage prepaid on all persons on the Restricted Service List in Finance Docket No. 32760 and by hand-delivery on counsel for Utility Appellants.



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

STB

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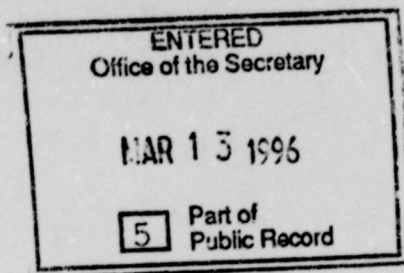
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KCS-26



BEFORE THE
SURFACE TRANSPORTATION BOARD

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

SUPPLEMENTAL LIST OF NUMBERED PLEADINGS FILED BY
THE KANSAS CITY SOUTHERN RAILWAY COMPANY

Pursuant to Surface Transportation Board Decision Nos. 15 and 17 (served 3/7/96), notice is hereby given that the following pleadings have been filed by The Kansas City Southern Railway Company ("KCS") in this proceeding. Parties of record may obtain a copy of any or all of these pleadings by directing a written request, specifying the pleadings requested and the name and address of the person to whom such request should be directed, to: William A. Mullins, Troutman Sanders, 601 Pennsylvania Avenue, N.W., Suite 640, North Building, Washington, D.C. 20004. The requested pleadings will be mailed within three days of receipt of the request.

KCS-1--08/14/95--Comments of Kansas City Southern Railway Company on Proposed Procedural Schedules & Opposition to Proposed Protective Order

KCS-2--08/14/95--Opposition of Kansas City Southern Railway Company to Proposed Protective Order

KCS-3--09/18/95--Comments of the Kansas City Southern Railway Company on Proposed Procedural Schedule

KCS-4--10/10/95--Petition of the Kansas City Southern Railway Company for leave to file Additional Comments on Proposed Procedural Schedule

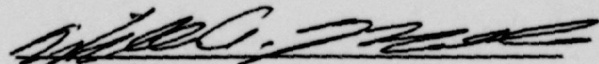
KCS-5--09/05/95--Petition Of the Kansas City Southern Railway Company for a Stay of Decision

- KCS-5 (A)--10/10/95--Additional Comments of the Kansas City Southern Railway Company on Proposed Procedural Schedule
- KCS-6--09/05/95--Petition of the Kansas City Southern Railway Company to Reopen and Reconsider the Commission's Decision
- KCS-7--11/13/95--Kansas City Southern Railway Company's First Interrogatories to Applicants
- KCS-8--11/13/95--Kansas City Southern Railway Company's First Requests for Admission to Applicants
- KCS-9--11/22/95--Kansas City Southern Railway Company's First Request for Production of Documents to Burlington Northern Santa Fe Corporation and Related Entities
- KCS-10--12/14/95--Amendment to Kansas City Southern Railway Company's Request for Admission to Applicants
- KCS-11--12/29/95--Kansas City Southern Company's Revised First Interrogatories to Applicants
- KCS-12--01/02/96--Kansas City Southern Railway Company's Memorandum of Law in Support of Motion to Compel Applicants to Produce Documents and Information Regarding the Negotiations of the Burlington Northern/Santa Fe Trackage Rights Agreement
- KCS-13--01/05/96--Kansas City Southern Railway Company's Second Discovery Requests to Applicants
- KCS-14--01/11/96--Kansas City Southern Railway Company's Third Discovery Requests to Applicants
- KCS-15--01/11/96--Kansas City Southern Railway Company's Notice of Intent to Participate
- KCS-16--01/24/96--The Kansas City Southern Railway Company's Fourth Discovery Requests to Applicants
- KCS-17--01/24/96--Comments of the Kansas City Southern Railway Company in Support of the Motion by Western Shippers Coalition for Enlargement of Procedural Schedule
- KCS-18--01/29/96--Notice of the Kansas City Southern Railway Company
- KCS-19--02/08/96--Kansas City Southern Railway Company's Subpoena to Gerald Grinstein (not issued)
- KCS-20--02/21/96--Kansas City Southern Railway Company's Fifth Discovery Requests to Applicants
- KCS-21--02/22/96--Kansas City Southern Railway Company's Second Discovery Requests to BNSF Corporation and its Predecessors in Interest
- KCS-22--02/23/96--Kansas City Southern Railway Company's Sixth Discovery Requests to Applicants

This 12th day of March, 1996.

Richard P. Bruening
Robert K. Dreiling
The Kansas City Southern
Railway Company
114 West 11th Street
Kansas City, Missouri 64105
Tel: (816) 556-0392
Fax: (816) 556-0227

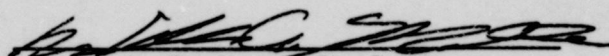
James F. Rill
Sean F.X. Boland
Virginia R. Metallo
Collier, Shannon, Rill & Scott
3050 K Street, N.W.
Suite 400
Washington, D.C. 20007
Tel: (202) 342-8400
Fax: (202) 338-5534


John R. Moim
Alan E. Lubel
William A. Mullins
Troutman Sanders LLP
601 Pennsylvania Avenue, N.W.
Suite 640 - North Building
Washington, D.C. 20004-2608
Tel: (202) 274-2950
Fax: (202) 274-2994

Attorneys for The Kansas City Southern
Railway Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing "Supplemental List of Numbered Pleadings Filed by The Kansas City Southern Railway Company" was served this 12th day of March, 1996, on all parties of record added by Surface Transportation Board Decision No. 17 in this proceeding by depositing a copy in the United States mail in a properly addressed envelope with adequate postage thereon.



Attorney for The Kansas City Southern
Railway Company

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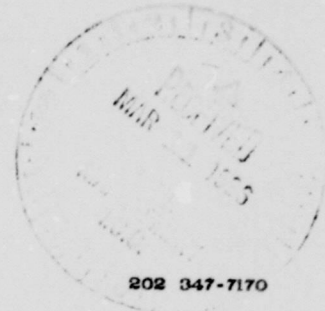
61691

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036

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



March 11, 1996

* ADMITTED IN PENNSYLVANIA ONLY

BY HAND DELIVERY

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

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

Dear Mr. Secretary:

In accordance with the Board's Decision No. 17 in the captioned proceeding, enclosed please find an original and five (5) copies of a Certificate of Service which indicates that service of a list of all numbered pleadings and discovery requests which have been filed or served by the Western Coal Traffic League was served upon all parties of record identified in Decision No. 17.

An extra copy of this letter and Certificate of Service is enclosed. Kindly indicate receipt and filing by time-stamping this extra copy and returning it to the bearer of this letter.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads 'C. Michael Loftus'.

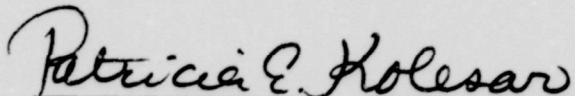
C. Michael Loftus
An Attorney for the Western Coal Traffic
League

MAR 12 1996

Enclosure

CERTIFICATE OF SERVICE

In accordance with the Board's Decision No. 17 in Finance Docket No. 32760, Union Pacific Corporation, et al. -- Control and Merger -- Southern Pacific Rail Corporation, et al., the undersigned attorney hereby certifies that on the 11th day of March, 1996, a list of all numbered pleadings and discovery requests which were filed or served on behalf of the Western Coal Traffic League was served via first class mail, postage prepaid, upon all parties of record identified in Decision No. 17.


Patricia E. Kolesar
Patricia E. Kolesar

STB

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Public Service

Public Service
Company of Colorado

Seventeenth Street Plaza
1225 17th St., Suite 1100
Denver, CO 80202-5533

February 29, 1996

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



RE: Compliance with Decision No. 16, Issued February 22, 1996 regarding Finance
Docket No. 32760, ICC Dockets AB - 12 (Sub-No. 1880) and AB - 8 (Sub No. 39).

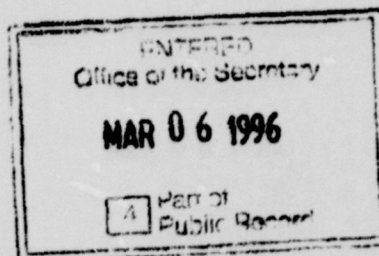
Dear Sir or Madam:

This letter serves to notify the Secretary and all parties of record of all filings made to date by Public Service Company of Colorado. The two documents filed to date are: PSC - 1: Notice of Intent to Participate and PSC - 2: this letter.

I understand that this letter was required to be filed and served by February 26, 1996. However, we regret that we failed to comply by the deadline due to some pressing issues at our company, so service was made as soon thereafter as possible.

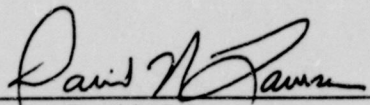
Sincerely,

David N. Lawson
Fuel traffic Coordinator



CERTIFICATE OF SERVICE

I certify that I have this day served copies of the within **Notice of all Previous Filings with the Surface Transportation Board** to all parties of record herein by depositing copies of same in the United States mail, first class postage prepaid, at Denver, Colorado this 1st day of March, 1996.

A handwritten signature in cursive script, appearing to read "David N. Lawson", is written over a horizontal line.

David N. Lawson

Fuel Traffic Coordinator
Public Service Company of Colorado

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SKILL TRANSPORTATION CONSULTING, INC.

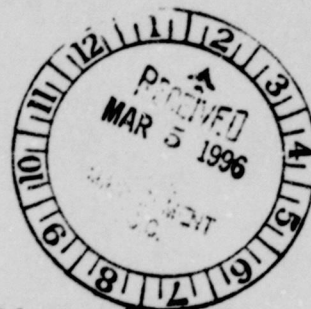
1809 N. BROADWAY, SUITE F, WICHITA, KANSAS 67214

PH: (316) 264-9630 FAX: (316) 264-9735

616 14 J

February 27, 1996

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423



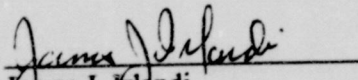
RE: Finance Docket No. 32760, Union Pacific Corp., et al., -- Control & Merger -- Southern Pacific Rail Corp., et al.

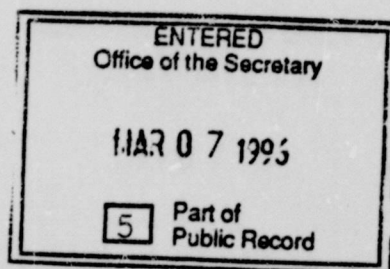
Honorable Secretary Williams,

Pursuant to the decision received on this docket case dated February 16, 1996, this practitioner, because of part-time help, mailed on February 23, 24 and 25, copies of the document filed with the former ICC to all parties of record as instructed in Decision No. 15.

Certificate of Service

Complete copies of the Kansas Shippers Association statement have been served this 25th day of February, 1996, by first class mail postage pre-paid to the parties of record as designated in Decision No. 15 on page 1 thereof, dated February 15, 1996. This original and five copies are being mailed to the Surface Transportation Board.


James J. Irlandi
STB Practitioner
LLB of Laws



STB

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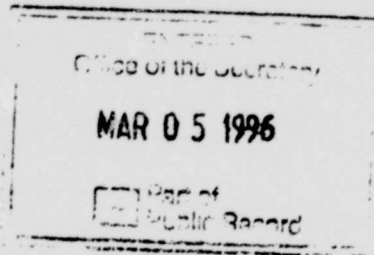
61546

RORY B. PETERSON
MAYOR

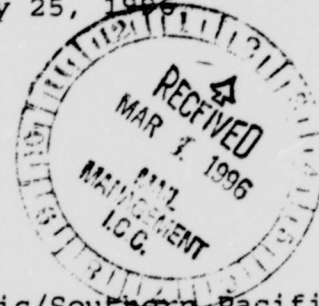
RICHARD W. STEGEMANN
FINANCE MANAGER

615-46
City of Belvidere, Illinois

119 SOUTH STATE STREET
ZIP CODE 61008
(815) 544-3726



February 25, 1996



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

Re: Finance Docket 32760-Union Pacific/Southern Pacific

Dear Mr. Williams:

As mayor of the City of Belvidere, I would like to offer this formal endorsement of the proposed merger of Union Pacific and Southern Pacific. Belvidere is served solely by the Union Pacific, and our Chrysler Assembly Plant is the largest local employer and taxpayer which, understandably, is heavily reliant on rail shipments for materials management logistics and product distribution. Union Pacific, nee' Chicago and NorthWestern, has been providing for their needs, i.e., sequenced inventory delivery, etc., currently required of their manufacturers, and has performed admirably. Over 3,000 local employees and two-thirds of our industrial tax base are reliant on the continued viability of this partnership between the railroad and Chrysler Corporation.

As I understand the benefits attending the US/SP merger, our shippers will enjoy new single-carrier benefits such as expedited single-direction routes to the West Coast and shorter, faster hauls in key corridors such as Chicago to St. Louis, an important automotive artery.

Additionally, many Illinois communities will enjoy this advantage and benefit from the railroad's competitive advantage vis a vis Burlington Northern Santa Fe, as far more communities in Illinois are a part of the former Chicago and NorthWestern, Chicago and Eastern Illinois and Missouri Pacific systems now operated by Union Pacific. The merger of Union Pacific and Southern Pacific can only serve to strengthen this synergistic relationship.

Thank you for your consideration of this critical issue.

ADVISE OF ALL
PROCEEDINGS

Sincerely,

Mayor Rory B. Peterson

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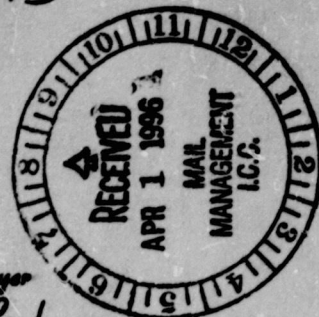
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ENTERED
Office of the Secretary

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3 Part of
Public Record

Honorable Vernon A. Williams
Secretary

Surface Transportation Board
12th St. & Constitution Avenue
Washington, D.C. 20423

C & E Kiffmeyer
8098 Midland Road
Mentor, Ohio 44060

Dear Secretary Williams:

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

My reasoning is straightforward. First, our industrial companies, particularly in the booming polymers sector, need direct service to raw materials and markets in the Gulf "chemical coast" region and to Mexico. Second, we believe that an owner-carrier, such as Conrail, would have greater incentive to improve markets along the route. Third, by keeping Conrail strong, we ensure a variety of service options and strong price competition among the major railroads in our region, namely CSX, Norfolk and Southern, and Conrail.

Finally, and most important, we believe the Conrail proposal is in the best interests of the industrial, manufacturing and transportation workers of our region. It combines efficient transportation, economic development, and continued employment opportunities. These are keys to the public interest.

For those reasons I would oppose the proposed merger unless it includes the Conrail purchase of the eastern lines of the old Southern Pacific. Only with the Conrail acquisition will Northeast Ohio economies be maximally served.

Thank you for your consideration.

Sincerely,

Emelyn Kiffmeyer - Councilman Ward 11
Mentor, Ohio 44060

**ADVISE OF ALL
PROCEEDINGS**

STB

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61462

Thomas J. Litwiler
(312) 616-5861

Two Prudential Plaza
45th Floor
180 North Stetson Avenue
Chicago, Illinois 60601
(312) 616-1800
FAX: (312) 616-5800

Brussels
Chicago
London
Minneapolis
New York
Paris
St. Paul
Washington, D.C.

February 26, 1996



VIA FEDERAL EXPRESS

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

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

Dear Secretary Williams:

Pursuant to Decision No. 15, served on February 16, 1996, I hereby certify that on February 26, 1996, the prior pleadings of Illinois Central Railroad Company in the above-captioned proceeding were served by first class mail, postage prepaid, on all parties of record herein. The enclosed pleadings do not include IC-1, **Notice of Intent to File Responsive Application**, dated November 14, 1995, which is now moot. I will provide a copy of IC-1 to any interested party upon request.

Five copies of this certificate are enclosed for filing at the Board. Please feel free to contact me should any questions arise regarding this matter. Thank you for your assistance.

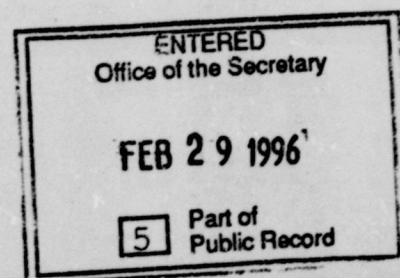
Respectfully submitted,

Thomas J. Litwiler
Attorney for Illinois Central
Railroad Company

TJL:tl

Enclosures

cc: Parties of Record



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J

LAW OFFICES

ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

888 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-3939
TELEPHONE: (202) 298-8660
FACSIMILES: (202) 342-0683
(202) 342-1316



February 26, 1996

TM-13

To: All Parties of Record on the Surface Transportation
Board's Service List for Finance Docket No. 32760

The Texas Mexican Railway Company, in compliance with Decision No. 16, served February 22, 1996, hereby provides to you a list of each of its numbered pleadings in this case. Any Party of Record wishing to have copies of any pleading on this list should send a request to:

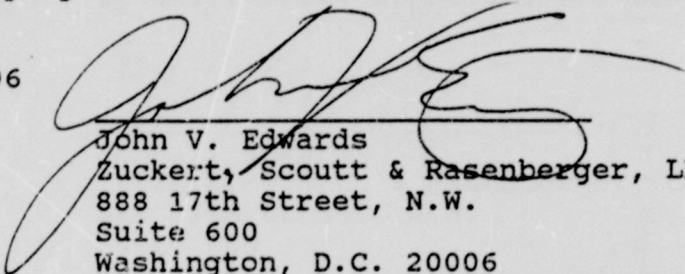
Richard A. Allen
Andrew R. Plump
John V. Edwards
Zuckert, Scoutt & Rasenberger, LLP
888 17th Street, N.W.
Suite 600
Washington, D.C. 20006

Copies of requested pleadings will be sent within three (3) days of receipt of the request.

Certificate of Service

I certify that I have served by U.S. mail, postage pre-paid, this Notice and the attached List of Numbered Pleadings of the Texas Mexican Railway Company on all Parties of Record in this proceeding.

Dated: February 26, 1996



John V. Edwards
Zuckert, Scoutt & Rasenberger, LLP
888 17th Street, N.W.
Suite 600
Washington, D.C. 20006

ENTERED
Office of the Secretary

FEB 27 1996

5 Part of
Public Record

List of Numbered Pleadings for
THE TEXAS MEXICAN RAILWAY COMPANY

Designation	Date	Description
TM-1	Aug. 28, 1995	Notice of Intent to Participate
TM-2	Sept. 18, 1995	Comments of the Texas Mexican Railway Company in Opposition to the Proposed Procedural Schedule
TM-3	Dec. 7, 1995	Request to place Representatives of the Texas Mexican Railway Company on the Restricted Service List
TM-4	Dec. 18, 1995	The Texas Mexican Railway Company's First Interrogatories to the Applicants
TM-5	Dec. 18, 1995	The Texas Mexican Railway Company's First Request to the Applicants for the Production of Documents
TM-6	Jan. 24, 1996	The Texas Mexican Railway Company's Comments in Support of the Motion of the Western Shippers Coalition for Enlargement of the Procedural Schedule
TM-7	Jan. 29, 1996	The Texas Mexican Railway Company's Description of Anticipated Responsive Application
TM-8	Jan. 29, 1996	The Texas Mexican Railway Company's Petition for Waiver or Clarification
TM-9	Feb. 2, 1996	The Texas Mexican Railway Company's Second Interrogatories to the Applicants
TM-10	Feb. 2, 1996	The Texas Mexican Railway Company's Second Request to the Applicants for the Production of Documents
TM-11	Feb. 5, 1996	The Texas Mexican Railway Company's First Interrogatories to Burlington Northern Santa Fe
TM-12	Feb. 5, 1996	The Texas Mexican Railway Company's First Request to Burlington Northern Santa Fe for the Production of Documents

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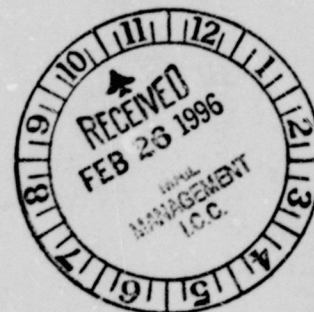
SHIN-2

ENTERED
Office of the Secretary

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5 Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423



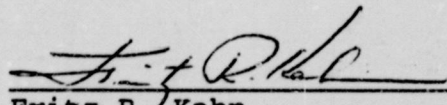
Finance Docket No. 32760

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

CERTIFICATE OF SERVICE

Pursuant to the Board's decision, served February 16, 1996, the prior filing of Shintech, Incorporated, a copy of which is attached, has been served upon each of the parties of record, by mailing them copies by first-class mail, postage prepaid.

Dated at Washington, DC, this 26th day of February 1996.


Fritz R. Kahn
Fritz R. Kahn, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, DC 20005-3934
Tel.: (202) 371-8037

STAMP AND RETURN

SHIN-1

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423



Finance Docket No. 32760

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

NOTICE OF INTENT
TO PARTICIPATE

Pursuant to the decision, served October 19, 1995, Decision No. 6, Shintech Incorporated ("Shintech") advises the Board of its intention to participate in the proceeding and asks that the appearance of its attorneys be entered. Shintech is on record in support of the merger of the Union Pacific Railroad and the Southern Pacific Transportation Company but, nevertheless, believes it desirable to be separately represented herein. As a major shipper of polyvinyl chloride, Shintech intends to keep itself informed of developments in this proceeding.

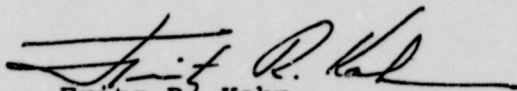
Shintech has selected the acronym "SHIN" for identifying such filings as it may be making.

Respectfully submitted,

SHINTECH INCORPORATED

By its attorneys,

W. David Tidholm
Hutcheson & Grundy
1200 Smith Street (#3300)
Houston, TX 77002-4579
Tel.: (713) 951-2800



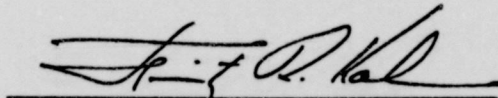
Fritz R. Kahn
Fritz R. Kahn, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, DC 20005-3934
Tel.: (202) 371-8037

Dated: January 16, 1996

CERTIFICATE OF SERVICE

Copies of the foregoing Notice of Intent to Participate were served upon counsel for the Applicants, the Attorney General, the Secretary of Transportation and Administrative Law Judge Nelson, by first-class mail, postage prepaid.

Dated at Washington, DC, this 16th day of January 1996.



Fritz R. Kahn

FD-327602-1596J61259

ENTERED
Office of the Secretary
Item No. _____

61259

Page Count 1 BROWN & PLATT
Feb # 110

CHICAGO
BERLIN
RUSSIA
HOUSTON
LONDON
LOS ANGELES
NEW YORK
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARETTE, NADER Y ROJAS

PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

202-453-2000
TELE: 892803
FACSIMILE
202-651-0473



ERIKA Z. JONES
202-778-0642

February 15, 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.

This is to advise you that the deposition of Carl R. Ice
will continue on Monday, March 4, 1996, at 9:30 a.m. at the
offices of Mayer, Brown & Platt at 2000 Pennsylvania Avenue,
N.W., Suite 6500, Washington, D.C. 20006.

Sincerely,

Erika Z. Jones

Erika Z. Jones

cc: The Honorable Jerome Nelson
The Honorable Vernon Williams

STB FD 32760

2-13-96

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Item No. _____

BROWN & PLATT

Page Count 1

NSYLVANIA AVENUE, N.W.

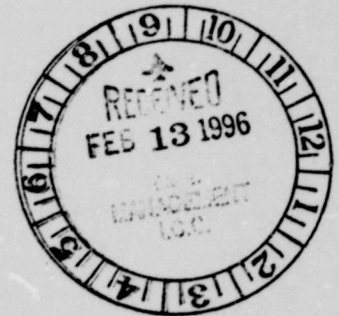
CHICAGO
DALLAS
HOUSTON
LONDON
LOS ANGELES
NEW YORK
MEXICO CITY CORRESPONDENT
JAUREGUI, NAVARETTE, NADER Y ROJAS

INGTON, D.C. 20006-1882

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

ERIKA Z. JONES
202-778-0642

February 13, 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.

This is to advise you of a change in the location of the deposition of Gerald Grinstein, scheduled for Friday, February 16, 1996. The deposition will take place at the law firm of McDonald Sanders; 1300 Continental Plaza; 777 Main Street; Fort Worth, Texas 76102. Please note that this is the same building and same street address as in our prior notification; only the suite number and floor have changed.

This is also to confirm that the deposition will commence at 10:00 a.m. and will adjourn promptly at 6:00 p.m., in accordance with the instruction of Judge Nelson at the discovery conference on February 9, 1996.

In order to confirm that the logistical arrangements are appropriate, we will need to know who plans to attend the deposition of Mr. Grinstein no later than noon on Wednesday, February 14, 1996. Please call Adrian Steel, 202-778-0630, to advise him if you plan to attend. If we do not hear from you, we will assume you are not planning to attend.

Sincerely,

Erika Z. Jones
Erika Z. Jones

cc: The Honorable Jerome Nelson
The Honorable Vernon Williams

FEB 14 1996

Part of
Deposition Record

STB

FD

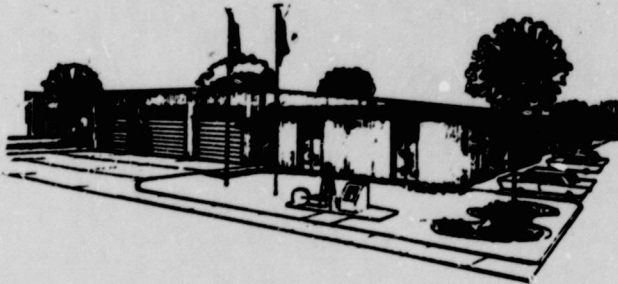
32760

1-30-96

61124

J

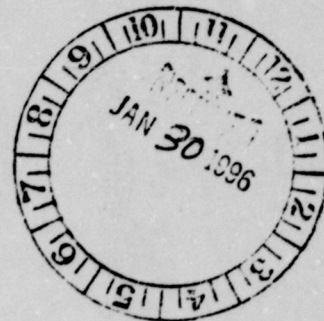
61124



CITY OF FLORENCE

MUNICIPAL BUILDING
300 West Main Street
Florence, Colorado 81226
(719) 784-4848 Fax (719) 784-0228

-Certified-
Return Receipt Requested
Z 682 591 358



January 25, 1996

Interstate Commerce Commission
Attn: Honorable Vernon Williams
12th and Constitution NW
Washington, D.C. 20423

Subject:

~~Docket No. AB-3 (Sub-No. 130)~~ ✓

~~Docket No. AB-8 (Sub-No. 36X)~~ ✓

~~Docket No. AB-8 (Sub-No. 39)~~ ✓

NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE

-and-

ICC Finance Docket No. 32760

PROPOSED CONSOLIDATION. et al

Dear Secretary:

On December 19, 1995 the City of Florence submitted a "Notice of Intent to Participate" in the above mentioned proceedings. At that time, the City was instructed by a person from ICC that we needed to send one original along with twenty (20) copies of this notice to you and also send one copy to each of the applicant's representatives. At that time, the names furnished were Robert T. Opal and Gary A. Laakso. Since that time, we have learned from Julia that Decision No. 6 and Decision No. 9 listed additional individuals as designated applicant representatives. Therefore, today we are sending copies to the below listed individuals:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, D.C. 20426

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

Paul A. Cunningham, Esq.
Harkins Cunningham

JAN 31 1996

Item No. _____

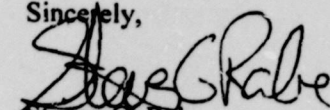
Page Count 2

JAN 4 1996

1300 Nineteenth Street, N.W.
Washington, D.C. 20036

Please advise the City of Florence if any questions or changes occur in these proceedings. Thank you for your assistance.

Sincerely,


Steven G. Rabe
City Manager

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document as well as our original "Notice of Intent to Participate" upon Applicant's Representatives:


Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, D.C. 20426

Arvid E. Rosch, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P. O. Box 7566
Washington, D.C. 20044

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

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Florence, Colorado this 25th day of January, 1996.



Steven G. Rabe

STB

FD

32760

1-29-96

61096

J



61096 COLORADO WHEAT

ADMINISTRATIVE COMMITTEE

Farm Credit Center • 5500 S. Quebec St. • Suite 111 • Englewood, CO 80111 • (303) 740-4343

CERTIFIED MAIL RECEIPT #Z 443 480 164
RETURN RECEIPT REQUESTED

January 22, 1996

Mr. Vernon A. Williams
Office of the Secretary
Case Control Branch
Attn: Finance Docket No. 32760
Interstate Commerce Commission
1201 Constitution Avenue, N.W.
Washington, D.C. 20423



RE: ICC FINANCE DOCKET NO. 32760
UNION PACIFIC CORP., ET AL--CONTROL AND MERGER--
SOUTHERN PACIFIC RAIL CORP. ET AL.

ICC DOCKET NO. AB-3 (Sub-No. 130) —
ICC DOCKET NO. AB-8 (Sub-No. 36X) —
ICC DOCKET NO. AB-8 (Sub-No. 38) +
ICC DOCKET NO. AB-8 (Sub-No. 39) —
ICC DOCKET NO. AB-12 (Sub-No. 188) —
ICC DOCKET NO. AB-12 (Sub-No. 189X) —
NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE
UNION PACIFIC CORP., ET AL--CONTROL AND MERGER--
SOUTHERN PACIFIC RAIL CORP. ET AL

Dear Secretary Williams:

In a letter dated January 10, 1996, the Colorado Wheat Administrative Committee submitted its official "Notice of Intent to Participate" in the above referenced proceeding. Since that time, I have learned that I need to send a copy of this letter to another person. Therefore, today I am sending a copy to:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
Docket No. 32760
825 North Capitol Street, N.E.
Washington, D.C. 20426

Pursuant to the Interstate Commerce Commission procedural schedule adopted in Decision No. 6 and Decision No. 9 in above referenced Dockets, please accept this original to be incorporated into our original "Notice of Intent to Participate." Thank you for your consideration in this regard.

Sincerely,

Darrell L. Hanavan
Darrell L. Hanavan
Executive Director

Office of the Secretary

JAN 30 1996

Part of
Public Record

Item No. _____

Page Count 2

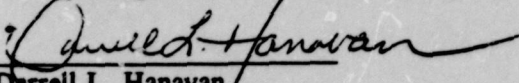
JAN 31

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the following person:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
ICC Finance Docket No. 32760
825 North Capitol Street, N.E.
Washington, D.C. 20426
Certified Mail Receipt #Z 443 480 162

by Pre-Paid, First Class, United States Postal Service
Dated at Englewood, Colorado, this 22nd day of January, 1996.


Darrell L. Hanavan

STB

FD

32760

1-29-96

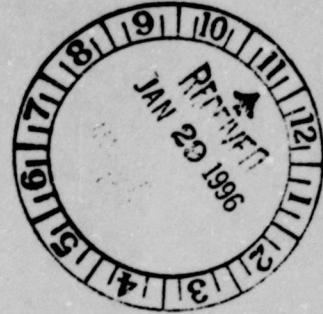
61095

J

61095-

The City of Cañon City

Box 1460
Cañon City, Colorado 81215-1460



January 24, 1996

-Certified-
Return Receipt Requested
P503550986

Mr. Vernon A. Williams
Interstate Commerce Commission
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Subjects: Docket No. AB-12 (Sub-No. 188)
Docket No. AB-8 (Sub-No. 39)
NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE
-and-
ICC Finance Docket No. 32760
PROPOSED CONSOLIDATION, et al

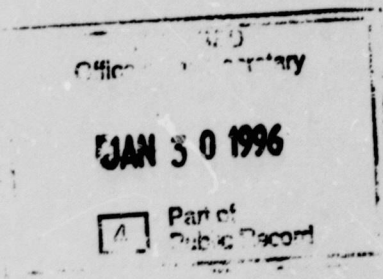
Dear Secretary:

On January 3, 1996 the City of Cañon City, Colorado submitted a "Notice of Intent to Participate" in the above mentioned proceedings. At that time we were instructed by a person from the ICC that we needed to send one original along with twenty (20) copies of this notice to you and also send one copy to Robert T. Opal, which was done. Since that time we have learned from Julia Farr that a copy of the notice also should have been mailed to Gary A. Laakso and that in Decision 6 and Decision No. 9 additional individuals were designated as applicant representatives. Therefore, today we are sending copies to the below listed individuals:

Gary A. Laakso
Southern Pacific Transportation Company
One Market Plaza
San Francisco, CA 94105

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, D.C. 20426

Arvid E. Rosch, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044



Item No. _____

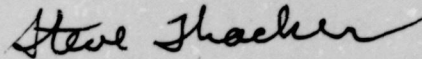
Page Count 11
JAN 31

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

Please advise if any questions or changes occur in these proceedings. Thank you for your assistance.

Respectfully submitted,

CITY OF CAÑON CITY



Steve Thacker
City Administrator

JDH/S1/ch

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document as well as our original "Notice of Intent to Participate" upon Applicants' Representatives:

Gary A. Laakso
Southern Pacific Transportation Company
One Market Plaza
San Francisco, CA 94105

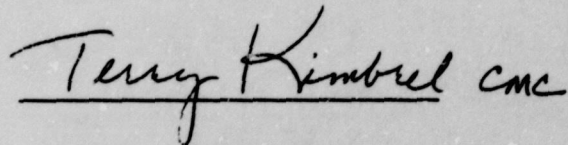
Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, D.C. 20426

Arvid E. Rosch, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044

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

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Cañon City, Colorado this 24th day of January, 1996.



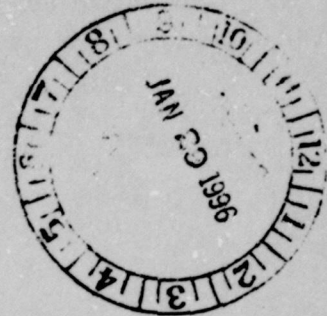
The City of Cañon City

Box 1460

Cañon City, Colorado 81215-1460

-Certified-

Return Receipt Requested
P-503 551 009



Secretary
Interstate Commerce Commission
Washington, D.C. 20423

January 2, 1996

Subjects: Docket No. AB-12 (Sub-No. 188)
Docket No. AB-8 (Sub-No. 39)
NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE
-and-
ICC Finance Docket No. 32760
PROPOSED CONSOLIDATION. et al

Dear Secretary:

Pursuant to the Interstate Commerce Commission procedural schedule adopted by Decision No. 6 in the above outlined three (3) Dockets, please accept this as our official "Notice of Intent to Participate" in all three (3) Subject Dockets as listed above.

Please direct all future correspondence and/or telephone or FAX with respect to the Subject Dockets to:

City of Cañon City, Colorado
P.O. Box 1460
Cañon City, Colorado 81215-1460
Attention: Steve Thacker, City Administrator
Telephone Number (719) 269-9013
FAX Number (719) 269-9017

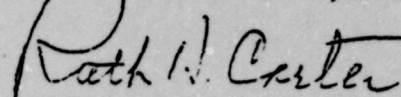
We are aware of the schedule dates applicable for the filing of subsequent "comments, protests, requests for conditions and any other opposition evidence and argument due" and/or "Briefs due" and will meet those required deadlines.

Please advise if any questions or changes occur in these proceedings.

Thank you very much.

Respectfully submitted,

CITY OF CAÑON CITY, COLORADO

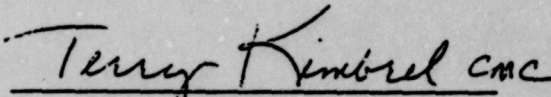


Ruth H. Carter
Mayor

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon Applicant's Representative, Robert T. Opal, General Attorney, 1416 Dodge Street, Omaha, Nebraska 68179-0830, by Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Cañon City, Colorado, this 3rd day of January, 1996.


Terry Kimbrel, City Clerk

STB

FD

32760

1-26-96

61087

J

61087

Kiowa County Commissioners

Commissioners
J.D. Wilson
Sheridan Lake, Colorado
Dutch Elkenberg
Haswell, Colorado
Cardon Berry
Eads, Colorado

1305 GOFF
P.O. BOX 591
EADS, COLORADO 81036
(719) 438-5810
(719) 438-5615
FAX (719) 438-5327

Commissioners Meet
Twice Monthly

ified Return Receipt Requested
(P 467 952 795)

Item No. _____

Page Count 2

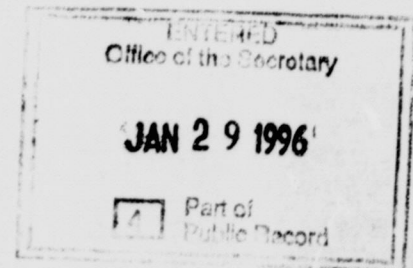
JAN 363

January 19, 1996



Mr. Vernon A. Williams
Interstate Commerce Commission
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

RE: ICC FINANCE DOCKET NO. 32760
DOCKET NO. AB-3 (SUB-NO. 130)
DOCKET NO. AB-8 (SUB-NO. 38)
DOCKET NO. AB-8 (SUB-NO. 36X) ✓
DOCKET NO. AB-12 (SUB-NO. 189X) ✓
DOCKET NO. AB-8 (SUB-NO. 39) ✓
DOCKET NO. AB-12 (SUB-NO. 188) ✓

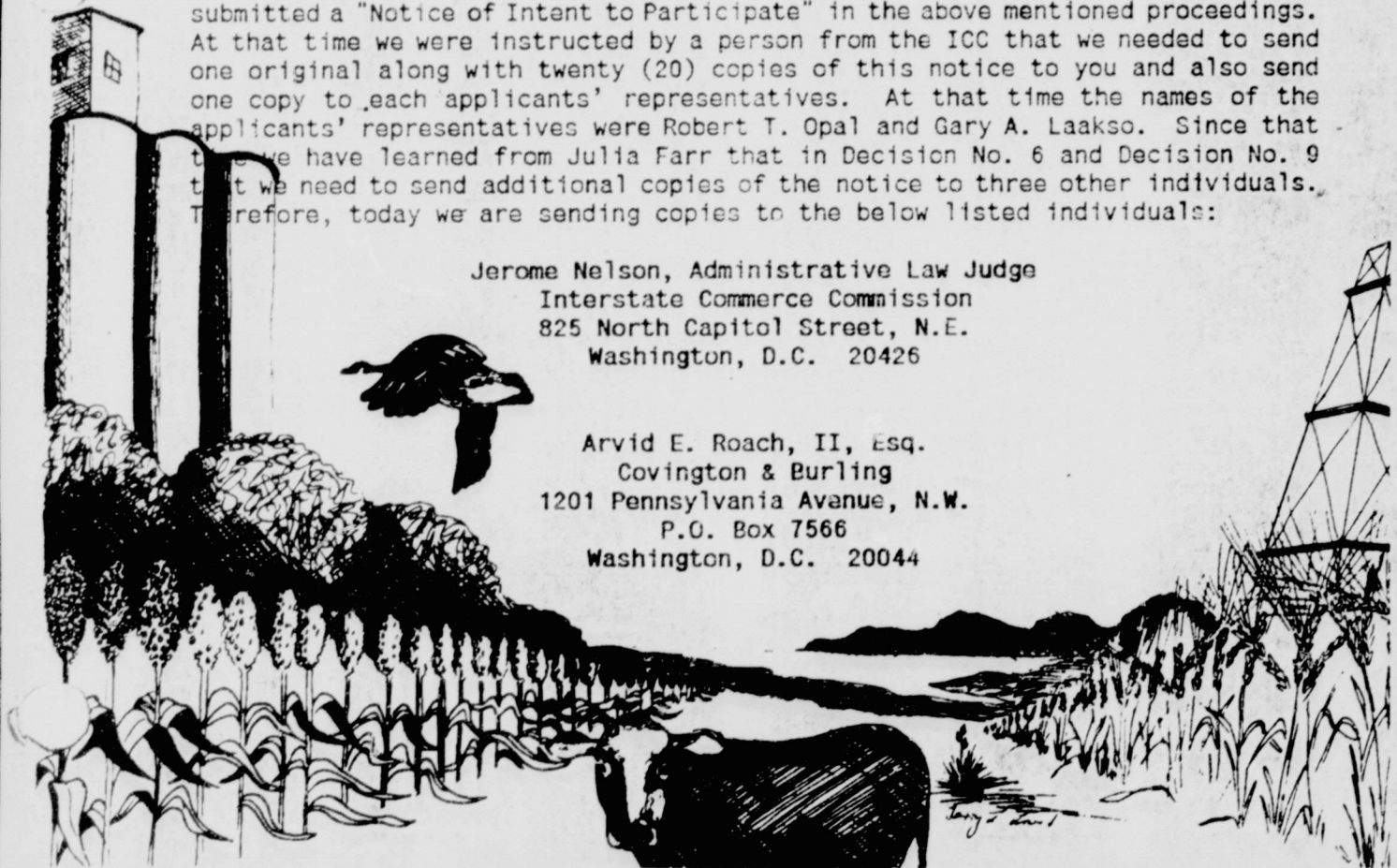


Dear Secretary,

On December 14, 1995 and December 29, 1995, the Kiowa County Commissioners submitted a "Notice of Intent to Participate" in the above mentioned proceedings. At that time we were instructed by a person from the ICC that we needed to send one original along with twenty (20) copies of this notice to you and also send one copy to each applicants' representatives. At that time the names of the applicants' representatives were Robert T. Opal and Gary A. Laakso. Since that time we have learned from Julia Farr that in Decision No. 6 and Decision No. 9 that we need to send additional copies of the notice to three other individuals. Therefore, today we are sending copies to the below listed individuals:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
825 North Capitol Street, N.E.
Washington, D.C. 20426

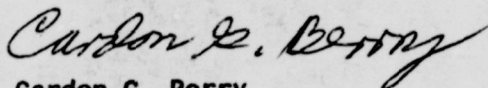
Arvid E. Roach, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044



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

Please advise if any questions or changes occur in these proceedings. Thank you in advance.

Sincerely,



Cardon G. Berry
Chairman

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document as well as our original "Notice of Intent to Participate" upon Applicants' Representatives:

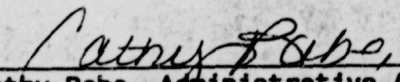
Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
825 North Capitol Street, N.E.
Washington, D.C. 20426
Receipt (P 467 952 796)

Arvid E. Roach, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044
Receipt (P 467 952 797)

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
Receipt (P 467 952 798)

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Eads, Colorado, this 19th day of January, 1996.


Cathy Rabe, Administrative Assistant

STB

FD

32760

1-26-96

61086

J

UAACOG

61086
UPPER ARKANSAS AREA COUNCIL OF GOVERNMENTS
P.O. Box 510 Cañon City, CO 81215-0510
(719) 275-8350

January 22, 1996

-Certified-
Return Receipt Requested
Z205 794 057



Mr. Vernon A. Williams
Interstate Commerce Commission
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

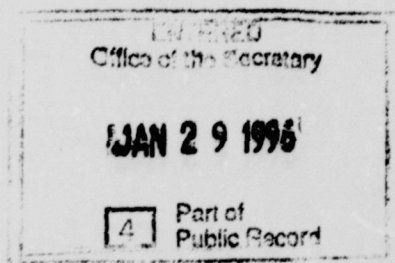
Subjects: Docket No. AB-12 (Sub-No. 188)
Docket No. AB-8 (Sub-No. 39)
NOTICE OF INTENT TO ABANDON AND DISCONTINUE SERVICE
- and -
ICC Finance Docket No. 32760
PROPOSED CONSOLIDATION, et al

Dear Secretary;

On January 3, 1996 Upper Arkansas Area Council of Governments submitted a "Notice of Intent to Participate" in the above mentioned proceedings. At that time we were instructed by a person from the ICC that we need to send one original along with twenty (20) copies of this notice to you and also send one copy to each applicants' representatives. At that time the names furnished were Robert T. Opal and Gary A. Laakso. Since that time we have learned from Julia Farr that in Decision No. 6 and Decision No. 9 additional individuals were designated as applicant representatives. Therefore, today we are sending copies to the below listed individuals:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, D.C. 20426

Arvid E. Rosch, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044



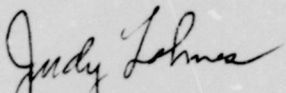
Item No. _____
Page Count 2
JAN 30 1996

CHAFFEE CUSTER FREMONT LAKE

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

Please advise if any questions or changes occur in these proceedings. Thank you for your assistance.

Respectfully submitted,


Judy Lohnes
Executive Director

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document as well as our original "Notice of Intent to Participate" upon Applicants' Representatives:

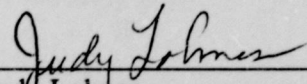
Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, D.C. 20426

Arvid E. Rosch, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20044

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

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Canon City, Colorado, this 22th day of January, 1996.



Judy Lohnes

STB

FD

32760

1-26-96

61085

J

SECRET

Southeast Colorado Enterprise Development, Inc.

Certified Return Receipt Requested
(Z 711 754 420)

January 19, 1996

61085
Phone: (719) 336-3850
Fax (719) 336-3835

103A E. Elm
P.O. Box 1600
Lamar, Colorado 81052



Mr. Vernon A. Williams
Interstate Commerce Commission
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

RE: ICC FINANCE DOCKET NO. 32760
DOCKET NO. AB-3 (SUB-NO. 130) ✓
DOCKET NO. AB-8 (SUB-NO. 38) ✓
DOCKET NO. AB-8 (SUB-NO. 36X) ✓
DOCKET NO. AB-12 (SUB-NO. 189X) ✓
DOCKET NO. AB-8 (SUB-NO. 39) ✓
DOCKET NO. AB-12 (SUB-NO. 188) ✓

Dear Secretary,

On January 11, 1996, the Southeast Colorado Enterprise Development, Inc. submitted a "Notice of Intent to Participate" in the above mentioned proceedings. At that time we were instructed by a person from the ICC that we needed to send one original along with twenty (20) copies of this notice to you and also send one copy to each applicants' representatives. At that time the names of the applicants' representatives were Robert T. Opal and Gary A. Laakso. Since that time we have learned from Julia Farr that in Decision No. 6 and Decision No. 9 that we need to send additional copies of the notice to three other individuals. Therefore, today we are sending copies to the below listed individuals:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
825 North Capitol Street, N.E.
Washington, D.C. 20426

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

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

Office of the Secretary

JAN 29 1996

Part of
Public Record

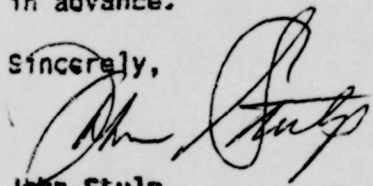
Item No. _____

Page Count 2

JAN 360

Please advise if any questions or changes occur in these proceedings. Thank you in advance.

Sincerely,


John Stulp
Chairman

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document as well as our original "Notice of Intent to Participate" upon Applicants' Representatives:

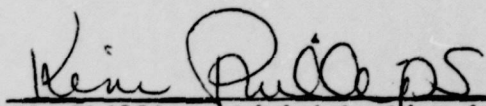
Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
325 North Capitol Street, N.E.
Washington, D.C. 20426
Receipt (Z 711 754 419)

Arvid E. Roach, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7586
Washington, D.C. 20044
Receipt (Z 711 754 421)

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D.C. 20036
Receipt (Z 711 754 429)

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Lamar, Colorado, this _____ day of January, 1996.


Kim Phillips, Administrative Assistant

STB FD 32760

1-26-96

61084

J



EADS CONSUMERS SUPPLY CO., INC.

FARM. SUPPLY CENTER

HASWELL ELEVATOR

P. O. BOX 98

P. O. BOX 207

EADS, COLORADO 81036

HASWELL, COLORADO 81045

303-438-2201

303-436-2323

Item No. _____

Page Count 2

Certified Return Receipt Requested
(P573535501)

JAN 359

January 22, 1996

Mr. Vernon A. Williams
Interstate Commerce Commission
1201 Constitution Avenue, N.W.
Washington, D.C. 20423



RE: ICC FINANCE DOCKET NO. 32760

DOCKET NO. AB-3 (SUB-NO. 130)
DOCKET NO. AB-8 (SUB-NO. 38)
DOCKET NO. AB-8 (SUB-NO. 36X)
DOCKET NO. AB-12 (SUB-NO. 189X)
DOCKET NO. AB-8 (SUB-NO. 39)
DOCKET NO. AB-12 (SUB-NO. 188)

Dear Secretary,

On December 14, 1995 and December 29, 1995, the Board of Directors of the Eads Consumers Supply Co., Inc. submitted a "Notice of Intent to Participate" in the above mentioned proceedings. At that time we were instructed by a person from the ICC that we needed to send one original along with twenty (20) copies of this notice to you and also send one copy to each applicant's representatives. At that time the names of the applicant's representatives were Robert T. Opal and Gary A. Laakso. Since that time we have learned from Julia Farr that in Decision No. 6 and Decision No. 9 that we need to send additional copies of the notice to three other individuals. Therefore, today we are sending copies to the below listed individuals:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
825 North Capitol Street, N.E.
Washington, D.C. 20426

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

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

Office of the Secretary

JAN 29 1996

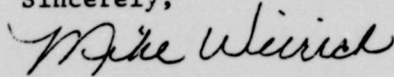
A Part of
Public Record

Mr. Vernon A. Williams
Interstate Commerce Commission

2

Please advise if any questions or changes occur in these proceedings. Thank you in advance.

Sincerely,



Mike Weirich
President

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document as well as our original "Notice of Intent to Participate" upon Applicants' representatives:

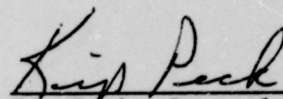
Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
825 North Capitol Street, N. E.
Washington, D. C. 20426
Receipt P573535502

Arvid E. Roach, II, Esq.
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D. C. 20044
Receipt P573535503

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, N.W.
Washington, D. C. 20036
Receipt P573535504

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Eads, Colorado, this 22nd day of January, 1996.



Kip Peck, General Manager

STB FD 32760

1-26-96

61082

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COLORADO MOUNTAIN COLLEGE



61082

Item No. _____

Page Count 3

JAN 357

January 23, 1996



Mr. Vernon A. Williams
Interstate Commerce Commission
1201 Constitution Ave., N.W.
Washington, DC 20423

Subjects: ICC Finance Docket No. 32760
Proposed Consolidation, et al

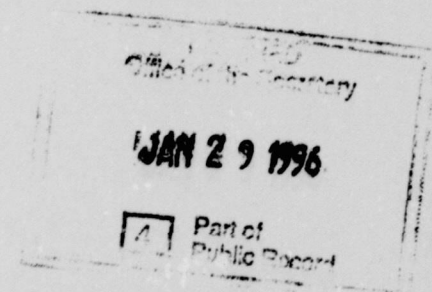
Dear Secretary:

On December 22, 1996 Leadville Coalition submitted a "Notice of Intent to Participate" in the above mentioned proceedings. At that time we were instructed by a person from the ICC that we needed to send one original along with twenty (20) copies of this notice to you and also send one copy to each applicants' representatives. At that time the names furnished were Robert T. Opal and Gary A. Laakso. Since that time we have learned from Julia Farr that in Decision No. 6 and Decision No. 9 additional individuals were designated as applicant representatives. Therefore, today we are sending copies to the below listed individuals:

Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, DC 20426

Arvid E. Rosch, II, Esq.
Covington & Burling
1201 Pennsylvania Ave., NW
P.O. Box 7566
Washington, DC 20044

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, NW
Washington, DC 20036



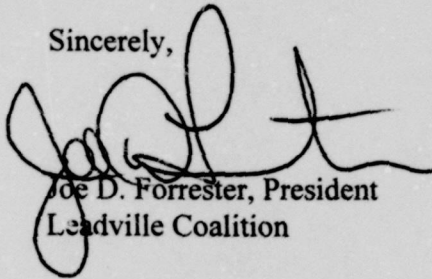
LEADING
THROUGH
LEARNING

TIMBERLINE CAMPUS

901 South Highway 24 Leadville, Colorado 80461 719-486-2015

Please advise if any questions or changes occur in these proceedings. Thank you for your assistance.

Sincerely,



Joe D. Forrester, President
Leadville Coalition

/cc

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document as well as our original "Notice of Intent to Participate" upon Applicant's Representatives:

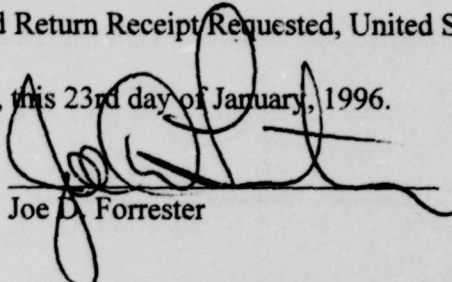
Jerome Nelson, Administrative Law Judge
Interstate Commerce Commission
525 North Capitol Street, N.E.
Washington, DC 20426

Arvid E. Rosch, II, Esq.
Covington & Burling
1201 Pennsylvania Ave., NW
P.O. Box 7566
Washington, DC 20044

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, NW
Washington, DC 20036

Prepaid, First-Class, Certified Return Receipt Requested, United States Postal Service.

Dated at Leadville, Colorado, this 23rd day of January, 1996.



Joe D. Forrester

COLORADO MOUNTAIN COLLEGE



December 22, 1995

Secretary
Interstate Commerce Commission
Washington, DC 20423

ref: ICC Finance Docket No. 32760
Proposed Consolidation, et al

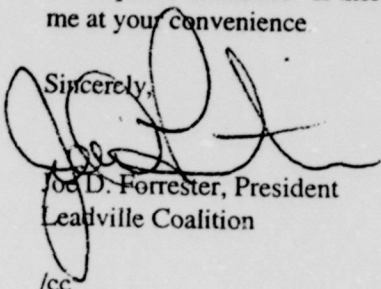
Dear Secretary,

Pursuant to the Interstate Commerce Commission procedural schedule adopted by Decision #6 in the above-referenced docket, please accept this as our official "Notice of Intent to Participate." Please direct all future correspondence and/or telephone or fax with respect to this docket to:

Joe D. Forrester, President
Leadville Coalition
c/o Colorado Mountain College
901 S. Hwy. 24
Leadville, CO 80461
Tel: 719-486-4212
Fax: 719-486-3212

We are aware of the schedule dates applicable for the filing of subsequent comments, protests, requests for conditions and any other opposition, evidence and argument due and/or briefs due. We will operate within the required deadlines. If there are changes to the anticipated schedule, or if there are questions, please advise me at your convenience.

Sincerely,

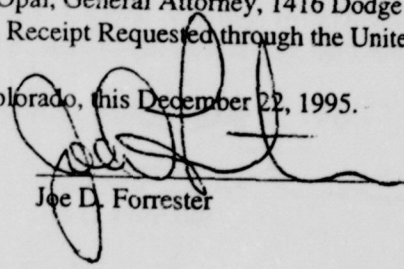

Joe D. Forrester, President
Leadville Coalition

/cc

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon Applicant's Representatives, Gary A. Laakso, General Attorney, Southern Pacific Building, Room 846, One Market Plaza, San Francisco, CA 94105 and Robert T. Opal, General Attorney, 1416 Dodge Street, Omaha, NE 68179 by Prepaid, First-Class mail, Certified Return Receipt Requested through the United States Postal Service.

Dated at Leadville, Colorado, this December 22, 1995.


Joe D. Forrester

EADY
THROUGH
LEARNING

TIMBERLINE CAMPUS

901 South Highway 24 Leadville, Colorado 80461 719-486-2015

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Office of the Secretary

JAN 16 1996

Portr

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT TELEFAX NUMBER

(202) 778-5388

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

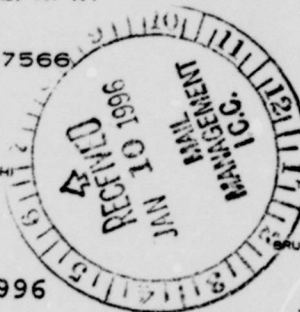
WASHINGTON, D.C. 20044-7566

(202) 662-6000

TELEFAX: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING



LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE: 44-171-495-5655

TELEFAX: 44-171-495-3101

BRUSSELS CORRESPONDENT OFFICE

44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-512-9890

TELEFAX: 32-2-502-1596

January 10, 1996

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

To All Parties of Record:

This letter is to inform you of several changes in the deposition schedule and to request notification of your plans to attend depositions.

In response to requests of KCS, NIT League and others, the deposition of John H. Rebensdorf will now take place over two days, January 22-23, and the deposition of Michael A. Hartman will be on February 23, rather than January 22. In addition, the deposition of Mark J. Draper and Dale W. Salzman will be moved from February 20 to February 22.

In order to assist us in providing adequate facilities for depositions, we request that parties indicate which depositions they plan to attend. Please contact Michael Rosenthal (tel: (202) 662-5448; fax: (202) 778-5448) to advise us of your plans. We will assume you will not be attending a deposition unless you indicate otherwise.

Sincerely,

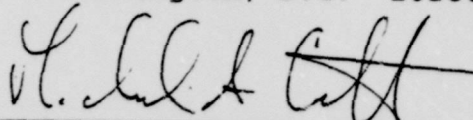
Arvid E. Roach II

CERTIFICATE OF SERVICE

I, Michael A. Listgarten, certify that, on this 10th day of January, 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
Room 9104-TEA
Department of Justice
Washington, D.C. 20530

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



Michael A. Listgarten

STB

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32760

11-30-95

J

60506



City of Columbus
Mayor Gregory S. Lashutka

60506 J

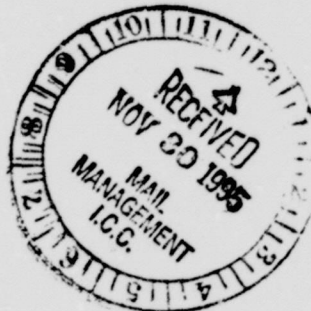
Office of the Mayor

City Hall
Columbus, Ohio 43215-9014
614/645-7671
FAX 614/645-8955

November 27, 1995

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

RE: Finance Docket 32760



Dear Secretary Williams:

I have recently become aware of your pending review of the Union Pacific merger with Southern Pacific. As mayor of Ohio's capital city, I am concern about our industries' ability to access reliable rail transportation at a fair price. Given the nature of Ohio's industry, particularly automobile manufacturing, Ohio's interests may not be best served by the proposed merger, due to its potential for creating anti-competitive mega-railroads.

Instead, I support Conrail's proposal to acquire a significant portion of Southern Pacific's eastern lines. Under their plan, Conrail can provide us with direct efficient rail access to the growing Gulf Coast, Mid-South and Mexican markets. Direct access to these areas would not only enhance our manufacturers and shippers current service, but could open new markets.

Columbus is marketing itself internationally as an "inland port" and key distribution point with direct rail links to ports in New York, Virginia, and Los Angeles. We have three intermodal rail terminals from three different railroads, Conrail being one of them. Further strengthening Conrail's position here would enhance our city's ability to market itself as an efficient inland port.

Conrail's service to Ohio has been a great benefit to our business community. I am confident the Commission will evaluate the UP merger thoroughly and am hopeful you will see the obvious merits of Conrail's proposed purchase of SP's eastern lines.

Sincerely,

Gregory S. Lashutka
Mayor

GSL:rs

ENTERED
Office of the Secretary

NOV 30 1995

3 Part of
Public Record

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KEN ARMBRISTER
District 18

The Senate of
The State of Texas
Austin 78711

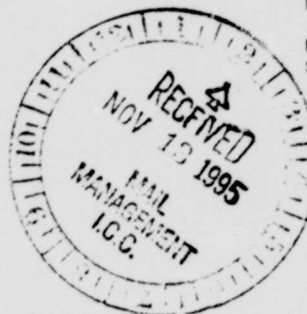
COMMITTEES:
Chairman - STATE AFFAIRS
EDUCATION
INTERNATIONAL RELATIONS,
TRADE & TECHNOLOGY
NATURAL RESOURCES
SUB-COMMITTEE ON WATER

November 6, 1995

ENTERED
Office of the Secretary

NOV 20 1995

3 Part of
Public Record



The Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Twelfth Street and Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423

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

Dear Mr. Williams:

My name is Kenneth L. Armbrister. I am a Texas State Senator. I am writing with regard to the matter before the Interstate Commerce Commission in Finance Docket 32760 (Union Pacific Corp., et al. -- Merger and Control -- Southern Pacific Rail Corp., et al).

I strongly support the merger of the Union Pacific and Southern Pacific. I believe that it will improve rail service in the region by giving area shippers faster and more reliable service to many points in the United States and by bringing new rail competition to the Corpus Christi and Victoria/Bloomington areas.

The merger will give shippers in Victoria County single-line service to all destinations served by either Union Pacific or Southern Pacific. Our shippers will gain much faster service to California along Southern Pacific's Southern Corridor route, particularly in light of plans to upgrade the lines between El Paso and Los Angeles following the merger. In addition, new single-line access will be available to points in Oregon, Colorado, Utah, Louisiana, and Arkansas.

Service to all locations on Union Pacific and Southern should be faster because of a variety of improvements that will result from the merger. Shipping distances to a number of destinations will be reduced, by taking advantage of the routing possibilities of the combined Union Pacific/Southern Pacific system. For example, new service between Houston and the Pacific Northwest (via Dallas, Amarillo, and Denver) will shorten shipping distances to the West and Pacific Northwest. The availability of alternative routes to a number of destinations will also speed up traffic by allowing trains to be routed around congestion or other delays.

Shippers in the coastal bend will enjoy other benefits from the merger. The Union Pacific/Southern Pacific will be able to make more equipment available to our shippers by positioning the combined fleet of equipment more efficiently, exploiting backhaul and triangulation possibilities. Another advantage will be an increased ability to pre-block trains, thereby reducing congestion at crowded terminals such as Houston, and making service to the Upper Midwest and New Orleans faster and more reliable.

Shippers who are served by Southern Pacific will receive additional benefits from the merger. Cross-border traffic will move more swiftly as Southern Pacific customers begin to take advantage of the efficient procedures used by the Union Pacific's cross-border traffic. More generally, the future of the Southern Pacific, which has suffered from financial difficulties and service problems, will be assured.

Shippers will also benefit from new rail competition. Under the terms of a recent agreement, Union Pacific/Southern Pacific will grant rights to Burlington Northern/Santa Fe to provide service to rail customers in Corpus Christi and to interchange traffic with the Tex Mex Railway at Corpus Christi. This will give area shippers direct access to the massive Burlington Northern/Santa Fe system. This agreement will ensure that rail competition in the area will be even stronger than it is today, giving shippers in the Corpus Christi region better service to more locations. In addition, Union Pacific/Southern Pacific will be a large system that will be more equal to the BN/Santa Fe as a competitor. This should produce more vigorous competition.

Overall, I believe that the merger of the Union Pacific and the Southern Pacific is good for the Victoria area. It will add new service, improve existing service, and strengthen existing rail competition. I urge you to approve this merger.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Kenneth Armbrister', with a stylized, flowing script.

Kenneth Armbrister

State Senator - District 18

STB

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WILLIAM R. O'DONNELL

SENATOR

Clark No. 5



DISTRICT OFFICE:

2995 S. Jones
Las Vegas, Nevada 89102
Office: (702) 873-2724
Fax No.: (702) 368-4617

LEGISLATIVE BUILDING:

401 S. Carson Street
Carson City, Nevada 89710
Office: (702) 687-3649 or (702) 687-5742
Fax No.: (702) 687-5962

COMMITTEES:

Chairman

Transportation

Member

Finance

Human Resources and Facilities

State of Nevada Senate

September 22, 1995

The Honorable Vernon A Williams, Secretary
Interstate Commerce Commission
Room 2215
Twelfth Street and Constitution Avenue N.W.
Washington, D.C. 20423

Dear Secretary Williams:

As the Senate Transportation Committee Chairman of the Nevada State Senate, and a resident of Clark county, Nevada for over 43 years, I would like to express my support for the proposed merger between the Southern Pacific and Union Pacific railroads and to urge expeditious approval of this merger.

Nevada Shippers should see a number of benefits from the merger. Railroad equipment supply should be improved as the two railroads combine their fleets, and as the operations take advantage of some economies of scale. Nevada businesses that ship and receive freight by rail should gain extensive new single-line service. Nevada shippers on the SP points throughout California and in Arizona and New Mexico should see substantial cost savings generated by reducing overhead costs and improving efficiency. This is a definite advantage to the public.

The merger should protect the Southern Pacific financially. Merging the SP and UP should provide a strong railroad that can compete on an equal footing with the combined Burlington Northern and ATSF railroads.

Automobile and inter-model freight in the Las Vegas area is handled by UP at Las Vegas. With this merger, I believe Nevada rail customers will be assured of the high quality transportation service needed in our modern economy. I urge you to approve this merger.

Yours Truly

Bill O'Donnell

Bill O'Donnell

Senate Transportation Chairman

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Office of the Secretary

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City of Palestine

FD 32768

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ANDY MCCUISTION
CITY MANAGER
Tele: (903) 731-8415
Fax: (903) 731-8486

October 18, 1995

Mr. Jack Kyle
Vice President - Governmental Affairs
Union Pacific Corporation
1005 Congress Avenue, Suite 800
Austin, Texas 78701



Dear Mr. Kyle:

The community has had a long and valued association with the railroad industry in general and the Union Pacific Railroad in particular. Union Pacific has a significant presence in our community contributing not only in jobs and capital but also in service to our local businesses and industries.

A merger of the Union Pacific and Southern Pacific Railroads allowing them to improve services from Houston to California, to better serve Texas shippers and to reduce operating costs thereby improving their competitive position would be in the best interest of the City of Palestine and Anderson County.

The City of Palestine strongly supports the proposed merger of the Union Pacific and Southern Pacific Railroads.

Sincerely,

Andy McCuiston
City Manager

AMC/de

xc: Jerry Martin
Texas Railroad Commission
P.O. Box 12976
Austin, Texas 78711-2967

Office of the Secretary

OCT 23 1995

Honorable Vernon A. Williams, Secretary ✓
Interstate Commerce Commission
12th & Constitution Avenue N.W., Room 2215
Washington, D.C. 20423

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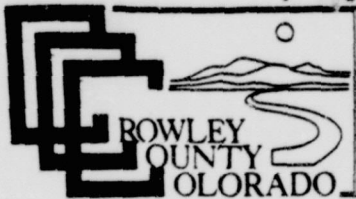
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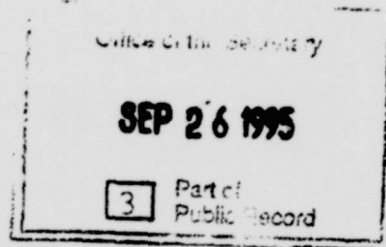
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BOARD OF
County Commissioners
CROWLEY COUNTY
ORDWAY, COLORADO 81067

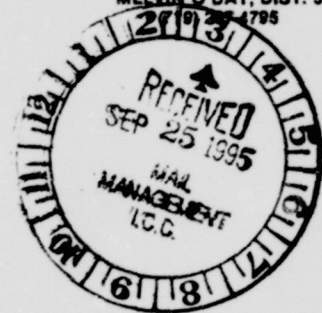
Jack Baier
PUC
Logan Tower OL3
1580 Logan Street
Denver, Co 80203



60107
HARRY DOAK, DIST. 1
(719) 448-8334

BLAINE ARBUTHNOT, DIST. 2
(719) 287-4481

MELVIN O'DAY, DIST. 3
(719) 287-4795



Please be advised that recently it came to the attention of the Board of County Commissioners of Crowley County, Colorado that a petition or application was recently, filed before the Interstate Commerce Commission in Washington, D.C. by Union Pacific Railroad Company and its rail affiliate, Missouri Pacific Railroad Company, and Southern Pacific Transportation Company and its affiliate, St. Louis Southwestern Railway Company, SPCSL Corporation and The Denver and Rio Grande Western Railroad Company, in ICC Finance Docket No. 32760.

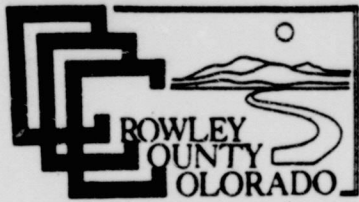
Of concern to our County is that notice has been published in several local newspapers in the surrounding cities and counties, publishing notice of an abandonment of the railroad line commencing at a point in western Kansas and continuing westward into and throughout Kiowa County, through Crowley County and ending in Pueblo County, Colorado.

The impact of abandonment of the entire and only railroad line in Crowley County would be absolutely devastating to our County for several reasons. Crowley County is a large cattle feeding County and the feedyards depend on the rail for grain shipments to reduce the cost of transportation. To remove the rail system in our County would add additional costs to the cattle industry in our area.

Our records indicate approximately fifteen percent of our taxes are derived from our railroad lines and usage. In light of Admendment 1 and other statutory restraints in raising taxes, to lose fifteen percent of our taxes would create severe hardships for our County operations as well as those of our local school district, and cities.

Given our sparse population in Southeast Colorado to abandon this railroad line could have the potential of laying off approximately 125 rail employees as well as a myriad of related employees in spin-off and service or support industries.

Clearly, given the damaging effect such a proposal would present within our County, surrounding counties, and the general taxpayers, we would appreciate any help you could provide on this matter.



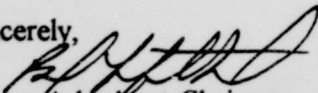
BOARD OF
County Commissioners
CROWLEY COUNTY
ORDWAY, COLORADO 81067

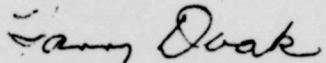
HARRY DOAK, DIST. 1
(719) 448-8334

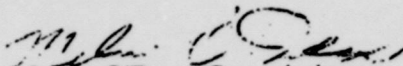
BLAINE ARBUTHNOT, DIST. 2
(719) 287-4491

MELVIN O'DAY, DIST. 3
(719) 287-4795

Sincerely,


Blaine Arbuthnot-Chairman


Harry Doak - Commissioner


Melvin O'Dea - Commissioner

FD-32760. 8-15-95 60048

SEP 15

Item No. _____

Page Count 2Sept # 19

P.2

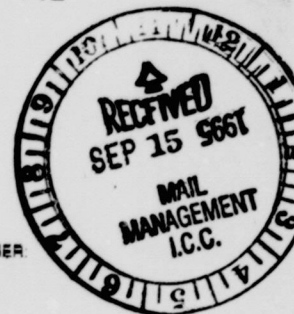
Bethlehem Steel Corporation

1170 EIGHTH AVENUE

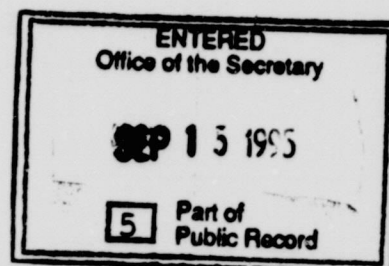
BETHLEHEM, PA 18016

WRITER'S DIRECT DIAL NUMBER
810/694-2301R. A. RUDZKI
GENERAL MANAGER
PURCHASING & TRANSPORTATION
D. A. DAVIS
MANAGER
TRANSPORTATION

September 14, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
12th St. and Constitution Avenue, N.W.
Room 2215
Washington, DC 20423

FD-32760



Re: Union Pacific - Southern Pacific Merger Application

Dear Mr. Williams:

Bethlehem Steel Corporation intends to be actively involved in the proposed merger between the Union Pacific Rail Corporation and the Southern Pacific Rail Corporation. We are concerned that the proposed procedural schedule will not permit sufficient time to consider and, hopefully work out, the many competitive problem inherent in the merger. We urge the Commission to allow as much time as possible in this particular phase of the proceedings.

We believe that a full ninety days from the initial filing or sixty days from the Commission's notice of acceptance is the minimum period before comments, protests and requests for conditions should be due. A shorter schedule, we believe, will tend to increase rather than decrease the number of such comments, protests and requests. Given sufficient time, concerned shippers and the principals will probably be able to resolve many of these competitive problems without the Commission's involvement, thereby saving time and effort in the long run.

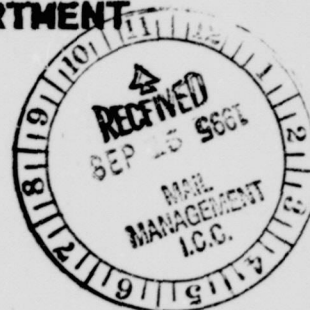
We appreciate the need for an expedited schedule and we believe that such a schedule can accommodate sufficient time to work out many of the complications in a merger of two such large and, to some extent, overlapping rail systems. In fact, we believe that this will expedite rather than delay the proceedings. Thank you for considering our views.

Sincerely,

Delmar A. Davis

**BETHLEHEM STEEL CORPORATION
PURCHASING & TRANSPORTATION DEPARTMENT
TRANSPORTATION GROUP**

**1170 EIGHTH AVENUE
ROOM 477 MARTIN TOWER
BETHLEHEM, PA 18016-7699**



**Outside Company Fax - 610-694-5551
Interoffice Fax - 8-232-5551**

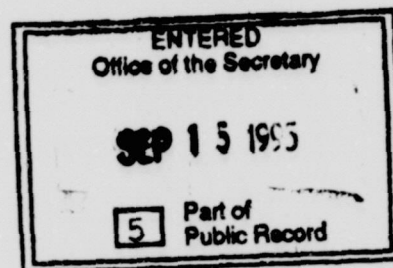
FROM: Del Davis

TO: Vernon A. Williams

NUMBER OF PAGES - COVER PLUS 1 PAGES

DATE: 9/15/95

ADDITIONAL INFORMATION -



FD-32760. 9-22-95 J 60104

Item No. _____

Page Count 1

Sept # 75

The Fieldston Company, Inc.

1920 N Street N.W. • Suite 210 • Washington, DC 20036-1613
(202) 775-0240 • Fax (202) 872-8045

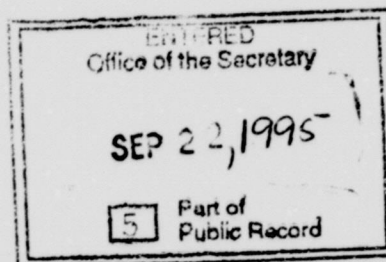
60104

September 20, 1995

Arvid E. Roach II, Esquire
Covington & Burling
1201 Pennsylvania Avenue, N.W.
Post Office Box 7566
Washington, D.C. 20044

Paul A. Cunningham, Esquire
Harkings Cunningham
1200 Nineteenth Street, N.E.
Washington, D.C. 20036

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



Gentlemen:

This letter will serve as our request that the undersigned be included on the list for service of the application and for all other purposes in conjunction with the above-referenced proceeding.

Your attention to the foregoing is appreciated.

Sincerely,

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

Thomas A. Schmitz
Director, Consulting Services

✓ cc: Vernon A. Williams
Secretary, Interstate Commerce Commission

STB

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8-24-95

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60012

Sierra Pacific Power Company*Your Energy People*

August 21, 1995

Office of the Secretary
Interstate Commerce Commission
1201 Constitution Avenue, NW
Washington, DC 20423



Dear Sir,

My name is Jeffery W. Hill and I am the Director of Fuel Management and Operating Support for Sierra Pacific Power Company in Reno, Nevada. Due to the location of our North Valmy Power Plant between two competing railroads, our company has a significant interest in the recently proposed Union Pacific-Southern Pacific railroad merger. Consequently, our company will be following this merger proceeding very carefully.

Please add me to the service list for this proceeding. It is my understanding that this merger proceeding is identified as Finance Docket No. 32760. I wish to receive any filings submitted regarding this proceeding.

Sincerely,

Jeffery W. Hill
Director of Fuel Management
Sierra Pacific Power Co.
6100 Neil Road
PO Box 10100
Reno, Nevada 89520

